

Gary Hall
Chief Executive
Chorley Borough Council
The Town Hall
Market St,
Chorley,
Lancashire
PR7 1DP

17th February 2014

Dear Gary,

Chorley Borough Council - Corporate Peer Challenge – 14-16 January 2014

On behalf of the peer team, I would like to say what a pleasure and privilege it was to be invited into Chorley Borough Council to deliver the recent corporate peer challenge as part of the LGA offer to support sector led improvement.

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 Chorley were:

- Lead Peer – Ian Fytche, Chief Executive, North Kesteven District Council
- Member Peer – Cllr Simon Greaves, Leader of Bassetlaw District Council
- Senior Officer Peer – Jackie Smith, Director of Environmental and Customer Services, South Staffordshire District Council
- Senior Officer Peer – Steve Capes, Head of Regeneration and Organisational Development, Derbyshire Dales District Council
- Peer Challenge Manager: Darienne Law, LGA
- Shadowing role: Jonathan Yeates, NGDP Graduate Trainee, LGA

Scope and focus of the peer challenge

You asked the peer team to provide an external 'health-check' of the organisation by considering the core components looked at by all corporate peer challenges:

1. Understanding of the local context and priority setting: Does the council understand its local context and has it established a clear set of priorities?
2. 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?

3. Political and managerial leadership: Does the council have effective political and managerial leadership and is it a constructive partnership?
4. Governance and decision-making: Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
5. Organisational capacity: Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

In addition, the council asked the team to explore:

- ❖ Economic Development and Regeneration: The economic strategy is due to be reviewed and consideration of how your work on economic development is progressing particularly with regard to: -
 - Are the priorities in the economic development strategy still relevant?
 - Is there anything more that can be done to engage partners to support improving Chorley's local economy?

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 3 days onsite at Chorley, during which they:

- Spoke to more than 50 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 20 meetings, visits to key sites in the area and additional research and reading.

This letter 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.

Summary of feedback: overall observations and messages

Chorley Borough Council is a well led, ambitious council that understands its context and seeks to address the local challenges and community aspirations. The Council has a strong track record of delivery. Chorley is a high performing organisation with good levels of customer satisfaction, and well regarded as a partner.

Chorley has some excellent people passionate about making a difference, benefiting from good member/officer relationships there is an open transparent culture. The Chorley Council brand is trusted – it is a ‘can-do’ council, it gets things done and delivers good services.

Economic Development is the council’s top priority. Ambitions in this area are clear and investment has been made in the service, and this is starting to deliver the foundations for growth.

You have a strong track record of sound financial management achieving your savings targets and delivering a balanced budget and a robust approach to your medium term financial planning .

Chorley has shielded the community from service cuts through sound financial management, delivering transformation in back office functions and from the benefits of planned growth attracted significant New Homes Bonus. This has meant that despite reductions in RSG funding you have been able to continue your investment in priorities such as developing the town centre, creating new jobs, supporting new and existing businesses and neighbourhood working.

Can you keep adding more to your agenda? There is a need to take stock, review and consider whether the making it happen approach and organisational plan is now sustainable given your capacity and resources.

The financial challenge is a game changer for local government, Chorley is no exception. The council now needs to agree long term sustainable plans to establish what kind of council you want to be, what the future community needs are, where you can add the most value within your new financial envelope address the budget position over the longer term.

Current relationships communication and decision making processes between the senior management team and the political leadership are good. It is recognised that there are difficult decisions to be taken in the coming years about future budget reductions and the potential impact in the organisation. To aid this a greater focus on longer term planning is needed.

The council has clear and ambitious plans for regeneration and economic development of the Borough, by investing in its teams, facilitating local businesses and seeking innovative partnerships considerable momentum has been built up over the last eighteen months. Tangible outcomes are now being delivered providing a platform for engagement with the LEP and the County Council in mutually beneficial areas. Given the MTFs it will be vital to review how you prioritize between the different elements of the strategy, allocate your resources to the different development options to ensure a return on your own investment and keep up momentum.

