


# LGA Corporate Peer Challenge

Lichfield District Council

22<sup>nd</sup> – 24<sup>th</sup> November 2021

Feedback report





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# 1. Executive summary

Lichfield District Council (LDC) had its previous corporate peer challenge (CPC) in 2014. There has been considerable change and challenge across the sector since this period, including the Covid-19 pandemic, and the organisation itself has had some significant changes including a new Leader and Cabinet following the elections in 2019, and a new Chief Executive who started in July 2021. This CPC has been commissioned now to support the council in the next stage of its journey.

The council is well run, and the peer team spoke to committed and passionate Members and officers across the organisation. This was also evidenced by partners and local stakeholders who spoke of good working relations and that the leadership of the council, spearheaded by the Leader and the new CEX, are working well to continue to move the organisation forward and are increasingly visible across the district.

It was clear that LDC is now in a period of transition. The most recent focus of the council had been on managing budgets and controlling costs, and it has done this very successfully. Previously, the council had consciously considered its position locally and concluded “where we can make little or marginal impact (and others are better placed to deliver) then we must take a step back – we need to be prudent in the way we support effective partnership working and mindful of the pressures and calls we place on our stakeholders” Economic Development Strategy 2016 – 2020, p2. As a consequence, LDC had pulled back from some of its place leadership role. However, with new leadership, “the council is in transition from an inward to outward looking organisation” (key partner during peer review). The timing of this peer review alongside the recent development of the Being A Better Council transformation programme is a clear positive step in this direction. Stakeholders the peer team met spoke highly of the council and shared a common view that it has legitimacy as place leader and would support LDC in positioning itself more squarely into this role.

However, clarity of the shared vision, strategic priorities, and alignment with the



internal transformation and the Medium Term Financial Plan (MTFP) will be essential to realising the ambitions for the place and putting LDC at the heart of the place shaping agenda. The council will need to ensure that it remains focused on the delivery of these elements.

LDC should also have the confidence to use its finances to support the delivery of its priorities. In order to deliver the organisation's priorities, resourcing of these is absolutely essential and the peer team recommend that the council give some further consideration of how to effectively do this. For example, LDC has developed reserves through the effective management of its budget and as it now embarks on a significant transformation programme designed to deliver long term savings, the council may need to draw on those reserves to implement this strategy. The council may also want to consider the use of reserves in supporting organisational development within the transformation programme and also how deploying the reserves might play a part in LDC's wider investment strategy.

The peer team saw and heard how the organisation is clearly energised by the transformation programme. This is the council's principal means of reducing the operating costs of the organisation and is the single biggest programme it is embarking upon. The programme will therefore need sufficient resource and capacity to deliver, requiring upfront investment. This delivery of the programme is critical in terms of meeting the financial gap and providing a balanced budget over the medium term, with any non-delivery or under-delivery carrying significant risk.

Externally, there are two key infrastructure priorities for the council – the Birmingham Road Site and the leisure centre offer. The peer team heard this clearly from those we spoke to during the review, from the Leadership Team down to all levels of the council. It will be important for LDC to continue to make progress in delivering these and collective clarity on what and how these are to be delivered is critical to avoid misunderstanding and to maintain momentum.

## 2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

### 2.1. Recommendation 1

Develop clear outcomes for the strategic plan for the remainder of the plan's period. Identify resources and processes with programme management arrangements to produce a golden thread from the strategic intent to the delivery plans.

### 2.2. Recommendation 2

Invest time in setting out the decision making process for major priorities, including good project management disciplines e.g. project gateways, and being a better client.

### 2.3. Recommendation 3

Embrace the council's role as leader and convenor of place: For example, understanding how the Integrated Care System requirement to support broader social and economic development could be leveraged for the benefit of LDC's residents; or engaging with a wide range of partners in developing the Active Living Strategy to identify opportunities to join up around key outcomes.

### 2.4. Recommendation 4

Consider whether LDC has sufficient capacity in place for the Being A Better Council programme to proceed with the scale and pace set out.

