

# Corporate Peer Challenge Derbyshire Dales District Council

*22-24 October 2019*

Feedback Report

# 1. Executive Summary

There is a real sense of ambition and commitment to continuous improvement at Derbyshire Dales District Council (DDDC).

There is a positive supportive culture which has dedicated loyal staff at its centre. The general sense is that the council is seeking to be more forward-thinking and this is very much shared by staff.

The council's core services are performing well. Through focused and prudent management, the council has a strong financial position which provides a foundation for the council's future ambition. As has been the case in recent years for all councils, DDDC has needed to focus on achieving savings and efficiency targets. However financial constraint should not be the overriding driver for all future decisions. A question for the council to consider is how much of an appetite it has for managing risk in order to utilise the many opportunities DDDC has.

The council's plans to develop a new corporate plan for the district provides an important opportunity which must be seized as a means of clearly spelling out the ambition and future vision for Derbyshire Dales as a place. The new corporate plan will also provide opportunities for the council to ensure these messages are clearly articulated to ensure its aspirations are clearly understood. There is clearly an opportunity for this plan to be widely shared to secure greater buy-in from stakeholders and partners across the district as a whole.

There seems a clear opportunity for the council's role in place leadership for the district to be strengthened through the new corporate plan. This work would also give DDDC the chance to provide clarity and focus about its commercialisation aspirations. There is also a good opportunity for the new corporate plan to review and address the council's capacity issues in terms of assuring itself that it has the right levels of staff with the skill required to deliver its ambitions for the future.

It will also be a chance for the council to clearly define its ambitions for economic development and place making whilst reflecting the importance of doing this in sustainable ways. The natural environment of Derbyshire Dales is widely recognised as a significant asset for the council and the communities of the district so the importance of balancing these various considerations will be important.

The Council has good internal and external communications but needs to widely celebrate success. The peer review team would encourage the council to ensure that its communications focus more clearly on reflecting DDDC's desire to continue to build local trust and reach out into its communities effectively. There appears to be an opportunity for the role of elected members to be reviewed to ensure councillors can play a full role in DDDC effectively undertaking this community leadership role.

In taking forward its ambitions for the future the council needs to fully embrace the modernisation agenda for example through systematic approach to digital technology.

## 2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the Council:

**Develop a strong narrative and vision for your area that is owned and understood by members, officers and key stakeholders.** Consider how to further broaden members' understanding of the whole district.

**Ensure the new corporate plan is an opportunity to look forward and takes account of the potential for a fresh approach.** It will need to be collectively owned and appropriately resourced to deliver.

**Ensure you understand and maximise the benefits for the district as a whole.** Judgement of the value of the council's intervention should not only be based on cost.

**Ensure the council's commercialisation approach is sufficiently clear, ambitious and realistic.** Make sure this will provide income to support the delivery of quality services and the ambitions of the council.

**Further strengthen relationships with key stakeholders especially where delivery of practical and mutual benefits to the district can be achieved.**

**Review the role description for members to ensure they can fully contribute to the future direction of the council and the district.**

**Utilise group leaders to ensure all members are fully informed. Ensure information is easily accessible to all members.** Consider a single log for member enquiries and have options for self-service.

**The council should consider its own skills base and investment capability to promote jobs and business growth.** The draft economic plan drives an ambitious direction at a time when site delivery and wider economic circumstances are challenging and suitably skilled staff are needed.

**Consider whether your affordable housing offer needs to be diversified in light of the range of local housing need.**

**Further engage with strategic and local organisations to build trust and community capacity to advocate for and deliver on important initiatives (for example. climate change).**

**Ensure that the council fully understands what a 2030 carbon neutral target means in impact and cost terms.** Good growth and carbon neutrality should both be core to the council's climate change plan.

**Share the narrative and celebrate success.**

### **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 Derbyshire Dales District Council (DDDC) were:

- Norman Proudfoot (Harborough District Council Joint Chief Executive)
- Councillor Linda Robinson (Former Leader, Wychavon District Council)
- Councillor John Boyce (Leader, Oadby and Wigston Borough Council)
- Richard Cohen (Deputy Chief Executive, East Devon District Council)
- Rob Andrew (Strategic Place-Shaping and Localism Lead, Cornwall)
- Priya Thethi (LGA Policy Adviser)
- Ernest Opuni (LGA Review Manager)

#### **Scope and focus**

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. 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 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 leverage external capacity to focus on agreed outcomes?