Key factors for success are in place, creating a brief window of opportunity to meet the financial challenge – the time to make the big decisions is now, robust governance, ‘joined up’ leadership with the capacity to focus priorities and make the big decisions is essential. Lead in times can be long and informing and engaging with your customers and communities of the options to ensure you meet their changing needs will ensure Chorley’s continued success.

Summary of feedback: current performance, ability and capacity to deliver future ambitions

Understanding of local context and priority setting

The council has wide ranging ambitions for the borough, has an impressive set of recent achievements, is seen as an excellent partner with a strong track record of delivery and a clear drive to make a difference and innovate.

There is a detailed understanding of the people and place supported by a well-documented evidence base resulting in a good analysis of the needs of the borough.

The new corporate strategy for the council was set by the new administration in 2012 and is based on a vision to be “An ambitious council that achieves more by listening to the whole community and exceeding their needs.”

The Council has four priorities and a series of strategic objectives which support the Council in planning how it is going to achieve its vision. The priorities are:

- ❖ a strong local economy;
- ❖ clean, safe and healthy communities;
- ❖ involving residents in improving their local area and equality of access for all;
- ❖ and an ambitious council that does more to meet the needs of residents and the local area.

The reputation of the council and its satisfaction levels are good e.g. satisfaction with the way the council runs things has improved from 51% in 2008 to 73% in May 2013. Performance is generally at a high level with 73% of the Corporate Strategy measures and 71% of the key service measures performing at target by the half year review.

The annual planning process creates a ‘golden thread’ from the council’s corporate strategy through a single organisational plan, which incorporates service delivery and improvement activity, this is linked through the performance frameworks to individual employee objectives and was adopted to promote cross-service and directorate working and a clearer sense of direction across the organisation.

The corporate strategy is refreshed as part of the annual process updating the projects and measures that support the delivery of the vision. With over 20 corporate strategy projects, 80 business improvement actions and 25 neighbourhood priorities further rationalisation would appear to be in order, to set out a clear and unambiguous set of priorities and clearly define the scope of the strategic objectives.

The council recognises there is a need to refine the future corporate strategy to ensure sustainable outcomes given the reducing resource base. This will include the options to fundamentally review service provision and to re-engineer services. In seeking to

design sustainable services the questions that will need to be addressed include; can you afford to aim to “exceed needs”? What do residents and customers really need from you? and framing the conversation in the context of your role as a Borough Council.

In reviewing the corporate strategy it will be important to:

- revisit what sort of council you want to be – how the council’s role will need to change and adapt e.g. will you be a council who does a smaller number of things really well and what type of operating model will you have to deliver that?
- establish what your responsibilities are and don’t always step in when partners and other agencies fail to deliver – you are not funded for and don’t have the capacity to do all things for all residents,
- align your reducing resources to the resulting priorities, and determine an exit strategy for the non-priority areas,
- start a conversation with the community about the shape of things to come, determine what the appropriate levels of service are, finding alternative ways of meeting customer needs, which will change the respective roles.

Financial planning and viability

Alongside all local authorities Chorley faces increased financial pressure due to the economic downturn and reduction in central government funding. Financial resilience will be essential for local authorities so that they can continue to deliver cost-effective services and manage the changes required.

There is strong financial management at the council, budget pressures and risks are identified and accounted for in your Medium Term Financial Strategy (MTFS) and regularly updated for known and anticipated changes.

The council has a good track record of delivering its financial savings targets, delivering a balanced budget, and has a robust approach to your medium term financial planning, receiving from your external auditors an unqualified VFM conclusion and a judgement of having proper arrangements in place to secure financial resilience.

Chorley has shielded the community from service cuts through sound financial management, delivering transformation in back office functions and the benefits of planned growth attracting New Homes Bonus (NHB) been able to continue investment in council and community priorities.

The council has done well from New Homes Bonus (NHB) and on the back of that its settlement compares favorably with some of your neighbours. You are taking a prudent approach to NHB, receipts in respect of 2013/14 and 2014/15 have not been built into the base budget as recurring core funding, to stimulate the council to improve budget resilience and flexibility, to plan for and respond to future annual uncertainty inherent in the new public finance funding regimes.

