

Alan Goodrum  
Chief Executive  
Chiltern and South Bucks Councils

King George V Road  
Amersham HP6 5AW and  
Capswood  
Oxford Road  
Denham, Bucks UB9 4LH

14 January 2015

Dear Alan

### **Chiltern and South Bucks Councils - corporate peer challenge**

On behalf of the peer team, thank you for your invitation into Chiltern and South Bucks Councils to deliver the recent peer challenge. The team felt privileged to be allowed to conduct its work with the support of you and your colleagues who were open and engaged with the process.

You asked the peer team to provide an external view of the Councils and give recognition of progress made; and supportive challenge and feedback on how you are prepared to meet future issues and opportunities at Chiltern and South Bucks.

The two Councils asked the team to provide specific feedback on testing their thinking on the:

1. Effectiveness of shared arrangements and the future direction of the Partnership?
2. Partnership's fitness to deliver on future challenges faced?
3. Direction of the Partnership's work with external partners? How effective are these relationships/partnerships?
4. Extent to which governance structures are conducive to delivering Partnership priorities?
5. Councils having skills, capacity and expertise to deliver the Partnership's agenda?
6. Plans for Phase 3:
  - Based on progress so far, where next on the journey?
  - Options for the next Phases?
  - Challenges that need to be overcome.

In addition the peer team considered the ability, resilience and capacity of the councils to deliver its future ambitions by looking at:

- Understanding of local context and priority setting: do the Councils understand their local context and have they established a clear set of priorities?
- Financial planning and viability: do the Councils have financial plans in place to ensure long term viability and is there evidence that these are being implemented successfully?
- Political and managerial leadership: do the Councils have effective political and managerial leadership and is it a constructive partnership?
- Governance and decision-making: are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
- Organisational capacity: are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement plans. The peers 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.

This letter provides a summary of the feedback that was presented at the end of our recent on-site visit. Recommendations are made in the body of the letter and are collated as a set at the end.

In presenting this report the peer challenge team has done so as fellow local government officers and members, not professional consultants or inspectors. Our intention is to provide recognition of the progress Chiltern and South Bucks Councils have made in recent years while also stimulating debate and thinking about future challenges.

### **Organisational context and summary**

Chiltern and South Bucks offer a good environment for residents and businesses. There is good infrastructure, proximity to London, good transport links and a high proportion of Green Belt and Areas of Outstanding Natural Beauty.

Chiltern and South Bucks Councils are good performing councils that benefit from political stability with all-out elections every four years.

The two Councils decided in 2011 to join together to provide shared services. This is known by the two Councils as the Partnership, and is underpinned by an Inter Authority Agreement. More recently the two Councils agreed a joint Business Plan 2013-14, which clearly sets out that individual Council sovereignty would be retained.

Moving to a single management team of one Chief Executive, two Strategic Directors and Heads of Service, in what was called Phase 1, has been completed and is delivering an effective point of reference for further shared arrangements. Phase 2 is focusing on a programme of service reviews leading to shared services, where a business case is proven. These are also delivering efficiencies and, where agreed, joint

service teams. The service reviews are mid-way through and so far both Phases 1 and 2 have delivered combined savings in excess of £1m.

The Councils have undergone significant change in a short period. For some staff and Members in South Bucks there are concerns about a perceived loss of, or threat to, Council sovereignty and the service reviews have been uncomfortable for staff who have had to apply for jobs in the new structure. Some Members appeared to be unsure of the original intentions signed up to three years ago and uncertain about how the Partnership will develop in future.

The Partnership is now at a critical stage. There are all-out elections for both Councils in May 2015. The recommendations from the recent Local Government Boundary Commission review will lead to a reduction at these elections in the number of South Bucks Members from 40 to 28.

In addition there is an emerging funding gap, first at South Bucks (2016-17) and then in the following year at Chiltern (2017-18). Funding pressures will continue, as they will for the rest of the local government sector in England, for the foreseeable future. The Partnership recognises the need to maintain the momentum of change in moving to Phase 3, but there is not yet formal agreement on what this will look like. Successful negotiation of this critical stage, to develop a vision for Phase 3, will be of great importance for the continuing success of the Partnership.