Under these headings you asked the peer team to provide feedback on the following specific questions:

- How well does the council understand its local context and place and how has that been used to inform a clear vision and set of priorities?
- How well is the Council achieving against those ambitions? For example, as it reaches the end of the 2015-2019 Corporate Plan has the Council got a clear idea of where to go from here?
- The extent to which the Council's affordable housing ambitions are stretching enough and realistic.
- Does the council provide effective leadership of the District within and beyond through its elected members, officers and constructive relationships and partnerships with external stakeholders?
- How well is the council balancing its growth aspirations with the considerations of the need to deliver wider 'green' outcomes such as carbon reduction?
- Does the council have a financial plan in place to ensure long term sustainability and is there evidence that it is being implemented successfully?
- How aware is it of its costs compared to similar councils?
- Is the Council maximising appropriate sharing and "commercial" opportunities to enable reinvestment in services and to contribute further to self-sufficiency?
- Are the Council's commercial aspirations reasonable and realistic given what it considers to be its limited cash and assets?
- Does its new "Commercial Board" provide- and allow- the focus and leadership needed?
- Is there effective political and managerial leadership supported by good governance.
- Are decision-making arrangements fleet of foot, responsive to key challenges and opportunities and enable change and transformation to be successfully implemented?
- Are elected and officer roles clearly defined and relationships constructive?
- Is the way the Council operates its Committee system model fit for purpose?
- Are resources aligned with priorities?
- Does the council influence, enable and leverage external capacity to focus on agreed outcomes?
- Is the culture one where residents and other stakeholders feel fully engaged and involved in the decisions that are being made on their behalf?
- Is the strategic capacity within the council sufficient for current and future challenges?
- Is the Council making the most of new technology, including artificial intelligence, to reduce demand, improve efficiency and to deliver outcomes?
- To follow the housing theme, is the Council making use of all possible opportunities and taking the right steps to deliver its affordable housing ambitions

## **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 onsite at Derbyshire Dales District Council during which they:

- Spoke to more than 85 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 43 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 180 hours to determine their findings – the equivalent of one person spending more than 5 weeks in Derbyshire Dales.

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 on 24 October 2019. 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**

Derbyshire Dales District Council (DDDC) has a good understanding and appreciation of its local context and is focusing on continually improving local community relationships. The council's efforts to establish a clear link between what it delivers and clearly identified community priorities is a clear driver of much of what it delivers. The result of the council's 2019 staff survey indicates an improved understanding of the relevance of plans and strategies. This means council's priorities are clear and being operationalised because the key themes for the new Corporate Plan -People, Place, Prosperity- are well understood in the organisation

Members are largely united on council's purpose to provide a positive place to live, work and grow up. Although the council's priority in relation to leading on climate change is in its early days, councillors are positive about the council working to setting an example by making the council a leader in relation to the green agenda. The new corporate plan represents an opportunity for DDDC to develop more fully worked up plans focused on delivering clear outcomes.

There is a strong understanding within the authority about rural pressures and the need for the council to take the lead locally. There is consensus from political and managerial leadership that 'a focus for the future is to deliver services for the benefit of local communities including high value jobs. The emerging Corporate Plan needs to be clear and directive and owned by the whole council. While recent years have by necessity, focussed on achieving savings targets, there is now an opportunity in the new corporate plan for the future direction to include opportunities to invest whilst managing risk effectively.

Affordable housing delivery has been prioritised and resourced. The affordable housing need is clearly evidenced and is a current pressure, exacerbated by lack of suitable land. The council recognises the challenges associated with this and is seeking to maximise off-site contributions by working in partnership with Housing Associations to deliver units. There are good working relationship between Rural Housing enabler and Registered Housing Associations providing a positive foundation on which to progress with delivery into the future. The approach of utilising offsite Section 106 contributions and working with Registered Providers is moving in the right direction but there is more for DDDC to do to ensure future needs can be met.

