Corporate Peer Challenge
Erewash Borough Council

28-30 November 2016

Feedback Report
1. Executive Summary

The following bullet-points encapsulate the team’s finding in as brief yet cogent a way as possible, and the rest of this report develops them. Thus Erewash Borough Council (EBC) demonstrated to the team that

- there is evident pride in the place felt by Members, officers and partners;
- EBC is an active member and leader of partnerships;
- Its ambitions and strategic outcomes are not clearly articulated;
- Its organisational shape and capacity should follow strategy, once the latter has been clearly defined;
- It has yet to exploit its financial steadiness;
- It has yet to debate its appetite for risk.

2. Key recommendations

The main section of this report contains a range of suggestions and observations that inform some quick wins and practical actions. Many of these came from the on-site conversations, which provided insight into the organisations, and are informed by ideas and examples of practice from elsewhere.

The following are the peer team’s key recommendations to the council:

1. **Embrace Erewash as a collection of communities and localities, not as a single entity.** Residents identify more strongly with their local communities (for example Ilkeston and Long Eaton). Communicating more directly that the council understands this dynamic may help residents to better connect with the wider vision for Erewash.

2. **Clearly articulate your ambitions and strategic outcomes.** Clearly define the council’s priorities with a focus on outcomes rather than activity, inputs and outputs can not only give purpose to Members and officers but also help them identify the most relevant areas for investment and the greatest potential to make savings.

3. **Demonstrate leadership by maintaining momentum and pace.** Speed up the process of developing Stanton and consider all possible options for securing the resources required to achieve this.

4. **Revisit the opportunities for Erewash Borough Council to influence the regional devolution ambitions.** Build on the council’s experience of effective collaboration as a means of working better with the partners who are integral to the success of any regional devolution.

5. **Organise assets, technology, people and partnerships to achieve your ambitions and outcomes.** Following on from (2) above, define clearly the council’s vision for using ICT more effectively, take a more robust approach to identifying skills/capacity gaps and actively seek to address these.

6. **Use your sound financial basis to build confidence in taking calculated risks to stimulate change.** The clear financial capability and solid record of prudence...
emanated from previous difficulties but now seem overshadowed by them. Erewash Borough Council is in a position to capitalize on its enviably secure situation if it reminds itself that its funds are there to stimulate investment in its priority areas.

7. **Following the options appraisals, consider separating sports development, health improvement and outreach from the management of leisure facilities.** The management of facilities carries out only part of the council’s public health function but can swallow up any spare strategic and tactical resource. Separating the management of facilities from the development work enables the latter to be devoted to its priorities without being tied to any building.

8. **Use cross-party scrutiny process to add value to the development of policies.** The impression gained was that scrutiny was a reinforcement of the Majority Group’s policy development rather than a genuine multi-headed scrutiny and challenge not of political ideology but of policy proposals.

3. **Summary of the Peer Challenge approach**

**The peer team**

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

- Steven Halls – Chief Executive, Three Rivers District Council
- Councillor Tony Jackson, East Hertfordshire District Council
- Matti Raudsepp, Head of Organisational Development, Christchurch and East Dorset Councils
- Heidi Bellamy, Director, Culture First
- Olivia Allen, London Borough of Islington Council
- Ernest Opuni, Local Government Association

They would all like to place on record their thanks to all Members and staff at Erewash Borough Council for welcoming them and helping them through their openness and helpfulness to reach the conclusions set out in this report.

**Scope and focus**

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. These are the areas we believe are critical to councils’ performance and improvement:

1. Understanding of the local place and priority-setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected Members, officers and its constructive relationships and partnerships with external stakeholders?

3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?

4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?

5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and use external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to consider/review/provide feedback on Sports and Leisure and Economic Development

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils’ needs. They are designed to complement and add value to a council’s own performance and improvement. 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 for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3 days on-site at Erewash, during which they:

- Spoke to more than 70 people including a range of Council staff together with councillors and external partners and stakeholders.
- Gathered information and views from 22 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 200 hours to determine their findings – the equivalent of one person spending more than 6 weeks in Erewash.

This report provides a summary of the peer team’s findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (28-30 November 2016). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.
4. Feedback

4.1 Understanding of the local place and priority-setting

The council clearly recognises the importance of the High Speed 2 (HS2) Rail Route. There is also a clear focus on realising the potential of sites such as Stanton, Forbes Park and town centres in the Borough. The council is working well at various levels with partners on these initiatives. Across the council there is a good level of understanding of these as priorities and the importance of raising aspiration and affluence across the various communities is clear. Unemployment levels at two and a half percent are relatively low but this has not stifled the ambition to generate more highly skilled jobs. There is a clear focus on mitigating any potential negative effects of HS2. That said, it is the team’s view that the order of priorities for delivery could be more clearly spelt out in the Erewash Corporate Plan.