### 2.5. Recommendation 5

Members to consider how their frontline role might evolve to enable a full contribution to and effective oversight of the four outcomes of the Being A Better Council programme, and consider appropriate support/development e.g. data and evidence led policy making, community leadership/engagement, commercial focus.

## **2.6. Recommendation 6**

Acknowledge the current uncertainty of how the new hybrid working model will operate and take steps to empower managers to work with their teams and experiment/test out how the model will work best for them and their customers.

## **2.7. Recommendation 7**

Review the LDC Communications and Engagement Strategy. As part of this, undertake a full stakeholder analysis and determine the appropriate mechanism to communicate progress of the council's key priorities both to partners and residents.

## **2.8. Recommendation 8**

Set realistic expectations around the timescales for delivery of the Birmingham Road Site and develop and deliver a communications/engagement strategy for the next 12 months targeted at local residents and other key stakeholders.

## **2.9. Recommendation 9**

Recognise, support and protect your tourism and economic offers – ensure the new Economic Development Strategy encapsulates this.

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

## **3.1. The peer team**

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Karime Hassan (CEX and Growth Director) Exeter City Council
- Cllr Simon Bound (Deputy Leader and Cabinet Member for Communities, Planning and Infrastructure) Basingstoke and Deane BC

- Karen Edwards (Executive Director) Rushmoor BC
- Caroline Ryba (Head of Finance and s151) Cambridge City Council
- Bridget Huggins (NGDP Management Trainee, CEX's Office) Southend-on-Sea BC
- James Millington (Peer Challenge Manager) LGA


### 3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

### 3.3. The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.



The peer team prepared 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 two and a half days onsite and virtually at Lichfield DC, during which they:

- Gathered information and views from more than 30 meetings onsite and virtually, in addition to further research and reading.
- Spoke to more than 80 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.


## 4. Feedback

### 4.1. Local priorities and outcomes

LDC's current Strategic Plan covering 2020-24 has 4 strands: Enable People, Shape Place, Develop Prosperity, and Be A Good Council. This Plan was developed through consultation with Members, staff, residents and stakeholders. Similarly, LDC undertakes consultation with residents as part of the budget setting process. These approaches towards engagement are a strength of the organisation.

The Covid-19 pandemic has impacted delivery of the Strategic Plan, but LDC continues to monitor its delivery and develop mitigation plans where needed. In responding to the impact of Covid-19 the council developed an overall Coronavirus Recovery Plan. The peer team heard how the council has responded well to the needs of its communities during the crisis with support to residents and its response to businesses, for example through its 'excellent' distribution of business grants. Partners highlighted that the council has been particularly strong and visible in its






response across the district during the recent Covid-19 period. Staff have also appreciated seeing the Leadership Team ‘rolling up their sleeves and standing alongside officers’ in delivering a whole council approach to supporting communities during the pandemic.

Within the council the peer team saw clarity on its short term priorities for the Birmingham Road Site and the leisure centre offer. The peer team heard a great deal about these two areas of focus during our discussions and there was also evidence of LDC staff understanding the ambitions for the district on its key services including waste, parks and tourism.

However, the peer team heard there was no single view of the council’s vision shared across the organisation or by partners and communities. There were elements which were similar in the descriptions offered - but the peer team felt that there was a lack of clear golden thread connecting the vision for place, manifesto/political priorities, corporate strategy and service/delivery plans. It would be beneficial for Members and officers for the council to revisit and be clear on the outcomes for the Strategic Plan for the remainder of the Plan’s period and inter-dependencies with other plans, including the Being A Better Council programme.

Aligned to this is providing clarity on the role of partners in delivering the council’s outcomes and priorities for place. This will be helpful in identifying the partners LDC need to work with to deliver those outcomes. The peer team heard from LDC’s partners how the council has started recently to reach out to them more actively. They appreciate this and would welcome being more clearly sighted on how they can work alongside the council to deliver for the district. Partners we spoke to felt that LDC has a legitimate role as leader of place and were keen to join with them to be part of this cross-organisational approach.