The Councils have retained the model of Local Strategic Partnership working arrangements, with these now merged into a single Joint Strategic Partnership (JSP) and sustainable community strategy. This will be a potentially important vehicle for partners to co-ordinate activity in the face of continuing public spending pressures.

There has been a debate initiated recently by Buckinghamshire Business First, which commissioned research on different potential unitary models for the county. This research estimates that up to £20m of annual savings could be achieved by moving to a unitary county model. This comes at a sensitive time for councils in the county who are approaching council and General elections in May 2015 and the uncertainties of the future direction of English local government after this time. The Councils have since the peer challenge issued a statement on this.

### Local context and priority setting

Both Chiltern and South Bucks enjoy a high quality environment. This reflects positively on the Councils' recognition of their responsibility for stewardship. An example of this is the Councils "taking up cudgels" against the High Speed 2 rail route (HS2) and fulfilling a community leadership role in doing so. This opposition has strong local support and appears to have been a well marshalled and co-ordinated campaign led by the two Councils.

The HS2 and Heathrow extension proposals offer positive and negative challenges, although in different ways, for the two Councils. The HS2 campaign is an example of how opposition effectively shifts to a focus on mitigation so that the best arrangements can be obtained for the community. In due course the Councils will need to plan for what this might mean for the local economy and how benefits can be maximised. This will be similar

for the Heathrow extension proposals although that is some way behind HS2 in determination.

It is a feature of the local population that it is well-educated and articulate (more than 50 per cent hold a degree or equivalent, where the national average is 27 per cent). This is able to mobilise opposition on local issues and has strong views on the local environment and the need for this to be protected. This provides an additional sensitivity and challenge for the Councils and Councillors on day-to-day planning matters and when undertaking initiatives such as the Green Belt review.

The character of the local population is that of an active local community and service users. There is a willingness for many to be involved in community and voluntary activity and this could be important in the future as the Councils, in the face of continuing public spending pressures, consider options for the devolution, co-design and co-delivery of services.

Both Councils are regularly ranked highly in the top twenty districts of the Halifax Quality of Life index. This confirms that the two districts are very desirable areas for people to live and work in.

This is supported by good infrastructure, especially road and rail networks to London. This supports a buoyant economy, with proximity to London that provides ease of access to markets along with good connections for commuters. The economy appears to have an inbuilt resilience to downturns and, to some extent, can be depended on to manage itself.

The Buckinghamshire Councils are working together to develop an aligned timetable for the review of their Local Plans. This will not only fulfil the Duty to Co-operate (under the Localism Act 2011), on spatial planning requirements beyond council boundaries, but will also provide a strategic understanding of housing and economic market areas and how this informs the future economy at a sub-regional level. This will be a crucial piece of work.

The opportunity and scope for sustainable development is limited. A large proportion of land in both Councils is either Green Belt (80 per cent in Chiltern and 87 per cent in South Bucks) or designated an Area of Outstanding Natural Beauty (AONB). This provides a significant challenge to both Councils to plan and provide for the future growth needs of their communities. It will require a fine balance to manage environmental stewardship while also finding a way to support future economic growth. An Economic Development Strategy will be important to plan for the future economy while continuing the stewardship of the environment.

There are no obvious deprivation challenges although there are undoubtedly challenges around housing. This is exacerbated by the review of Local Plans that is expected to see evidenced future housing need increase significantly – this could be more than double current Local Plan figures. This was confirmed while the team were on-site with the Examination in Public (EIP) for Chiltern being deferred because of the shortfall on housing numbers.

In addition there is an ageing population (currently at 20 per cent over 65 years, whereas the national average is 17 per cent. This is forecast to increase faster than the national average to 2026). This will prefigure a need for extra care housing and support for

independent living. There is also a recognised shortfall of affordable/social housing provision that will need to be addressed.

Health is a priority in the Partnership's Business Plan. To progress this it will be important to build on the working relationships with the JSP, the Health and Well Being Board, the Clinical Commissioning Group and Buckinghamshire County Council. Of importance will be the resources made available through the Better Care Fund (BCF). The BCF pool is expected to rise to circa £100m for the county and it will be important for partners to work together on needs assessment, priorities, respective partner responsibilities and delivery mechanisms.