The financial challenge is a game changer for local government, Chorley is no exception. You have been successful at maintaining investment in projects by making efficiency and transformational savings, this approach has also enabled the council to achieve a balanced budget position for 2014/15. You recognise that this is not a sustainable position, the projected budget position in future years shows there remains a significant budget gap in the region of £1.5M for 2015/16 and £2.5M in 2016/17.

The Medium Term Financial Strategy (MTFS) aims to set out options that will effectively address the budget deficit position over the longer term to 2016/17 and secure financial resilience and sustainability.

In reviewing future priorities and in order to address the anticipated budget deficit it will be important to:

- seek early consensus on how you will meet the longer term financial challenges;
- reflect on the time it will take to address some of the politically acceptable options;
- define what “re-engineering of services” and “fundamentally review service provision” means and link this to the council’s future role and priorities;
- be realistic about how long it takes to deliver change and the lead times;
- start a conversation with the community about the shape of things to come and the options available to you;
- revisit and reinvigorate shared service opportunities with neighbouring authorities and agencies.

Political and Managerial Leadership

Political vision and values are clear and include plenty of ambition and aspiration for Chorley and “making things happen”. There is a detailed corporate plan to give expression to these.

The council benefits from a high level of member engagement across all parties, with structured information sharing at executive and non-executive level.

Leadership is seen as visible and approachable and strengthens the loyalty and motivation of the workforce. There is a real focus and drive on delivery – making things happen and this momentum drives your “can do” culture. The administration is supported by a well-regarded chief executive and a strong and cooperative relationship between senior members and senior officers is demonstrated.

The council is well regarded by external partner agencies who value your “can do” approach who view you as innovative and exemplar partners.

With so much energy and focus, member and officer time is currently invested in delivery and making things happen now. It will be important to invest time on scoping and developing a consensus about the future.

Can you keep adding more to your agenda? There is a need to take stock, review and consider:-

- whether the making it happen approach and organisational plan is now overambitious and sustainable given your capacity and resources;
- how you plan to achieve consensus about the need to reduce priorities and focus on meeting the financial challenges;
- how you will lead and drive the next phase of changes and secure clear ownership across the authority?

Governance and decision-making

The council has elections by thirds and has adopted a strong leader model, with the leader appointing cabinet members and assigning 'portfolio' responsibilities.

The governance arrangements are regularly reviewed, including consideration of all out elections, reducing the number of members and consideration of committee versus cabinet structures, however at this time none of the alternative options are being pursued.

The challenge team found a strong governance structure in place at Chorley. There is a good working relationship between members and officers which exhibit characteristics of trust and openness, with a member driven agenda. There are regular weekly meetings with the leader and deputy leader supplemented by 'Portfolio exchange meetings' held between Executive Members and senior officers providing an opportunity to brief and support members on complex issues.

There are regular meetings with the opposition leader and deputy leader and support is given to the main opposition party to develop their priorities and budget proposals.

Scrutiny is effective in both keeping a check and balance on decisions, and is developing its role in policy formation through task groups.

The council has a member development strategy and training programme and is committed to the principles of the North West Employers' Charter, providing members with learning and development opportunities to support them in fulfilling their various roles. Recent work has included support and guidelines and advice about the use of social media to engage with residents.

The council receives a relatively low number of complaints about the behaviour of members, and has adopted a local code of conduct following the national changes to standards regime. The nature of the complaints received and the approach taken to responding to them has been recently reviewed by the Governance Committee.

The Chief Executive and two directors form the strategy group which meets weekly and fortnightly with the heads of service that make up the next tier of management to exchange information. This provides a good framework for effective decision making and communication.

Current relationships, communication and decision making processes between the senior management team and the political leadership are good. It is recognised that

there are difficult decisions to be taken in the coming years about future budget reductions and the potential impact to the organisation. To aid decision making in this context you may wish to consider:-

- a more frequent cycle of member meetings.
- a greater focus on longer term planning
- a frequent meeting of all statutory officers and strategy group to add rigor to your decision making
- how corporate ownership of decision making can be maximized to ensure transformation is fully embedded across all areas by refining the performance management suite and your project /programme approach.