Erewash has a valid vision as its starting point, but the outcomes the council is working towards could be clarified further. This would help the council to focus on the most relevant areas for investment and where there is the greatest potential to make savings. A greater focus on clear outcomes rather than activity, inputs and outputs would be of benefit. We believe that more clearly defined priorities would be particularly useful in relation to economic development.

Erewash recognises the importance of effective collaboration with neighbouring councils. This is clear from the council’s well-established joint working with Broxtowe and a recognition of the importance of positive relationships with Derby and Nottingham.

The council is very keen to promote Erewash as a place with a unified identity and the efforts which have gone into this cannot be under-estimated. We did however wonder whether promoting a unified identity allows the council to fully recognise and utilise the reality of the distinct communities which exist in the Borough. The communities in Ilkeston and Long Eaton identify more with their localities than with Erewash. There may be value in the council reflecting this understanding in the narrative for the borough as this may further enhance its ability to connect and engage with residents.

The council’s Corporate Plan recognises and reflects well the value that citizens place on its services such as waste collection and recycling. Erewash Borough Council is regarded by residents as performing well in delivery of its Environmental functions including maintaining parks and effective bulky waste collection. Initiatives such as ‘Erewash in Bloom’ are viewed positively. We recommend that by exploring opportunities to change the approach to the disposal of food waste and the potential of charging for the removal of green waste, there might be scope to further improve and enhance these much valued services.

The council’s knowledgeable and experienced Leisure Services officers have set up football clubs and other initiatives in Ilkeston. These activities are regarded as an effective means of better engaging harder to reach communities.

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There was a message expressed to the team by rural residents that Erewash Borough Council may need to review how it connects with residents beyond the two larger towns of Long Eaton and Ilkeston. This may involve widening the consultation on future Corporate Plans in order to challenge the perceptions of previous exercises. There may also be further opportunities for such consultation to include views on the public services delivered by other public agencies.

4.2 Leadership of Place

Erewash’s councillors have a clear passion for the Borough. Political leaders at the council are striving to create a feeling of community around ‘Brand Erewash’ characterised by it being a place of choice in which to live.

Regeneration partners praise Erewash Borough Council for its willingness to engage and co-operate. We had evidence of extensive partnership working and shared services as an integral part of a commitment to the leadership of place. The Leader of the council has a place on the LEP Investment and Infrastructure Board and on the Erewash Partnership. The council contributes as a key partner in effective regeneration work at both strategic and very local level. In strategic planning over HS2, the council has played a key role in influencing partners to positively shape the Borough. An example of this is the council’s support in preserving Long Eaton’s world-renowned upholstery manufacturing industry.

In contrast to a decade or so ago when there were difficulties, cross-party working has increased and is more effective. There have been examples of the leader proposing a policy initiative which was seconded by the leader of the opposition. Historically there had been a culture of unhelpful historical adversarial politics but it is clear this situation has improved significantly in recent years.

The opportunity now is for the political leadership at Erewash to address major and strategic challenges to play a place-shaping role for future generations. One such example relates to the Erewash stand on Devolution which will be key for the Borough fully utilising potential opportunities relating to HS2 and Stanton. While there is clear evidence that working with neighbours like Broxtowe has worked, we feel now is the time for Erewash Council to consider further how it might work more effectively with other potential partners. There appears a chance for the council to play a leading place-shaping role on this agenda. HS2 infrastructure requirements need further government funding and there may be benefits from such resources for progressing Stanton. The council may find benefit in working more collaboratively with other partners such as Derbyshire County Council and Nottingham City to fully unlock some of this potential.

The council’s political leadership should recognise that responsibility involves risk and its mitigation. It is clear the Stanton site is important to Erewash Council and it may benefit from a bolder approach to investment by the council to secure and develop the site more swiftly. Another example is on the Albion Leisure Centre where more decisive political leadership may have been beneficial in determining the future of the asset.
Under the right conditions the council has shown it will work with partners on shared services and HS2. There was great praise for the council from regeneration partners about its ability to and willingness to influence partners. We found examples of good leadership of place through working effectively with outside bodies. It is clear to us that Erewash wishes to remain an independent entity with a distinct brand and that it does not want to play the role of a dormitory town in the wider regeneration of the region. However the council has shown that under the right conditions it is willing to form part of a larger, federal whole in relation to shared services for example. The clear passion for the place along with the improved local politics provides a strong platform for Erewash to play a more proactive and pragmatic collaboration role in the region. There may be some difficult decisions and it is important for the council to be bold in taking these.