A notable feature of the current economy is the significant number of small medium enterprises (SMEs) and micro-businesses. It is expected that this will continue to be a key feature of the future economy. This throws up a question as to how the Councils can fulfil a potentially important role to support SMEs to become established and expand. This could include business advice, business support, provision of premises etc. but will need to complement activity and services provided by organisations such as the Buckinghamshire Thames Valley Local Enterprise Partnership (LEP), the Chamber (s) of Commerce etc.

The Partnership's strategy for economic growth appears to be contained within Local Plan documents but it does not currently have an Economic Development Strategy. Although the economy is to a large extent self-managing the Partnership could consider its role to shape economic growth, through such a strategy, so that growth is appropriate and beneficial for the two districts, their residents and businesses. This will also be important to ensure that the region remains competitive and can continue to be largely self-managing but directed to serve the needs of the community.

### Management and political leadership

The Partnership is being guided by good leadership. The peer team witnessed strong and effective working relationships between the two Council Leaders and the Senior Management Team (SMT). The two Leaders appear to work well together and are prominent figureheads leading their respective Councils and the Partnership. This is supported by a Chief Executive who is well respected internally and externally.

The Heads of Service told the peer team that they feel well supported by Members who became involved in service reviews. During a time of change it is important for Officers and Members to work well together. The service review process is unquestionably a complex process to navigate, with some difficult decisions to be made, so good working relations and understanding of issues is crucial.

Both Councils have retained their Local Strategic Partnership, referred to as the Joint Strategic Partnership (JSP). This is unusual as many councils in England have discontinued these arrangements. It demonstrates how much the Partnership values working with partners and how it has successfully moved from two separate bodies to a single JSP. This is a strength which should not be underestimated and the JSP is at a point now where, with the support of assembled partners, it can become an important partnership vehicle. To achieve this the Councils need to move the JSP from strategy to

action planning and delivery. This will demonstrate the potency of partnership working and ensure continuing partner commitment.

The Community Safety Partnership, within the JSP, was reported as having a positive impact, in particular around acquisitive crime. Burglary reduction is the highest in the force area and is attributed, in large part, to more efficient Partnership working and targeted programmes. This is a positive building block for future partnership working and delivery.

The value of partnership working is supported by external stakeholders who told the peer team that they like and support the two Councils. One partner described as being “quite bowled over” by the responsiveness and consideration given to his approach. This can save the effort of contacting and accessing two councils when it is simplified to one service and one set of service contacts. The peer team were not certain that the two Councils were fully aware of how positively they are regarded when they work seamlessly together to tackle local issues and challenges. This is a strength for the Partnership and one that might be communicated and projected so that it might be seen as the ‘partner of choice’.

The Councils are engaging well with the LEP. This is an important partnership for Chiltern and South Bucks with a number of local projects to be funded by the LEP’s recently approved Local Growth funding, including links to Crossrail stations at Taplow and Iver and A355 road improvements. Working with the LEP to shape future growth is another reason for the Partnership to consider developing an Economic Development Strategy so as to influence LEP growth programmes that affect the Partnership.

The Councils have taken a positive step to agree a Green Belt review that may support and address future sustainable development requirements. However, it is also understood that this will be challenging, with a number of public concerns expected to strongly object to any perceived encroachment of the Green Belt. Developing viable options from the review will require great care and brave decisions to enable sustainable longer-term development.

The peer team engaged with backbenchers from the two Councils and encountered some low level understanding of the purpose of the shared services Partnership. This is a crucial issue. The two Councils have unambiguously stated that the Partnership will not infringe each Council’s sovereignty and this is generally well understood. What is not so well understood is the distinction between shared services, which is the stated objective of the Partnership, and shared management. There were some mixed views and understanding on this with some backbenchers seeing the objective of the Partnership working arrangements as shared management while others thought it was a ‘pick and mix’.

The priorities of the JSP and the Partnership Business Plan are not directly aligned. For example, economic prosperity is a priority for the JSP but not for the Partnership. Although absolute alignment is certainly not a requirement, future iterations may benefit from reflecting on whether the absence of alignment on some issues demonstrates inconsistency and could be confusing for Members, Officers, and the wider community.