Organisational capacity

The council has been successful in transforming and improving services, delivering efficiency savings and maintaining high staff morale for a number of years. There is a very strong commitment from members and employees to the organisation and its future. Chorley is seen by partners, elected members and employees as having a “can do” attitude, the culture is described as positive, innovative and having an open approach.

The internal communication channels are good and employees understand the key issues within the organisation through bulletins, team briefings, and chief executive feedback sessions. This has resulted in high employee satisfaction levels (recent survey 85%) a regional reputation as a good place to work, and is underpinned by 100% completion of employee annually appraisals.

Recognised as a Beacon Council for transforming services Chorley has a good track record of reshaping and redesigning its services. The council aims to balance customers’ requirements, improve services and realise efficiency savings through: sharing services, more fit for purpose structures and leading edge ICT enabled process transformation.

Considerable change has already been successfully delivered, recent examples, targeted through rough cut activity, include:

- fit for purpose structures in Development Control and Health, Environment and Neighbourhoods services
- reviews of ICT, Revenues and Benefits, Customer Services and Housing
- shared services developed for some support services e.g. Finance and Audit which are embedded into the organisation and working effectively

It is clear that understanding customers’ needs is important to the council; it has driven much of your transformation work. However, the recent customer experience survey identified mixed results with dissatisfaction levels of 30% against a target of 20%. Customer expectations are continually changing, and particularly when significant changes to services are required, it is important that you continue to listen to and engage customers and do not become complacent about how their needs can best be met.

The council has recognised that new skills and competencies are required and have recently developed a new management framework “Leading Edge” to prepare for the future and changing needs. Training and development offers have included change management and commercial awareness.

The relentless pace of change and level of ambition is beginning to impact on staff good will, has reduced capacity and the appetite for more changes. It is important to recognise this and consider this as the next phases of change are embarked upon.

Chorley is going through significant change and to maintain success the organisational culture and capacity will need to change and develop to meet future challenges; there is a need to manage change effectively in the context of a more strategic approach to corporate workforce planning, widening the current approach to look at, for example,

- a framework to consider options for future service delivery: e.g. in-house, shared services, stopping, voluntary sector or joint ventures;
- clarity of what will need to be done differently , how behaviours will need to change at all levels, to support the new ways of working;
- new leadership, management and employee skills to support new ways of working;
- organisational design, approaches to managerial and supervision layers;
- a support programme to assist employees through change as options and decisions get increasingly difficult and ways of working are further changed;
- workforce development including a skills audit in order to: identify possible key capacity and skills gaps across the organisation, career paths are identified and supported through training opportunities, succession planning is recognised and appropriately funded;
- continue the positive momentum of ICT strategy, ensuring the benefits are tested and embedded into the organisation meeting your internal customer needs and match the business requirements.

Economic Development and Regeneration

The council has clear and ambitious plans for regeneration and economic development of the Borough. By investing in its teams, facilitating local businesses and seeking innovative partnerships considerable momentum has been built up over the last eighteen months. Tangible outcomes are now being delivered including:

- Town centre vacancy rate below 5% (reported NW average is 18%) helped by the use of vacant property grants,
- Town Centre masterplan published,
- Offering a range of grant packages to support local businesses and encourage inward investment.

The council has a thorough, balanced economic development strategy that is backed by resources. This aims to grow indigenous businesses, boost town centre vitality, attract new employers, and stop the leakage of high value jobs and spend from out-commuting.

There is widespread recognition that growth is the top council priority: there is clear member leadership of the agenda and a determination to deliver. This is backed up with resources and an understanding of how it can positively impact on both the area and the council e.g. Market Walk operating surplus and potential NNDR uplift.

The council is positively engaging with the private and business sector including through the economic development working group which includes business representatives and a successful "Choose Chorley" business event.

There are a number of growth opportunities linked to Chorley's location and accessibility and you are working up a 'pipeline' of investment sites being prepared with potential for a significant number of jobs over the next fifteen years.

Strategically located between Manchester and Preston Chorley has a number of motorway junctions that could be spurs for development. Coupled with the good quality of life in Chorley, the area has an inward investment USP that the council can exploit, if it is prepared to tackle the planning issues associated with opening up new investment sites.