Through its Strategic Plan the council has ambitions to support the positive health and wellbeing outcomes of its communities. However, more clearly stating the health




and leisure priorities for the place would be of benefit as the peer team felt there was a lack of clarity on how the council addresses community health outcomes. The development of the Active Living Strategy will be important and could assist with finalising the approach to the new leisure centre too. This Strategy should help shape this approach - not just about what happens within a physical building but within the community. The leisure centre is a priority, but the peer team felt that the approach may benefit from being articulated differently and separated from being a conversation on what has been put in the budget to a conversation about delivering health outcomes alongside partners. How the council's investment in a capital project delivers health and wellbeing outcomes is an important narrative in terms of place shaping.

The Leadership Team are clear about the priorities that matter in terms of public confidence, and how this is impacting satisfaction with LDC. The council utilise resident perception surveys to measure and monitor this and recognise the importance of this. The reduction in satisfaction in the most recent survey could be explained by the under delivery on the major projects and the Leadership have stated their intention to focus on the delivery of these.

There are opportunities for the council to better engage on major projects/service changes with their communities and communicate the rationale more clearly. How projects are communicated and the narrative behind them is critical and the peer team heard from residents and partners that this is not always consistently done well by LDC. For instance, the peer team heard that the recent introduction of residents' bags for waste might have been handled differently to avoid misunderstanding - by developing a narrative and engaging residents in the debate and rationale for this change, and others like it, means they can better understand the choices the council is making even if they do not like the solution. Storytelling of rationale and decision making is important, and the council could strengthen its approach to this.

The council could be clearer and more visible on its use of performance information and how it uses data and insight. There is work in progress on this and the project




with Social Progress Imperative may help by getting more finer grain data for how the organisation views its priorities and outcomes and the information needed to shape responses. The LGA's [LGIinform](#) with its data and benchmarking capability will also complement this and is a helpful tool for the council to maximise all available information, from ward to district level.

LDC declared a Climate Emergency in December 2019. The peer team felt that there were opportunities for the council to be clearer on how it is responding to the climate change priority and the net zero agenda and the council's important role for instance in regeneration, electric vehicle charging and opportunities in green procurement for LDC. A coherent message on LDC's approach to addressing these issues by highlighting what it is already doing and planning to do, and where appropriate intentionally linking these with regeneration opportunities and service requirements, would benefit from being more clearly captured and articulated by the council.

#### **4.2. Organisational and place leadership**

The peer team heard from within the organisation and from partners how the Leader and the new CEX are positive catalysts for change for the council and the district. There were lots of positive comments by partners praising their approach and how they are seen as being increasingly visible across the district by 'getting out' and meeting with partners virtually or in person. The wider Leadership Team is also considered as being increasingly effective and this was particularly demonstrated through the Covid-19 pandemic response and recovery work where LDC continues to fulfil a critical role for its communities.

Partners described good examples of relationships with LDC for example with the community and voluntary sector, Bromford Housing and the Chamber of Commerce. Positive feedback from partners referenced the relations with particular colleagues at LDC and also the positive culture of the organisation as being one 'to do business



with'. Similarly, across the tiers of local government at a political and officer level partners at Staffordshire County Council, Burntwood Town Council, and neighbouring authorities, spoke highly of LDC. Indeed, there may be further opportunities through the development of local hubs etc to work increasingly closer with the County Council, in addition to closer working with the neighbouring districts.

Relationships are clearly important to the council and its renewed focus on them provides opportunities to deliver increasingly positive outcomes for its communities. This has also included combining funding with partners such as the community and voluntary sector to collectively deliver priorities. For instance, LDC supported the community lottery and in the first year is on course to generate £50k. This is a relatively small scale project but the concept of funding to deliver for the community is really positive.