The established format of the Derbyshire Dales Community Forums could act as a foundation for wider conversations in relation to agendas such as climate change. Now is the time for further engagement with these forums as a vehicle for taking forward much of the local aspirations. The peer review team would encourage the council to review its internal capacity to ensure it is placed to deliver effectively on this agenda.

The council is investing in strategic planning capacity to improve use of sites and improve developer negotiations and the council's understanding of its sites. There is an opportunity for the council to review its empty homes strategy, local housing need and demand. DDDC could also consider the choice of different tenures and whether the Council could itself be a direct investor.

## **4.2 Leadership of Place**

DDDC is credited with being an effective leader of the district by partners who attest to the authority being a good partner to work with which makes positive contributions to collaboration. Relationships with partner organisations to promote the district are strong and the council is actively looking to work more closely with other districts.

DDDC's induction programme for its new councillors is positively regarded by local councillors. Members are also positive about potential for innovation in the area and are keen to take this forward as part of the council's new Corporate Plan including effective delivery of infrastructure projects for the future

There is a good relationship between DDDC's and the County Council as evidenced by the Ashbourne Airfield redevelopment, collaboration on transport and the work that has been done in relation to parking enforcement. These are all contributing positively to DDDC delivering more effectively in its place leadership role. Where possible the council should seek to lead joint initiatives where the benefits are going to be realised locally as this will ensure that infrastructure projects are delivered more effectively.

The council's building control partnership service is working well and benefits from effective reporting and governance structures which allows it to identify and respond to effectively to future works. This shared service has very strong support from DDDC officers which will be key in addressing the development aspirations and associated future challenges this may bring.

There is evidence of good leadership such as the climate change initiative. This will be important if the council is to fully utilise its natural environment as the asset it could be. The peer review team would encourage continued closer collaboration between officers and the member working group set up to develop ideas for delivering on this agenda into the future. Taking this forward effectively will contribute positively to the council identifying resources from the D2N2 Local Enterprise Partnership (LEP) for example.

DDDC is one of the districts within the county best placed to lead on the delivery of improved rural outcomes in Derbyshire. DDDC can create scope for investment in this agenda due to its unique location and positive reputation as a tourist destination.

The council is exceptionally well placed to build on its good relationships with external partners to highlight and tackle issues that rural councils have such as housing provision when substantial parts of the district are within National Parks. There would seem to be mutual benefits to jointly have a constructive dialogue with central government to explain the difficulties and seek support to address the perceived inequalities of the government's current approach. The council clearly has a strong relationship with the National Park however it needs to ensure that the council's representatives on the National Park board are able to promote the council's position and robustly challenge where necessary.

Town Councils and Parish Councils view DDDC as being more responsive and welcome the prospect of a place-based approach. There is a will and opportunity for yet closer working between DDDC and the Derbyshire Association of Local Councils (DALC) which could yield real benefit through sharing resources and expertise. The foundations for effective collaboration are in place but there remain further opportunities to continue to improve local engagement and understanding. There will be a need for the council to review its capacity to support this work in that DDDC can be assured of its ability to deliver its future ambitions.

DDDC would benefit from having a stronger voice and greater visibility on the regional stage to promote rural businesses and diversification. Key to this will be a clear narrative on what DDDC is able to contribute to achieving LEP priorities. DDDC is regarded by the LEP as one of the better districts to work which provides further opportunity for yet more effective delivery at this level.

DDDC's Economic Strategy is seeking to achieve a shift from tourism promotion to higher value and rural economy focus which would help contribute to ambitions of the LEP. Through this greater alignment there are likely to be enhanced opportunities to secure the kind of resources which could contribute to accelerating the delivery of important projects focusing on economic growth sectors and frontline services to local businesses. The peer review team would encourage DDDC to consider even more structured engagement with Businesses by sector and place and how this work might support manufacturing and engineering firms for example.

Historically it appears that the Council has overseen the delivery of site development such as Marks and Spencer, Wilkinson's and ABC premises. There is a clear desire to deliver economic development however employment sites are complex and difficult to develop in this area. There may be value in the council considering if it could be an investor in potential sites which may help unlock these developments.