Finally, staff recognise that the two Councils have undergone a huge amount of change, with consequent pressure on senior managers to progress service reviews. However, staff told the peer team that they want SMT to be more visible than they currently are. The staff briefings, although valuable, can inhibit staff due to the limited time and the number of

people present to engage in the issues that are important for them and their service. Smaller service-by-service scale discussions with SMT would be valued.

### Financial planning and viability

The Partnership has completed Phase 1 and is midway through Phase 2 of its shared service schedule. This work has achieved a good level of savings of £1.2m which has enabled the continued provision of front-line services without cuts.

The Partnership is open to a mixed economy of provision and partnership arrangements. The recent waste and recycling contract, between Chiltern and Wycombe councils, is expected to deliver savings of £750k. (South Bucks are tied into a separate contract until 2021). At the same time the Partnership is making effective use of service outsourcing, where appropriate, to deliver important savings, for example both Councils have contracts with Greenwich Leisure Limited and South Bucks use Northgate for Revenues and Benefits.

The Partnership recognises the potential to grow its economic and housing base to deliver increases in Business Rates and New Homes Bonus (NHB). This points to the importance of linking the Local Plan review and the Green Belt review with a longer-term financial strategy, so that the emergent thinking in the former can inform the latter.

There has been some investment in capacity in order to deliver the transformation of services. An award of £50k was achieved from the Transformation Challenge Award (2014-15) to enhance customer services. However, the amounts invested are relatively small. For example the this letter refers to personnel support for the service review process which was not as strong as some services felt was needed due to lack of resources. This suggests resource and capacity shortfalls for a strategically managed transformation programme.

Both Councils are currently in a strong financial position. For example, both Councils have a healthy level of reserves. In addition both Councils are debt free. The peer team believe that it would be advantageous for the Councils to consider how they might use this strong financial position to prepare for the financial pressures that will come.

For example, this could be beneficial in smoothing out shorter-term financial pressures while developing a longer-term savings strategy to meet future financial gaps. It could also allow the Councils to develop a revised investment strategy to address the marked reduction in investment income due to low interest rates. Similarly, it could allow the Councils to consider how it develops and invests in asset management to deliver on Partnership priorities, such as affordable housing, and/or create an income stream.

The Councils' financial information highlights that the funding gap occurs sooner for South Bucks and is significantly larger than that at Chiltern. At South Bucks this gap is projected to be £443k by 2016-17 and increases cumulatively to £1.53m by 2018-19. Chiltern's gap of £136k emerges in 2017-18 and rises to £490k by 2019-20

This data also highlights the importance placed by the Councils on use of NHB to support revenue budget expenditure. Both councils are using NHB to support the revenue budget.

This does present a financial risk if the arrangements for awarding NHB change, particularly following the General election in May 2015.

The financial history of Chiltern DC shows a record of sizeable underspends. For example, for 2013-14 it was £1.31m, equating to more than 12 per cent of the revenue budget. While underspends are generally more welcome than overspends they can bring reputational damage if the local taxpayer believes they are paying too much Council Tax to maintain council services. They are also a sign of poor financial planning, which misses the opportunity to make more informed spending decisions on priorities. The peer team were assured that this was now being addressed with the involvement of the portfolio holder.

The Partnership's shared services arrangements have delivered savings to date but there is not yet in place a clear savings strategy to meet impending financial gaps. This is even more important as once the service review process is completed there are no readily available options for savings. The Councils are recommended to devise a longer-term strategy as significant pressures on local government funding will extend to the end of the decade, with the likelihood of it continuing beyond. Longer-term, and more consistent, financial planning, will be crucial for the Councils to face challenges ahead, and to press ahead with deeper transformation in Phase 3 and beyond.

New ways of approaching income generation is an under-developed area of work across the Partnership. This is a fast developing area in local government out of necessity and in response to funding pressures. Newly developing areas of potential income generation include investment opportunities, for example house building, town centre regeneration etc. There are innovative models of investment model being utilised to support income generation, for example, joint venture, local asset based vehicles (LABV), Tax Incremental Funding (TIF). The peer team recommend that the Councils explore the opportunities for new forms of income generation and build this into future financial forward planning.

### Capacity

The peer team encountered positive views from some staff about their experiences of working together, gaining service resilience, and learning from each other. This was a positive message from staff who have gone through a difficult period of service reviews with the uncertainty of whether they would have a job at the end of the process.