However, the place shaping role of LDC is currently seen by partners as underdeveloped, due to a lack of co-ordinated conversations across the district. LDC could capitalise on the good relations it has to help bring partners together to better identify the district's barriers to achieving the ambitions for place and together utilise the capacity and capabilities of partners to address them. Partners the peer team spoke to are keen to further discuss how to do this with the council.

The council has developed momentum on the new internal transformation programme and there is a sense of energy across the organisation. There do remain some key questions about how this will be rolled out, including the impact on staffing and resources. This creates uncertainty for staff and the council will want to move quickly to develop the programme further and provide further detail.

There are important decisions to be made about the future capacity and skills needs of LDC required to deliver the council's Strategic Plan. This could be addressed through the Being A Better Council strategy. Sufficiently resourcing the delivery of the programme to produce the outcomes the council needs in the desired timeframe



is an area for the council to consider further.

LDC's Management Development Programme is viewed positively, providing networking and service improvement opportunities. Middle managers spoke positively about the programme and suggested that there are further opportunities to create space for LDC managers to come together to problem solve, identify cross-council learning and produce better outcomes. It was clear from the peer team's discussions that LDC managers value working together but this is done largely informally currently. There appears to be good camaraderie between officers and there is the potential for something more formal to be established, perhaps through the transformation programme, to support the council's desire to increase collaboration and horizontal working.

The district is relatively small and therefore one or two projects can have a major impact on the place. There are two key projects which, at the time of the challenge, dominate and shape perceptions about the council: the Birmingham Road Site project and the leisure centre project. LDC is addressing the issues around project management capacity, including capturing the client requirements and decision making but agreement on the strategic intent and clear articulation of all the desired strategic outcomes from the project would be beneficial.

Good work on the council's day-to-day services can also be masked by slower delivery of major priorities. LDC recognises that improvements to its approach to communications and engagement can be made, building on its practice around the Strategic Plan and budget engagement, to better engage communities in what it is doing and understanding how to get the council's messages more consistently to a wide range of stakeholders. The approach to LDC communications and engagement could be strengthened through a review of the current strategy to consider the most effective communications channels for LDC. The LGA would be pleased to provide some support to the council to do this.

### 4.3. Governance and culture


There is a positive culture between Members and officers at LDC. The Leader and new CEX have quickly established a good working relationship and feedback from internal and external colleagues is positive about what they are delivering together for the council. The peer team also observed good relations between the council's senior Members and officers.

A shared vision with strategic priorities is important for the council, with clear and consistent decision making by the Cabinet. The peer team heard about instances where this collective vision is not consistently articulated and that there would be benefit in giving this some attention. Clarity here will then support officers to develop options for Cabinet and Council approval.

The peer team observed open and honest dialogue at the new Managers Forum with the CEX and Leadership Team, and this is a sound foundation which can be built on and it will be important for the Team to set aside time to maintain the current focus and momentum around change. There are good relations in place, including with the unions, and there is now also an opportunity to engage them more fully. This is especially important in the context of making the transformation programme a success, as LDC are starting from a position with positive relations in place.

The council has committed to opening-up governance and being transparent through publishing council reports and papers, and virtual log-ins to meetings from members of the public has been high. This approach has been driven by the Leadership of the council and has been accelerated through the virtual arrangements quickly adopted at the start of the Covid-19 pandemic. LDC are keen to do more of this as part of its approach to ensure that people are aware of what it is doing and why.

To support the delivery of the Strategic Plan LDC adopted a set of Values for its staff to: Put customers first; Improve and innovate; and Have respect for everyone. These are understood by staff and provide fertile ground for innovation. For example, LDC




is rightly proud of its innovative approach to biodiversity and developed its own 'Lichfield Model', so major developments within the district achieve or exceed the habitat replacement requirements. Having values that live and breathe within the organisation are important to the culture of the organisation.

The council recently reviewed its arrangements for scrutiny and now has a single Overview and Scrutiny Committee in place. These new scrutiny arrangements are being embedded and this change still needs time to see how it works in practice. The peer team recommend that this is kept under review to ensure scrutiny is as effective as it should be for the council.

