

LGA Corporate Peer Challenge

Erewash Borough Council

7-9 November 2023

Feedback report





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1. Executive summary

Erewash Borough Council's (EBC) change in political control is the first to have occurred in two decades. As a result, there is a clear and urgent need for the council to determine the local priorities of the new administration, update the current corporate plan to reflect this and commence the task of raising the profile and wider ownership of the vision to all in Erewash.

Integral to this is an urgent need for the core strategy/local plan to be finalised as swiftly as this can be achieved. It is important that the pace of this work is accelerated.

It is very clear that the success of any change under the new leadership landscape in Erewash will require a close alignment between the Leader and Chief Executive. Each in turn will need to drive change among leading politicians and all senior managers respectively. The pace of change which the new administration clearly seeks requires the whole council to embrace an approach which goes far beyond maintaining the status quo. The clear need now is for the council to demonstrate an appetite for modernisation and transformation in all that it does and delivers.

A collaborative approach owned by Cabinet and Senior Management is essential. It will be important for consideration of addressing financial challenges in tandem with defining and delivering the priorities of the new administration. The current thinking of 'either or' will need to be reviewed as the two things are not mutually exclusive from each other.

It is important that Budget and Financial strategy should be decided by the Administration following informed discussions of the options with relevant officers. This includes revenue and capital options. Members need options to balance budget whilst being able to invest in priorities including options such as the use of reserves and borrowing.

Further member development – particularly for new members - is vital and urgent. A clearly defined and new training plan needs to be developed. The importance of this being progressed swiftly is due in no small part to the number of new councillors elected to the council. This need is amplified further by the number of these new councillors who now occupy leadership positions in the administration.

The transformation EBC requires is not simply about doing things differently but rather it is about doing different things. This needs to be driven and steered by the leadership to deliver the vision articulated by the Corporate Plan.

Staff widely accept the need for modernisation and transformation of the organisation and what it delivers. There is a strong desire from staff groups to be part of this process and it was clear to the Peer Challenge Team just how committed staff are to helping with finding solutions for the council's challenges. They are a huge asset and will be the foundation in any future modernisation and transformation work at EBC.

If done well and based on a well communicated 'people-first' approach there is a greater likelihood of success in transforming EBC to deliver a high performance culture and improved outcomes for the residents of Erewash. Therefore, now is the time for clear thought on what this transformation means, how it will be driven and who by.

IT investment is critical to enable improvement and to support change. It will be a critical plank of transformation being successful. A constant message throughout the review process was that the Council has not invested in IT as much as it could have and the sort of changes desired will not be able to be delivered without improvements, It is very clear that communications need to be modernised which will include a move from print to digital.

There is a need to agree council's approach to, and appetite for, risk. All councils will be on a spectrum running from the ability to manage risk effectively and successfully at one end through to being averse to risk at the other end. At a time when the change in administration is still relatively new and fresh, EBC would seem to have a real opportunity decide where along the risk spectrum the council will choose to operate going forward. This again is an area which needs to be driven jointly by senior members and senior officers to effect positive change to the benefit of the council and the borough more widely.

Open and transparent engagement is a key ingredient for EBC being successful into the short and medium term. The Peer Challenge Team would strongly encourage the council to work with the public.

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:

Recommendation 1: There is a requirement for Organisational Transformation which must be led and driven by the Leader and CEO. A significant programme of change is critical to ensure Erewash Borough Council is fit for purpose to deliver for its residents. Ensuring people, process and technology are all underpinned by a proactive communications plan.

Recommendation 2: Prioritise the delivery of the Corporate Plan (clear vision) and accompanying narrative to ensure it is understood and well communicated internally and externally. There is a clear and urgent need for the council to determine the local priorities of the new administration, update the current corporate plan to reflect this and commence the task of raising the profile and wider ownership of the vision to all in Erewash.

Recommendation 3: Re-write the performance metrics to align to the corporate plan, using this data to underpin performance management and decision making. Based on the new priorities ensure that performance measures and metrics are appropriate to inform performance management and decision making.

Recommendation 4: Ensure collective responsibility, involvement and ownership by members and officers to address the financial challenges ahead, to enable financial targets to be met. There are financial challenges ahead, it must be the collective responsibility (including risks etc) of all staff and members to ensure financial targets are met. There should be considerations as to whether the council needs to raise finance through borrowing in order to meet council priorities.