At the same time we found Heads of Service to be a vital, energetic group in the service review process. This will be important in the future as they are an essential part of the organisation to assist the leadership meet future challenges and provide the interface between senior Members and Officers to front-line staff.

The role of personnel in service reviews was valued. It was felt by many that this could be beneficially deepened and extended. For example, during the implementation of joint service teams, following a service review, personnel were not available to provide support to new working teams, just at a time when many service managers felt this was most important. This lack of availability was due to insufficient staff resources which the peer team were told was below establishment numbers.



The peer team recommends that the Councils evaluate the personnel resources required for the significant service review change programme and whether this could be temporarily increased for the remainder of Phase 2, and to build capacity for Phase 3.

The service review process has been useful to consider not just specifications for future service delivery but also the resources necessary to support that delivery. For example, the process involves consideration of emerging/changing needs, such as ICT needs, with bids accordingly made for these. Likewise consideration is given to where the team will be based and the presence to be provided at the other district.

However, not surprisingly there are a number of organisational creaks showing in the recent staff survey, probably a consequence of the change programme the Partnership has undergone. It will be important to devise an action programme in response once the survey data has been analysed and for staff to be involved in that.

As would be expected there has been a loss of capacity and experience in the staff resource (estimated at 11 per cent). The resilience and capacity of the Partnership has been tested with a demanding service review programme and maintaining the 'day job'. It will be necessary for the Partnership to consider what investment will be needed to rebuild resilience and capacity, in particular to be ready for Phase 3 and deeper transformation.

The service review programme not only affects organisational capacity but it is a protracted process which, until it is completed in late 2015, delays the move to Phase 3. It also makes it difficult for staff who are understandably apprehensive as they wait to go through this. It would be beneficial for the Partnership and its staff if service reviews could be fast tracked to complete Phase 2 sooner than the current timetable.

The Partnership currently makes use of interims. This has been a sensible approach given the uncertainty of service review outcomes. However, this can extend uncertainty where some interim managers have been in post for some time and for services who have become accustomed to these people being in post. This is another reason, along with the cost implications of employing interim managers, to consider fast tracking the service review programme.

The two Councils have complex and demanding governance arrangements, overlaid by joint arrangements for the Partnership. Supporting these arrangements is sucking up resources and capacity and is not, in the view of the peer team, adding value nor is it likely to be sustainable. Work to streamline these arrangements is underway but this needs more pace.

The significant changes wrought by working in Partnership do not appear to be leading to organisational expectations being moderated during time of great change and less resources. It will be important to be clear that with the reduction in resources and capacity the Councils can no longer do more with less, rather it needs to be less with less.

The Partnership to date has focused on joint working and efficiency, while endeavouring to maintain service quality. The next phase will need to shift to transformation and new ways of working in order to find new solutions to meet the financial challenge. To support this approach it will be important to evaluate the future skills and behaviours needed for transformation. To support this shift it will be important to have an Organisational

Development Strategy to plan effectively for the future, and establish the skills and behaviours required.

The two Councils are working to integrate their ICT infrastructures, although currently they have separate ICT providers. The contract at South Bucks is scheduled to end in 2017-18. To avoid delaying the potential of ICT to support transformation the peer team believe that it will be important to consider: how ICT might be utilised as a key transformation enabler; how this can be provided during the interim period; and future ICT provision. This should feature in the joint Business Support (ICT) strategy that is being developed to run to 2017.

Some staff, and Members, told the peer team that they feel they are being “Chilternised”; that is to say that as Chiltern is the larger council in terms of budget and staff numbers, that some staff and Members in South Bucks feel that it is a Chiltern take-over. The peer team is mindful of the need not to set up an overreaction to this. This may sometimes be more a perception than fact but it will be important nevertheless to address this. Such concerns are common in shared service arrangements and it is important that Members and senior managers model the behaviours and manage internal communications effectively and proactively to ensure that all staff and Members fully understand that it is a partnership of equals.

#### Governance and decision making

The Councils’ governance arrangements appear robust and meet and respond to audit recommendations.