Staff noted how internal communications has improved recently with the new CEX seen as making a big difference to this with frequent blogs and communications to staff. It is important that this can be developed further and communications and engagement with staff extended beyond that which comes from the CEX, perhaps as part of a menu of different internal communications.

The council has created a Panel with front line members to support the delivery of the Birmingham Road Site project. LDC is keen to involve and engage Members in this as part of the project and the peer team see this involvement as very positive in order to ensure Member involvement in shaping this key priority for LDC.

Within the transformation, there is an opportunity for LDC to consider how the council can support all of its councillors with their future training/support needs. For example, when thinking about Members' needs as place leaders in communities the council will want to consider the support they may need or desire in their role as champions of place and for the district more widely. The new Monitoring Officer will hold the lead on member development, both individual and collective needs. Member support and development can be provided internally and also utilise external support through the LGA's national and bespoke support to develop a tailored comprehensive Member Development Programme for LDC.



As part of LDCs approach to addressing issues around Equalities, Diversity and Inclusion the council publishes an annual Equality Statement. This collects data on the demographics of the borough, and how the council's equality priorities respond to the needs of the community. This has included training and development for Members and officers; equality impact assessments on the impact of service changes; and adjustments to internal policies to support the council's workforce. LDC appears to have better embedded equalities in people focused services (for instance in customer services and housing) but there remains further work to do across the organisation and the peer team would encourage LDC to remain focused on this agenda.

LDC is reviewing the People Strategy to ensure it remains fit for purpose. Within this the new Belonging Strategy will need to be sufficiently resourced and include outcomes co-designed with staff to ensure the culture and behavioural shifts to support both hybrid working and transformation are achieved across LDC. Recognising financial challenges and other priorities the peer team recommend that the council do not understate the investment in time from staff and managers required for the effective development and ongoing implementation of the Strategy and recognise the value this investment in the co-design process as an early demonstration of the culture shift.

Some LDC staff the peer team spoke to expressed a lack of understanding about the rationale for bringing in external contractors as opposed to utilising internal resources. This can leave staff feeling undervalued if they believe that their skills and capability is not being recognised. The council will want to consider how to ensure that the rationale for bringing in external resource is clearly set out and the value this brings to the council and the capability of the workforce as a whole.



#### 4.4. Financial planning and management


The peer team saw strong financial management at the council, meaning it has accurate budget figures which it is able to rely on. The council has a clean audit opinion and the external auditor also considers the council to have strong financial management. The auditor's view is that: LDC has a robust financial position; the council's Audit Committee is knowledgeable and well engaged and the Finance Team are strong and well led.

It appears that LDC has previously planned for worse case funding scenarios. Therefore, the focus has been on cost reduction, which was within council control rather than relying on income generation or a more explicit commercial approach. In the past this has delivered balanced budgets and the prudent financial approach has also led to the good level of reserves.

The council has recently successfully implemented new a finance system (Civica), which aims to allow users to access information to manage budgets. The peer team heard how this appears to be going well and will give budget holders access to their budgets and the information they need to manage their budgets more closely, and possibly requiring less support from the Finance Team to provide figures on spend and profiles.

LDC has outlined its funding gap for the coming years of £1.3m in 2022/23 rising to £2.1m by 2025/26. However, the council recognises that this may be as high as £1.8m by 2022/23 and £2.7m by 2025/26, with the identification of new pressures and the level of uncertainty in future years. Through the recent financial settlement the council's core spending power has increased by 5.2% or £563k.

The Being A Better Council programme is critical to meeting the council's financial challenge as it is the means of addressing the financial gap and providing a balanced budget over the medium term. However, the detail behind the savings has not yet been outlined and the council will now want to develop the programme at pace. This



late planning means that meeting the budget gap in 2022/23 presents a risk, and at this stage it is unlikely to deliver full year savings on any savings which come forward. As part of this financial approach LDC will want to consider any proactive use of reserves to bridge the timing gap between confirmation of the programme detail and savings being realised. However, this should not detract from the importance of delivering the savings identified.