Recommendation 5: Develop and deliver a training programme for all members and a learning and development programme for employees. With many new Members the Council should ensure that they are well trained beyond the normal mandatory elements. An understanding of how the Council is run and operates is essential across all parties. Additionally ensure that employees have access to training and development and in particular a leadership programme which is currently not in place.

Recommendation 6: Build on existing (and develop new) partnerships in order to enable the delivery of Council priorities. Consider how to mobilise all members to enable the development and delivery of the council's priorities. As per recommendation 5, this includes the training needs of all members.

Recommendation 7: Accelerate the asset and income generation review. Once the review is complete ensure an Asset Strategy is established to ensure suitable management against the Council's tolerance for risk and return (which could be financial, social environmental etc). This is likely to include diversification and will

require recognition of the complex and dynamic market conditions. Execute Town Fund plans to realise the benefits as swiftly as possible.

Recommendation 8: Build on proposed constitutional changes to remove bureaucracy and get decision making to the right place, at the right level and at the right time. In order to achieve its objectives decision making should be taken at the lowest possible level thus empowering employees to take responsibility in the delivery of objectives.

Recommendation 9: Prioritise development of a Communications and Engagement Strategy. Act at pace to build foundations of good Community Engagement and two way communications on Council programmes of work

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 peer team onsite were:

- **Lead Peer:** Paul Shackley (Chief Executive of Rushmoor Borough Council)
- **Member Peer:** Cllr. Dr Beccy Cooper (Leader, Worthing Borough Council)
- **Senior Officer Peer:** Helen Standen (Deputy Chief Executive, East Herts District Council)
- **Senior Officer Peer:** Jason Cole (Executive Director, Breckland Council)
- **Peer Challenge Manager:** Ernest Opuni (LGA Senior Regional Advisor)

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 and achieving improved outcomes for all its communities?
2. **Organisational and place leadership:** Does the council provide effective

local leadership? Are there good relationships with partner organisations and local communities? Is it making the most of the strong range of partners and their assets across the Borough, County and beyond? Could the council do more to utilise those assets on behalf of its communities, businesses and stakeholders?

3. **Governance and culture:** Are there clear, robust and efficient governance arrangements? Is there a culture of respect, challenge and scrutiny? Does the council have the mindset and capacity to deliver?
4. **Financial planning and management:** Does the council have a clear understanding of its current financial position? Does the council have a strategy and a clear plan to address its financial challenges?
5. **Capacity for improvement:** Is the organisation able to adapt to facilitate the delivery of local priorities? Does the council have the capacity to improve?

In addition to the main CPC Framework themes, Erewash Borough Council also asked the Peer Challenge Team to provide reflections on:

- i. The opportunities for the council to maximise possibilities of income generation utilising experience from other parts of the country and
- ii. The council's refreshed local priorities emerging on the back of the change in the council's administration.

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 three days onsite at Erewash Borough Council, during which they:

- Gathered information and views from more than 30 meetings, in addition to further research and reading.

- Spoke to more than 70 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

The nature and distinct identities of the various communities within Erewash means the council will always need to be mindful of its need to represent all areas of a diverse Borough. This diversity refers in particular to there being communities in the Borough which are distinctly either urban or rural. One example of EBC's delivery demonstrating that this consideration is driving some decisions is in the commitment to building more 'fairly' across the Borough with regard to social housing provision. There would be benefit in the council replicating this ethos more widely across all it delivers as this consideration will always be relevant in Erewash.

There is a clear and urgent need for the council to determine the local priorities of the new administration, update the current corporate plan to reflect this and commence the task of raising the profile and wider ownership of the vision to all in Erewash.

The council's change in political control is the first to have occurred in two decades. As a result, the importance of swiftly putting in place a corporate vision and local priorities which reflect the ambitions of the new leadership of the council is amplified. There is now the need for a clear, written definition of the aspiration and direction of the council which is owned by all and embedded throughout the organisation.

It is not yet clear as to how aligned the priorities and aspirations for Erewash are across leading politicians and all senior managers. There is an acute need for an energy to drive transformation underpinned by a clear and shared understanding of what transformation for EBC means.