There is recognition by both Councils that the governance and constitution arrangements need to be streamlined. The team were informed of the rise of the number of meetings at Chiltern from 71 in 2001-02 to 166 in 2013-14. This level of activity requires considerable resources to service and will not be sustainable, particularly when working in Partnership with an additional layer of governance. Action on this is being taken to mitigate this, for example review of Member numbers, committee cycles, the number of Overview and Scrutiny committees and the establishment of the Constitution Working Group.

The complexity of each Council’s governance arrangements has diverted management capacity to focus on internal matters rather than strategic issues. The additional layer of Partnership governance adds to this complexity.

The use of Policy Advisory Groups (PAGs) by South Bucks was recognised by Chiltern as transferrable good practice and PAGs are now operational there. This signals that the Councils are prepared to look across the two councils to consider where better practice lies and to use that in Partnership working. The risk, depending on how this is configured in practice for Chiltern, is that this could result in additional bureaucracy and add to delay in decision making.

The joint meetings established by the Partnership work well and provide an important mechanism for not only Partnership decision-making but also for Members of the two Councils to know each other. This will be an important model for future joint working.

Ethical governance across the two Councils appeared to the peer team to be working well. More alignment in other areas, for example on delegated authority and

financial/contract regulations would increase operational efficiency as well as helping with more consistent and robust financial planning. For example, there is a low level of delegated authority, particularly in South Bucks where proposed spend of £3,000 has to go to full Council for approval. This is currently being addressed by the South Bucks Constitutional Working Group as it needs to make essential changes to its constitutional arrangements before the May 2015 elections when its membership reduces in number. A revised scheme should not be reinvented: instead, the Councils should pick up models from other councils and quickly adapt these for their purposes.

The next phase of the Partnership should consider extending the appropriate use of joint committees. This can be achieved without sacrificing sovereignty but has the benefit of streamlining governance arrangements and strengthening the Member role in developing the Partnership.

Overview and Scrutiny is acknowledged not to be effective and it appeared to the peer team that its role was not well understood. There are a number of issues around Overview and Scrutiny, including:

- A lack of understanding or willingness to use scrutiny powers and ‘call-ins’
- Uncertainty of the function of PAGs – are they for policy development or operational matters?
- Are PAGs duplicating effort and delaying decision making? Do they nullify the Overview and Scrutiny role? Is the PAG role – as distinct from Overview and Scrutiny - understood?
- Overview and Scrutiny has tended to be limited to involving backbenchers on new issues as a means of familiarisation
- The limited use of Overview and Scrutiny has been tolerated as it was felt by some to be less important where the administration majority is large. The peer team believe that the function of Overview and Scrutiny is important to ensure that the checks and balances to the executive are in place as well as providing a resource for policy development. This is even more important with Partnership working and where there are two councils with large majority administrations.

In summary, the current governance arrangements of the two Councils are unwieldy. Work to streamline these arrangements needs to be continued and taken forward faster. Current governance arrangements are: heavily reliant on organisational resources; not well understood; and delay decision-making. The Partnership and the two Councils’ Members and Officers need to achieve clarity on these arrangements.

### The Partnership

Chiltern and South Bucks made a commitment three years ago to work across two Councils. Clear terms of reference and working arrangements were put in place. Completing Phase 1 and progressing Phase 2 are considerable achievements delivering important levels of savings. The service review model for Phase 2 is clear; governed by the criteria of savings, quality and service resilience

However, there are important challenges for the Partnership to consider. The two Councils have decided to retain separate Local Plans. It would make good financial and

resource sense to have a single Local Plan. Savings would be achieved in commissioning one set of evidence instead of two and a single set of planning policy staff would also achieve savings and provide service resilience. More importantly it would provide a spatial vision for the Partnership for sustainable planning for the future development needs of residents and businesses in Chiltern and South Bucks. It would also help address issues such as the Duty to Co-operate, the provision of a 5 year housing land supply and the spatial planning alignment occurring across Buckinghamshire councils.

Planning is acknowledged as one of, if not the principal, service provided by the two Councils. The reason for this appears to be the important role of environmental stewardship referred to earlier and the sensitivity of planning for local people. A question the peer team would pose for the two Councils is whether they regard planning as a regulatory/controlling service or one that facilitates the future needs of residents and businesses? It should be the latter but this does not come through convincingly.