The council has a wealth of financial data and there is no shortage of financial information available. Financial reports are comprehensive and very detailed, but the council may want to review their format to ensure they are tailored and targeted to the intended audience, which will aid understanding of risks and mitigating actions which may need to be taken.

The peer team found little evidence of how the council's financial strategy supports the ambitions for the district and the council's priorities and how the reasonably strong financial position and access to borrowing, and other financial levers can support these priorities. Within its approach to financial management, LDC will want to consider how financial levers and flexibilities can support the delivery of the council's ambitions, such as in the new Economic Development Strategy.

Corporate Risk is given a high profile by the council. The peer team saw how risk management within the council appears strong, with risks brought forward as part of committee papers. However, there is no single view of this across the organisation as it is held in various systems, currently using excel, word and Pentana, to monitor risk. This will be beneficial to address through the plans in the Being a Better Council programme and provide a holistic view across the organisation.


#### 4.5. Capacity for improvement

The Leadership Team have recognised the need for the council to change to meet the future financial and service delivery challenges. This has been articulated publicly and strongly in the transformation programme.

The Programme represents an opportunity for improvement across the council and the peer team found that staff are willing to go on this journey. However, staff are currently unclear on the detail of how the Building a Better Council programme will work and the peer team would encourage LDC to draw this out in a clear way as part of the programme development. Alongside this, staff need clarity on future working arrangements in relation to the council's future direction regarding a return to offices and agile working. The peer team heard there was an expectation from staff that they would be told how agile working would work – but as this is not the intention of the transformation programme, managers should work with their teams to develop this in the light of specific service delivery arrangements and customers.

The council recognises the significant effort and resources required to deliver the transformation programme by Senior Officers – and there are short term arrangements in place, but it is currently unclear how long term capacity needs will be met. Developing a better understanding of the impact of delivering transformation along with business as usual for all staff, given areas of existing pressure will be important. It is not yet clear how this is going to be sustained in the longer term and the peer team would encourage this to be explored further.

Appointing a Senior Officer, as Chief Operating Officer, who has a key role to drive the Being a Better Council programme is crucial and will be important to its success. This also allows the CEX to focus on building the external facing partnership arrangement opportunities and develop the place leadership role of the council by supporting the Leader, Cabinet and other Members.



The council's financial reserves provide a good opportunity for budgeting for improvement. LDC may have to make some choices and establish some principles for this, for balancing a budget now versus planning to balance over the medium term. The council will want to consider how to utilise its financial position to deliver what it sets out to do.

As part of its delivery for both internal and external facing services LDC already has some shared service arrangements in place with other councils for example with South Staffordshire District Council (legal) and Tamworth Borough Council (waste). This approach supports delivery and offers some resilience to the council in meeting service delivery challenges. The council may wish to review this and further explore other shared service opportunities as part of its future model.

The peer team heard about the council's Management Development Programme and how staff have found this opportunity helpful. This will complement the transformation programme but LDC may want to refine this further in time. Managers have received a good grounding through the development programme but the level of support for personal development will need greater consideration as ongoing support will be needed for all staff as part of the transformation programme. For example, for the Belonging Strategy it will be important to be clear on the expectations of the role of a manager at LDC, how they behave, how they lead and are empowered.

Leadership development for all Members should be considered for an improved understanding of the wider role of the council as it moves forward. The future role of the council is changing so Members, as well as officers, will need to be provided with tools and development opportunities and this should be planned through the forthcoming Member Development Programme.



## 5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in meeting. This will be a short, facilitated session which creates space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Helen Murray, Principal Adviser for the West Midlands, is the main contact between your authority and the LGA. Helen is available to discuss any further support the council requires [Helen.murray@local.gov.uk](mailto:Helen.murray@local.gov.uk).