Integral to this is an urgent need for the core strategy/local plan to be finalised as swiftly as this can be achieved. It is important that the pace of this work is accelerated.

Flowing out of this is an amplified need for EBC to develop a modern approach to communications. The current absence of a modern and robust communications and engagement strategy would benefit from being addressed at pace, this should be embedded into the organisation at every level and 'owned' by all Members and Officers. This will in turn require a more clearly defined and articulated vision underpinned by priorities and policies which support its success. Within this is a need for a clear emphasis on the effective engagement of all stakeholders across all sectors of the Borough.

Open and transparent engagement is a key ingredient for EBC being successful into the short and medium term. The Peer Challenge Team would strongly encourage the council to work with the public. It will be very important for EBC to take all of Erewash's communities along with EBC in all decisions the council takes. The driver for this should be to get input and secure understanding for decisions of which some may be difficult ones. One example of such a decision would relate to a review of the council's current estate and how this impacts on deployment of buildings (for example the two town halls). Whilst no doubt politically sensitive from an efficiency perspective, the situation should be reviewed.

4.2 Organisational and place leadership

It is very clear that the success of any change under the new leadership landscape in Erewash will require a close alignment between the Leader and Chief Executive who in turn will need to drive change among leading politicians and all senior managers respectively. The pace of change which the new administration clearly seeks requires the whole council to embrace an approach which goes far beyond maintaining the status quo. The clear need now is for the council to demonstrate an appetite for modernisation and transformation in all that it does and delivers. It was made clear to the peer challenge team from numerous sources (both within and external to the council) that EBC has a need to demonstrate more visible and vibrant leadership than has been the case in the past. The opportunities for the council to take the Borough forward will depend on EBC taking a more proactive local leadership role to ensure it is able to drive the change that most in the Borough have expressed a clear appetite for. This view was expressed often and repeatedly to the Peer Challenge team during its time onsite in Erewash.

There needs to be a more explicit demonstration of trust and confidence in staff than appears to be the case at present – to empower the loyal and committed workforce. The message to the team is that this has been a need for quite some time and that behaviour change is needed and has to be driven from the top. The shared feeling among staff at all levels is that it will require a concerted effort to deconstruct what is regarded as a firmly established culture within EBC. The positive point here being that the staff are ready and ambitious for change.

There would be value in approaches to community participation, consultation and engagement being reviewed and modernised. There is an opportunity to give further consideration to how the council approaches its communication in general including exploring opportunities for a more effective use of tools such as social media. This will be valuable in some key areas such as the relationships and interface between the Borough and its Parishes. Irrespective of the approach the council takes to developing its town and rural relationships, the underpinning principles of equality and fairness will need to be a core component.

On the issue of communications and consultation there is a perception among many that the team met and spoke with that the Council is doing 'lots of bad things'. While the need for some of these decisions is not limited to circumstances within the control of Erewash Borough Council, one way of mitigating how this is perceived would be to put in place clear and proactive communications on some of these measures ahead of them being progressed.

There may be some value in EBC making a more concerted effort to release 'Community Capital' by working with and developing groups able to connect effectively within the various communities of Erewash. The current picture is of a lack of engagement and current dependence on 'anchor institutions' to build relationships with communities. There would seem to be a definite opportunity for the council to partner with such organisations to build borough-wide links and more effective engagement.

Some partnership working opportunities in Erewash are well established and there is further scope to enhance and engage with others. A key ingredient of success in this regard will be establishing trust across all such collaboration. This will need to be underpinned by credible messages, clear and shared objectives and appropriate

delegation arrangements which genuinely empower all involved in delivery.

Continued engagement by Erewash in devolution conversations in relation to the East Midlands Combined Authority is vital. It is very important for Erewash to ensure it has strong place representation. There is a fresh opportunity for EBC to become more of an outward looking council in order that it can fully embrace and fulfil its role as the key voice of the Borough. This is another reason why a Corporate Plan should take developmental priority to define the council's vision and provide key performance indicators alongside strong leadership. This leadership applies to both local leadership and wider leadership beyond the council's boundaries.

There are positive relationships with Broxtowe Council in relation to a number of services including Building Control and the Crematorium. Further to this there is also good strategic work between the two councils with regard to economy and connectivity. There may be value in a strategic and more closely collaborative approach between the two in relation to the engagement of both in discussions pertinent to the East Midlands Combined Authority. A united voice may equate to, and result in, a stronger and more widely-heard voice.