There is an opportunity for strategic managerial leadership to mirror and aid changing political leadership. There are opportunities for further, more strategic partnerships and now is the time to embrace new ways of working without fear of the repercussions of change. It was not always clear whether the council has the appetite for taking decisions which could potentially be unpopular with the electorate. It will be difficult for the council to play its full leadership and place shaping role if it does not move past this, especially given its solid political make-up.

4.3 Organisational leadership and governance

Erewash has a stable workforce and council membership. The council has avoided redundancies by not filling or replacing posts and this has contributed to the achievement of efficiencies. There was confidence amongst staff regarding the security of their roles.

Member and Officer relationships are good as evidenced by how supportively each speaks of the other and the absence of any friction. The Chief Executive has contributed positively to the stability of the council. Members feel they receive the training and support to help them fulfill their roles. We were told that councillors do not always accept the professional advice of officers but that the mutual respect between the two provides a strong foundation on which a culture of healthy challenge can be built.

Scrutiny would add greater value if given more independence. There is a feeling that the agenda for scrutiny comes from a political and not a practical position and that more is required to separate this function from that of the administration. There is further scope for scrutiny to become more independent and therefore more effective on behalf of the council and the inhabitants of the Borough.

Erewash Council should be prepared to give ground when it could help to deliver a better outcome in development discussions and consideration of shared services for instance. It is clear that the council is happy to share services when it is the lead authority. However, if strategically planned, there may be benefits to the council in such arrangements where it does not necessarily take the lead role.

It is worth the council considering whether it could take a more proactive rather than reactive approach in order to achieve desired outcomes. There is an appetite among
some for the council to be more ambitious but this may require a change in the council’s mind set and culture in relation to risk, especially as it is probably the only agency that can bring about some of the changes. Now is the time for the council to be braver and more ambitious in making strategic decisions as the good relations it has with most partners would allow this. The council may be missing an opportunity to leverage benefits of Combined Authority. Members could be more actively involved in pushing the pace on Stanton being brought forward and progressed. There could be opportunities to draw down infrastructure funding from non-traditional sources and we would encourage the council to explore these.

With changed objectives and outcomes, the council may need to reflect on whether its structure needs to change to reflect these changes. The Senior Management Team is collaborative and self-supporting with good working relationships between peers in evidence. However there seems some inconsistency in how clearly decision-making and communication channels operate across all of the council. The processes and protocols for putting forward new proposals and how decisions are communicated back down is clearer in some Directorates than others and there may be some value in reviewing these.

4.4 Financial planning and viability

The council is debt-free and has no imminent ‘burning platform’ or ‘cliff edge’ to worry about in the short term. The fundamentals of Erewash Council’s finances are sound and strong and this was articulated by everyone we met. There is no fear about investment in Services and staff are reassured due to lack of redundancies.

Whilst Erewash being debt-free is a testament to prudent financial management, strong financial management should be the foundation for change rather than a “thing in itself” to maintain the status quo.

Despite pride in being debt-free, there is increasing willingness among both senior councillors and senior officers to consider borrowing to invest in projects. Increasing the pace of change for Stanton may need further investment by the council in order to bring about key benefits.

Erewash may need to consider adopting a less risk-averse approach to funding priorities and consider strategically increasing its appetite to take on debt in order, for example, to facilitate development of the Stanton site once there is greater certainty on who the developer would be. We would encourage the council to consider the possibilities for taking this thinking further.

Erewash Borough Council is keen to build on previous success with shared service arrangements. The council is also proactively seeking income generation opportunities rather than limiting its activity to budget reductions only as a means of achieving its £2.5 million efficiency target. One such example is the consideration of office-sharing arrangements with the Department for Work and Pensions which has the potential to generate £100,000 per annum. Proposals to fill the funding gap have been identified and listed but there does not appear to be capacity to accommodate any new priorities.
or projects – the team would encourage the council to give some further thought to this. It will be important to explore further the viability of the proposals to close this gap.