The Partnership decided to postpone the Planning (Development Management) service review until after the elections in May 2015. The peer team were informed that significant savings might be expected from this of circa £250k. Given the importance of savings to address future funding gaps, and that service review delay is painful for staff and costly for the Councils, the peer team recommend that the earlier service review timetable be reinstated. This would fit with the earlier peer team recommendation to invest resources to fast track the completion of service reviews.

It is not unusual for shared service Partnerships to lose sight of what they were originally designed to do. This was raised as a question a number of times on-site. The original intentions were very clear but there is now some ambiguity on whether there is a clear shared aim. Does the Partnership:

- Commitment mean that partners/services can opt out of what was formerly agreed?
- Want shared services or simply shared management?
- Want shared services as an end in themselves or is it a means to achieve objectives as well as efficiency savings?
- Want to transform the way that public services are designed and delivered for their communities, or simply to realise the most efficiencies they can through joint working?

One analogy given to the team was of driving north on the M1 and not being clear on which junction you turn off – do the two Councils know how far they want to go? This might have been clear three years ago but it is not so clear now. The Partnership will need to work further on this issue so that after the elections in May 2015 the new administrations can restate, reconsider and recommit to Partnership objectives. However, it will be crucial that preparatory work is conducted now, in advance of the elections, so that the new administration can move quickly on these matters.

## Partnership - next steps

There are some steps that the peer team recommend Members undertake that will strengthen the work of the Partnership. These include:

- The joint Cabinet currently meets quarterly but more frequent informal meetings, on Partnership working and transformation, will build understanding and relationships. Investing time in building trust and relationships is the key to successful partnerships.
- There is a need for more joint Member workshops to work on Partnership themes, topics and issues. These will need thoughtful structuring and support but will be important to build an inclusive working approach and beneficial to tackle potential Partnership obstacles. It will also be valuable to clarify the strategic direction of the Partnership.
- Designate Member Champions to promote/communicate the Partnership to colleagues
- There are distractions for the Partnership which need to be answered and then put to one side. For example, is merger of the Councils, proposed as a viable option, on or off? Where does the Partnership stand on the unitary debate – continue as you are, closer working with Wycombe or other partners? Members will need to make key decisions on these questions and having done that not allow the Partnership to keep revisiting these.
- Begin planning Phase 3 - there needs to be a model ready for post May 2015.

Finally, the direction and depth of the future Partnership will be determined by Members. They have a responsibility/duty to set the direction of the Partnership and to ensure that this is clearly conveyed and understood by the two Councils and external partners.

## Phase Three

The shape and direction of Phase 3 has not yet been determined and the peer team were asked to consider what this might look like.

The Partnership's progress is influenced by a number of drivers. These include the financial pressures on local government being addressed by Phases 1 and 2 to integrate services and achieve financial efficiencies.

However, this does not, by itself, amount to transformation, which will need to be a key driver for Phase 3, in particular if the Partnership intention is not to lose front-line services. The shift from service efficiency, joint working and integration to transformation will require consideration of entirely new ways of service delivery and new ways of working, including some or all of:

- The use of ICT as a key enabler
- Channel shift – moving transactional services from face-to-face to online provision
- Demand management – understanding the demand for services and considering how this might be influenced
- Invest to save – recognising that some projects will carry an upfront investment before making a return on investment

- Co-design and co-delivery of services with, for example with town and parish councils, the Voluntary and Community Sector (VCS), and Buckinghamshire County Council
- Transfer of assets/functions to other providers
- Succession planning will be necessary, to include: an evaluation of what Officer skills will be required for Phase 3; ensuring that political succession planning is in place to ensure continuity; making arrangements for future senior managers; building sustained capacity within the organisation to meet future demands.
- Working with partners will become increasingly important in order to initiate conversations on joint delivery and service redesign. The role of JSP will be an important building block for this.
- Solve the accommodation conundrum as this is a potential Partnership blocker. The lease for Capswood until 2026 is fixed but there may be a way to sub-let the accommodation, even at a subsidised rate, that leads the Partnership to consider a move to shared accommodation whilst retaining a Council presence in each of the two districts.
- New models of income generation, as set out in the Financial Viability section above.