4.3 Governance and culture

As an organisation, EBC is a stable council and proud of so being. A key part of the foundation of stability is the council's staff and their positivity about the place and the council. From all of the team's interface with staff at all levels of EBC, it was clear just how committed staff are to helping with finding solutions for the council's challenges. They are a huge asset and will be the foundation in any future modernisation and transformation work at EBC.

Visible leadership is needed from the top down. This would be greatly valued by all staff across the organisation. A simple and often repeated message to the team is that clearer and more visible personal leadership from the Chief Executive is required and keenly desired. Specifically, this is needed to drive through the change and transformation that is widely accepted as an imperative for EBC at the present time. Built into this message is a plea from staff that the Chief Executive demonstrates explicitly that he values employees. There is an opportunity for him to more clearly and without reticence thank them for what they bring to the council – this recognition has not always been forthcoming. The council may wish to consider how a 'People

Strategy' might form an essential part of any new Corporate Priorities. More investment in people's development will without question need to be a part of the consideration of this work.

Transformation, modernisation and change needs to be embraced and driven. There is a strong desire from staff groups to be part of this which provides an open door for any such programmes to go through. Staff widely accept the need for modernisation and transformation of the organisation and what it delivers.

Transformation is not simply about doing things differently but rather it is about doing different things. This needs to be driven and steered by the leadership to deliver the vision articulated by the Corporate Plan. There is not getting away from the fact that culture change within an organisation is the hardest thing to achieve. However, if done well and based on a well communicated 'people first' approach there is a greater likelihood of success in transforming EBC to deliver a high performance culture and improved outcomes for the residents of Erewash. Therefore, now is the time for clear thought on what this transformation means, how it will be driven and who by.

There appears a significant opportunity for EBC to take on a role of local system leadership. However, for this to be successful and sustainable there will be a need for a wider, more inclusive approach to bringing all of the organisation along on the journey of transformation and continuous improvement. The organisation should trust staff to be empowered through delegation and meaningful consultation. Messages from the top need to be clear and owned. This will be a key plank in driving change forward as positively as possible.

There are long-standing processes in place. A thorough review is needed in order to enable staff to deliver effective and responsive local services. A key part of this will be to minimise some of the bureaucracy which, while necessary during a previous time, is now less fit for current and future purpose. There would be significant value in removing red tape, bureaucracy and control which slows decisions down. There is an opportunity to modernise by simplifying the processes of sign off and aiming for faster decision making at all levels of the council in all that it does.

Further member development – particularly for new members - is vital and urgent. A clearly defined and new training plan needs to be developed. The importance of this

being progressed swiftly is due in no small part to the number of new councillors elected to the council. This need is amplified further by the number of these new councillors who now occupy leadership positions in the administration. The influx of a new generation of councillors is an exciting development for the council and bodes well for the future. The opportunity for now is to ensure that the council does everything it can to equip them to be as effective as they can be as quickly as possible.

Scrutiny is improving and is becoming more inclusive. Once again maintaining and further developing this will require fresh and ongoing training and development. There is a recognition that this has improved – this momentum needs to be kept up.

There is a need to agree council's approach to, and appetite for, risk. All councils will be on a spectrum running from the ability to manage risk effectively and successfully at one end through to being averse to risk at the other end. At a time when the change in administration is still relatively new and fresh, EBC would seem to have a real opportunity decide where along the risk spectrum the council will choose to operate going forward. This again is an area which needs to be driven jointly by senior members and senior officers to effect positive change to the benefit of the council and the borough more widely.

4.4 Financial planning and management

Erewash Borough Council has a net revenue budget of £12.9m. Like many Councils nationally, spending and income were subject to fluctuations during the Covid-19 pandemic, but the Council maintained a strong financial position. Underspends have been transferred to reserves, but reserves have not increased dramatically as they have been used to balance the budget and/or fund one-off initiatives. Earmarked reserves have remained adequate but are lower than benchmark compared to CIPFA nearest neighbours.

Capital Programme delivery is low, and the Council is debt free. The Council has not developed a multiyear transformation programme and adopts a tactical approach to balancing the in-year budget requirement. Budgeting is focussed around reporting to Council Executive in February, and it is not clear how Scrutiny are engaged in the process.