Future financial planning should be based on strategic thought rather than on tactical opportunism. It was not apparent to the team as to how much consideration has been given to seeing property as investment through buying-to-let for example. If there is the ambition to pursue options beyond maintaining the council’s status quo with less money, then different approaches will be needed. Adopting more planned approaches to delivering future capability rather than relying on being opportunistic in finding savings will be key. We would encourage the council to revisit the question of increasing Erewash’s council tax rather than continuing its erosion. Following a period of seven years with no increase, now may be the time for the council to review. The council may also wish to consider further how its estate and assets could be a source of income generation. There may be benefits in considering the options of implementing cashless payment via direct debit and ensuring the council has the IT capacity to progress this.

4.5 Capacity to deliver

Erewash Borough Council has the benefit of very knowledgeable and experienced officers and councillors. It was clear to the team that they have the ability to adopt change which will be important if they are to prove flexible to meet new challenges and changed priorities. Good progress has already been achieved with shared services and an enthusiasm to explore future opportunities. The effective and efficient joint working and sharing of services with Broxtowe is exemplified in the evidence we saw around crematoria and building control. Nonetheless, whilst a settled workforce is a positive attribute, it will be important for the council to assure itself that it is able to develop further any skills the council may not currently have.

Commercial awareness across the workforce needs embedding throughout the political and managerial organisation. For example, nearly all of the council’s Leisure Services staff are from local government so it would be beneficial to increase the council’s commercial expertise in this area. On another front the council sees the development of Stanton as crucial and this is articulated in regional plans yet there are a number of barriers to freeing up the site for development and the council should reflect on whether it currently has the skills and capacity in place to progress this. The council is aware of this need and the need to recruit to the vacant Economic Development Officer post is recognised as a priority by councillors and officers alike. Alternatively the council has already sourced consultant input for its work on Leisure and may wish to consider doing this for Business Development.

There will be a need for a planned approach to delivering organisational capability. The council assesses all vacant posts before advertising and any restructuring since March 2014 has been incremental and evolutionary. Addressing the needs to improve capacity to deliver different priorities requires a different mind-set and organisational change may be necessary to make the organisation ‘fit for the future’. ICT capacity and the vision to take this forward is another area in which the council recognises it has skill gaps. We would encourage the council to be more robust in identifying skills and capacity gaps and actively seek to address these.
EBC’s present focus is more on inputs, activity and outputs than outcomes and this is recognised within the council at various levels. Financial stability has helped ensure service continuity. We did not get a clear indication from those we met that they are able to give examples of outcome-based service planning. We would encourage the council to focus more on clearly differentiating between outputs and outcomes and ensure that recognising this difference is enables all councillors and officers at Erewash scrutinise afresh all the council does.

4.6 Sport and Leisure

There are a number of challenges associated with the leisure asset base. These include

- ageing stock which is costly to maintain,
- a question around appropriateness of facility make-up for future community needs
- growing competition from budget gyms.

This has created a perception that the leisure facility portfolio is a financial burden and the focus is overtly on the cost of facilities rather than the wider benefits the service brings. We found a widespread belief among Councillors and officers that too much resource is spent on leisure with no coherent and evidence-based argument underpinning this activity.

The Leisure Service plan cites that £312,000 of funding to deliver commissioned services that address health priorities has been levered in. Officers are working with the Clinical Commissioning Group and Public Health on initiatives that tackle obesity in children and engage families in deprived areas. The health cost of inactivity to the Borough is currently £1,639,083 (source: Local Sport Profile Tool). As a result improved advocacy to highlight these achievements may help better illustrate the rationale for continued investment and divert the focus away from the net subsidy. The value of sports and physical activity volunteering in Erewash is estimated at £33.1 million whilst £19.9 million gross value added is generated from participation in leisure activities. Raising the profile of this could help balance the cost versus benefit equation. There is an imperative to now review leisure services and externalise/outsource, enter into joint arrangements with a neighbouring district or innovate further with service provision. The forthcoming management options appraisal, alongside the review of facilities, will enable councillors to make informed decisions about the future of the service.

Tension is apparent between the need to have a more commercial focus and delivering services for target groups to address health priorities. It is worth noting that at National level there is a move towards wellness hubs co-located with GP surgeries and other support services that make it easier for people to lead active lifestyles. Taking a place-based, holistic approach to health and wellbeing would better maximise use of existing assets, Erewash Borough Council staff and skills and allows the potential to incorporate services and activities from a range of partners.
Alternatively, it may be beneficial to separate the Health Improvement, Sports Development and Outreach functions from the management of Leisure Facilities. This would enable a more commercial focus on income generation in the facilities whilst allowing the development services to concentrate on health and wellbeing priorities. This could help increase activity amongst target groups and assist the council in developing programmes which respond effectively to agendas around prevention and inclusion.