With regard to the Local Enterprise Partnership (LEP), Chorley does not have its own seat on LEP Board (a share of two district seats) and this is unlikely to change. Consider how the council can shape and influence the LEP by means other than direct representation. The LEP wants growth. Even though its focus will be on larger firms and sites there is synergy with Chorley's aspirations. Whilst realistically the LEP may not put substantial funding to Chorley, you can engage pragmatically with the LEP: continue to invite them in, showcase what you have achieved, and look to build relationships based on your track record of delivery. Chorley can deliver for the LEP, and the LEP knows it can. This is a good basis for negotiating what you deliver in Chorley and how.

The recent economic development achievements of the council are highly regarded by the LEP and the County Council. They see you as ahead of the game: ambitious, innovative and determined to deliver. Partly as a result of this, the legacy of difficult relationships with the County Council is changing. The council's focus on growth and the hard work you have been doing over the last eighteen months, alongside other changes, is increasing officers and now members mutual respect. There is scope for collaboration with the County Council and LEP building on schemes such as Market Street re-opening, which although not without problems has set the scene for future successful collaboration.

The substantial recent investment in economic development may not be sustainable given the MTFs, and that officer capacity is stretched, so it will be vital to review how you prioritize between the different elements of the strategy, allocate your resources to the different development options to ensure a return on your own investment and keep up momentum.

In order to have a solid business case for continuing the investment in economic development you may wish to consider:-

- evaluating future investment sites at the early planning stage.
 - do sites have planning permission (or at least LDF allocation)?
 - how realistic are they are? are you geared up to address ownership issues, valuations, and provide site briefs?
- identify and speed up the work on investment site pipeline and Town Centre masterplan to take advantage of forthcoming funding opportunities;
- consider how best you can use and coordinate all related resources and allocate officer capacity e.g. planning policy, development briefs, valuers, property;
- create opportunities for joint work with the County Council (and other boroughs) including the development of a “District Deal” – protocol with the County Council;
- allocate relationship management responsibilities for key businesses.

Key suggestions and ideas for consideration

The peer team developed some key recommendations for you to consider. These are based on what we saw, heard and read. Drawing on our experience of the sector and knowledge of local government improvement, the following are things we think will help you to make best use of your skills and experience, deliver some quick wins, and develop the strengths you will need to see your change agenda through:

1. Fundamentally review your corporate plan and the type of council you want to be in line with your financial challenges. You may want to develop and agree a clear operating model to guide future priorities and focus
2. Review and define the purpose of the authority leading to the development of a framework to consider options for future service delivery models, to translate the excellent progress in delivery into long term sustainable plans.
3. Start a conversation with the community about the shape of things to come, continuing to listen to and engage customers in what their needs using this customer insight to shape future services.
4. Further align the budget planning process and corporate strategy development in order to strengthen the links and future proof plans.
5. Review across the organisation the actual capacity available, support the development of the new business acumen skills and ICT infrastructure to ensure consistent realisation of the business benefits.

6. Review the councils work on economic development to provide a solid business case for continuing the investment based on a Return on Investment approach.

We have attached a set of slides that summarise the above feedback. The slides are the ones used by the peer team to present its feedback at the end of the onsite visit. We will provide signposting to examples of the above and other information that will help inform your thinking.

Next steps

You will undoubtedly wish to reflect on these findings and suggestions made with your senior managerial and political leadership before determining how the council wishes to take things forward. As part of the peer challenge process, there is an offer of continued activity to support this. In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. We will endeavour to signpost you to other sources of information and examples of practice and thinking.

I thought it helpful to provide contact details for Gill Taylor who, as you know, is our Principal Adviser for the North West . Gill can be contacted via email at gill.taylor@local.gov.uk or tel. 07789512173 . She is the main contact between your authority and the Local Government Association. Hopefully this provides you with a convenient route of access to the Local Government Association, its resources and any further support.

All of us connected with the peer challenge would like to wish you every success going forward. Once again, many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation.

Darienne Law
Peer Challenge Manager
On behalf of the peer challenge team