The External Auditor has not identified any issues with the Council's accounts or the value for money assessment.

The current MTFP sets out the position until the end of 2025/26. The budget is shown as balanced in 2023/24. However, an initially projected £329k ongoing gap in 2024/25 (assuming current year targets are fully delivered) has been revised and the gap is now closer to £950k.

There is a recognition of the scale of the challenge EBC faces and a clear intent to address this. However, it is important that Budget and Financial strategy should be decided by the Administration following informed discussions of the options with relevant officers. This includes revenue and capital options. Members need options to balance budget whilst being able to invest in priorities including options such as the use of reserves and borrowing.

A collaborative approach owned by Cabinet and Senior Management is essential. It will be important for consideration of addressing financial challenges in tandem with defining and delivering the priorities of the new administration. The current thinking of 'either or' will need to be reviewed as the two things are not mutually exclusive from each other.

In looking towards a collaborative approach to addressing these challenges, staff welcome the recent greater transparency of the budget position and want to be part of the process of finding solutions. Once again there would be value in recognising the possible contribution from staff on this front.

Longer-term budget setting is key to ensuring member priorities and ambitions can be delivered and there would be value in moving away from the current year to year approach to budget and savings.

Members would benefit from more effective and timely briefings to provide clarity. The Peer Challenge team query whether recent finance briefings for Members might have been overly prescriptive as opposed to providing options for them to choose from. This will critically important if the joint and equally important priorities of a new administration's vision agenda alongside prudent financial management are to be progressed in tandem.

4.5 Capacity for improvement

Transformational change is required both for improvement and financial savings, defining what sort of organisation the Council aspires to be in the future.

There is a clear appetite for improvement and change from staff and members. There is enthusiasm about some recent changes and a feeling that they can act as catalysts for improvement and transformation.

IT investment is critical to enable improvement and to support change. A constant message throughout the review process was that the Council has not invested in IT as much as it could have and the sort of changes desired will not be able to be delivered without improvements. It is very clear that communications need to be modernised which will include a move from print to digital.

As with any change programme once a clear vision has been established the process requires drive and energy. This report has included references to change and transformation throughout as opposed to only in this section. The transformation will also change culture and embed and drive a high-performance culture across the organisation including the performance management of staff.

It was clear that staff were aware of the need to change and were open and supportive to any programme.

4.6 The opportunities for the council to maximise possibilities of income generation

The Council should refresh thinking to drive innovation around income generation opportunities once it has developed its medium term strategy and its approach to transformation. Income generation varies across the sector but developing a culture that acts more commercially day to day can help. In addition some ideas may include:

- Exploit income opportunities through the delivery of the Town Fund £24.8m.
- Explore working with other public services to maximise One Public Estate (OPE) funding as well as wider growth opportunities.
- Maximise income generation from existing streams such as crematorium, garden waste, regeneration of buildings and wider commercial activities.

- Consider under-utilisation of open spaces as income generators such as 'We Buy Any Car' hubs, distribution/collection points e.g. Amazon and festivals (Oktoberfest) Sponsorship on public realm items such as bins.
- Consider reintroducing a Community Lottery to help local groups and enhance current Community Grant opportunities.

4.7 The council's refreshed local priorities emerging on the back of the change in the council's administration.

There are clear emerging priorities (based on the Administration's manifesto) which now need to be shared through the publication of the Corporate Plan and delivered at pace, led by the senior leaders. There is an opportunity for the Cabinet and Senior Management to act as one team and drive the delivery of the priorities. Within the priorities of the Administration there is scope to bring a number of them together in a wider regeneration strategy, which would include improvements to the public realm, open spaces and larger transformational capital projects.

As touched upon earlier in this report, a key ingredient for success will require EBC to improve communications and consultation with residents and businesses. Ensuring that all stakeholders are fully sighted upon, and supportive of future strategy, will undoubtedly increase the likelihood of successful delivery.

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 session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Mark Edgell (LGA Principal Adviser for the East Midlands, Yorkshire and the Humber and North East Regions) is the main contact between your authority and the Local Government Association. Mark is available to discuss any further support the council requires and can be reached by email:

mark.edgell@local.gov.uk