In addition to leisure facilities, the location of Erewash provides numerous opportunities for people to get active outdoors. There was a view expressed to the team about the value of the waymarked pathways, canals and other open space in the Borough. There is a feeling among residents that these open spaces should be fully promoted alongside the swim/gym/sports offer. Furthermore such ‘free at point of access’ activities remove any financial barrier to staying active.

There is a clear opportunity to influence the development in Stanton through the planning process in such a way that the built environment is designed to encourage active lifestyles from the outset. A number of people also expressed a desire to see Albion Leisure Centre, which has been under-occupied on the high street for many years, redeveloped as part of a focus for Ilkeston town centre regeneration.

Considering officer skills to deliver service priorities and face future challenges, we perceive a willingness to innovate and collaborate at management level. The holiday activity programme has been outsourced and now generates income for the council. There was evidence of leveraging in new funding, introducing more efficient ways of working and improving the customer experience. However, under-utilised space still exists across the portfolio that could either be re-purposed with the introduction of new products such as a climbing wall or spa for example. There would be an opportunity to offer more favourable rates to schools and other groups at off-peak times or by providing additional activities for older people and people with disabilities.

Technology is being used to assist with income generation. For example a new system has been introduced that follows up on cancelled memberships and enables social media campaigns, offering improved ability to minimise membership attrition. Non-introduction of turnstiles at key sites may mean that revenue is lost and user data capture is undermined and we would encourage the council to review this approach.

A review of leisure operational staff has led to a more flexible workforce that can be mobilised across sites. Training has also been given in ‘Making every contact count’, which is leading to the cascade of broader lifestyles information to service users. However, levels of sickness in leisure appear to be problematic at operational level and there was an acknowledgment that this needs to be addressed.

The position and profile of sport and leisure is seen as challenging for partners and they expressed a desire to better engage at strategic level with senior decision-makers. The Erewash Sport, Health and Physical Activity Alliance is seen as a useful forum for bringing partners together but an improved focus on collaborative action would be welcomed by stakeholders.
4.7 Economic Development

Erewash can point to good examples of re-purposing of vacant properties such as the former Woolworths community café and workshop training for ex-offenders and NEETS. Arena Church is another such example. 103 new businesses have been supported via a strong public/private collaboration on Erewash Partnership and there may be an opportunity to extend the principle through a wider strategy for other vacant properties in the Borough. There is a strong focus on maintaining existing businesses and supporting their expansion. The relative financial stability the council has means it has options and choices in this area.

The Stanton site is recognised by the Council as a significant opportunity for residential and commercial development and the council may wish to consider how it may bring Garden Village principles to its development. A key message from the team however is that progress is slow and a sense of urgency at member and officer level may need to be injected.

There is widespread sign-up to the potential benefits of Stanton. However there was a view expressed to the team that the focus on the site and on the market towns of Ilkeston and Long Eaton was to the detriment of the rural hinterland of communities such as Sandiacre. Notwithstanding the importance of Stanton, it will be important that a balance of focus across the rest of the Borough is achieved. Through closer partnership working with Derbyshire County Council and other partners, there may be opportunities to focus on delivering place-making activity in other parts of the Borough.

The team feels producing the Supplementary Planning Document for Stanton is a positive move giving a clear indication to developers and other agencies of the Council’s preferred outcomes for the site. The opportunity for the council to take a brave approach to unlocking the Stanton site by injecting greater urgency and resources has been noted and stressed at various points in the team’s report.

Erewash is working to mitigate HS2 impact but could make a stronger commitment to displaced residents and businesses. For example Ilkeston needs regeneration and cultural renewal, and Stanton will not automatically deliver this. On the contrary, Stanton could become a separate village and fail to increase footfall in Ilkeston. There may be value in considering the effect of housing within the Economic Development Strategy not as a sign of lack of ambition but rather as an opportunity for regeneration in Erewash.

The focus on Stanton should not prevent progress on other regeneration sites that need a kick-start. Forbes Park should provide an opportunity for displaced businesses resulting from the HS2 plans to relocate within the Borough and the council having a strategy for how it could bring this site forward would be a positive move. It could provide a suitable site for businesses needing to relocate and possibly create an opportunity for the council to directly intervene to bring development forward through land purchase.
5. Next steps

Immediate next steps

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

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Mark Edgell, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His contact details are: Email mark.edgell@local.gov.uk and Tel: 07747 636910

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

Follow-up visit

The LGA Corporate Peer Challenge process includes a follow-up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 2 years.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission its next Peer Challenge before November 2021.