Making the shift to Phase 3 will need to be more than a commitment to transformation. It will also need the Partnership to evaluate where it has got to and identify where it wants to go next.

There are a number of models to facilitate such a discussion. One that the peer team, in their on-site feedback, referred to was the recent Grant Thornton/Inlogov (University of Birmingham) publication '2020 Vision: Exploring finance and policy futures for English local government as a starting point for discussion'.

<http://www.grant-thornton.co.uk/en/Publications/2014/2020-Vision-Exploring-finance-and-policy-futures-for-English-local-government-as-a-starting-point-for-discussion/>

This paper sets out a thesis that 'disruptive innovation' driven at a local level may be the only way for local government to survive the longer-term funding pressures. The paper posits six scenarios that councils might currently find themselves in and where they might want to move towards or avoid. The Partnership could use this model as the basis to plan Phase 3. Of course this is one model and there are others that could also be used.

### **Moving forward – Our recommendations for consideration**

Based on what we saw, heard and read we suggest you consider the following actions to build on the council's undoubted successes. These are things we think will help you improve and develop the effectiveness and capacity to deliver your future ambitions and plans.

#### Phase 3 recommendations:

1. Fast track the completion of Phase 2 service reviews
2. Apply additional (temporary) personnel resources to support the completion of Phase 2

3. Create space for senior Members and managers to evaluate where the Partnership has got to and where it will go next. This work should be undertaken before May 2015.
4. Develop a Phase 3 Transformation Strategy and programme
5. Strengthen partnership working by closer working between Members from the two Councils as described in this report
6. Develop an Organisational Development Strategy to plan effectively for the future, including the skills and behaviours required
7. Establish succession planning arrangements to support future Partnership requirements for political and managerial leadership
8. Continue work and pick up the pace to streamline current governance arrangements. Develop a clear action plan prioritising the work that needs to be completed before the elections in May 2015
9. Consider options for occupancy at Capswood for the remainder of the lease period that may permit the Partnership to develop shared accommodation options after May 2015.

#### Recommendations that will support Phase 3

10. Revisit the decision to retain two separate Local Plans after the elections in May 2015. A single Local Plan will save costs, provide service resilience and provide a spatial vision for future sustainable development for the two separate sovereign Councils.
11. Develop a joint housing strategy, in association with partners, to plan the provision of future housing for an ageing population and affordable/social housing
12. Prepare a Partnership Economic Growth Strategy to inform sustainable economic growth and to support working with the LEP in delivering economic growth
13. Develop an understanding of new income generation opportunities that can be developed to offset future funding pressures
14. Devise a longer-term financial strategy to address the imminent funding gap and longer-term local government funding pressures, including common ways of presenting financial information to aid longer term planning.
15. Develop a unified position on future local government structures.

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.

#### **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. What may particularly useful for the Partnership would be being pointed towards

good practice elsewhere in English local government on transformation and income generation. The LGA would be pleased to assist in this.

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. Heather Wills, Principal Adviser (South East) is the main contact between your authority and the Local Government Association. Heather can be contacted via email at [heather.wills@local.gov.uk](mailto:heather.wills@local.gov.uk) (or tel. 07770 701188) and can provide access to our resources and any further support.

In the meantime, all of us connected with the peer challenge would like to wish you every success going forward. Once again, the peer team are grateful to you and your colleagues for inviting the peer challenge and to everyone involved for their participation.

Yours sincerely

Andrew Winfield  
Peer Challenge Manager  
Local Government Support  
Local Government Association  
Tel. 07786 542754  
Email [andrew.winfield@local.gov.uk](mailto:andrew.winfield@local.gov.uk)

On behalf of the peer challenge team:

- Stephen Baker, Chief Executive, Suffolk Coastal District Council and Waveney District Council
- Cllr Philip Sanders, Leader of West Devon Borough Council
- Dave Barnes, Strategic Director at Christchurch and East Dorset District Councils
- Richard King, Strategic Director (Democratic, Development and Legal Services), Lichfield District Council
- Susanne Nelson-Wehrmeyer, Assistant Corporate Legal Adviser, LGA
- Ellen Care, Internal Communications Officer, London Borough of Bexley

**Appendix 1 – Feedback slides**