DDDC is an integral part of strong partnerships focused on delivering to the wider the health and wellbeing agenda. This is being achieved through promoting health and active life style activities through its active communities' strategies. These are contributing positively to better community outcomes.

The positivity of the council about climate change and the potential for strong local partnerships could contribute positively to achieving the LEP's rural agenda. In order to maximise these opportunities, it will be important for the new Corporate Plan to address and clearly define what outcomes are sought for the towns in the district and how delivery could contribute to LEP objectives.

DDDC core service delivery is well regarded particularly in areas such as waste collection and recycling.

### **4.3 Organisational leadership and governance**

The Council needs to identify a clearer strategic direction and then the capacity to deliver. There needs to be a better balance between strategic and operational delivery. A clearer strategic direction from the Members will enable the Corporate Leadership Team to more effectively deliver.

Member and officer relationships have changed since the election and there needs to be a better mutual understanding of roles. Members and officers are a team, working on behalf of the residents in the district and it is important that there is clarity on behaviours, responsibilities, roles and delegation. The members role is crucial as there is evidence of the members becoming involved in operational matters which is clearly not their role.

There can be a tendency for some members to be too parochial forgetting their wider district councillor role. The peer review team's view is that the role of councillors is also a strategic one in which they use their local knowledge and experience as elected representatives to take decisions that set the direction of the council across the whole district. Members developing and communicating a long-term vision would be a strong message for the community and for partners.

Internal corporate communication as evidenced by the 2019 staff survey, seems to be effective. There is however some recognition that internal communications across the organisation between various departments requires attention to address future challenges and prevent silo working.

The transformation of the business support service has been successful in delivering efficiencies and is the success of this approach a template for similar change.

There is an opportunity to review the constitution to encourage fleet of foot decision making and more empowerment. Currently it would appear that decisions are sometimes delayed as they are required to go through the committee system. In reality many of these decisions should not require a committee approval so would benefit from the officers having delegated powers or where relevant a swifter member involvement. This will undoubtedly become more important as the Council's commercial approach develops and there will be a need to adapt to changing market conditions. Reviewing the constitution will enable the scheme of delegation to be developed to encourage swift and effective decision making.

The council is working well with the other district councils and the county council to identify better ways of collaboration and joint working through non-structural reform. This may prove to be a useful approach to deliver efficiencies and the council needs to be flexible to adapt its approach where necessary to ensure the partnership working is successful.

#### **4.4 Financial planning and viability**

Derbyshire Dales has a budget of just under £10m. The authority receives relatively little government grant support and is therefore now heavily dependent on generating income from Council Tax, Business Rates and local fees and charges.

There is evidence of strong finances and good financial management and the Council has a good record of staying within its budget. Reserves are healthy and the Council plans well for the future. Financial reporting to elected members is of a high standard and it is clear the Council understands its financial position and recognises its risks. There appears a need to develop savings plans to address budget shortfalls over the next three years.

The Council has a Medium Term Financial Strategy (MTFS) that includes a Medium-Term Financial Plan (MTFP) which projects DDDC's finances to 2023/24. The Strategy is well set out, detailed and thorough, demonstrating that the council understands their financial challenge well. It is underpinned by a set of principles the first of which is:

*“to have a balanced sustainable budget in the medium-term to ensure that the Council remains in good financial health and meets the statutory requirement to set a balanced budget.”*

The MTFs and MTFP address significant risks, such as loss of New Homes Bonus, reductions in business rates and the impact of contract renewals. This means the council is well placed to anticipate and plan effectively for the future.

DDDC is managing its finances well. The council holds a healthy level of reserves and have prudently set aside money to deal with in-year variations in their budget. There is a risk-based reserves strategy which sets out the purpose for which they are held.

The council has a five-year Medium-Term Financial Plan which recognises financial risks and opportunities. The MTFP is a good document and shows that the council understands its finances well.

DDDC has been successful in generating savings over the last five years to sustain the council financially. There is clearly some uncertainty over the future due to the delay in the government’s review of local government finance but DDDC has set out projections based on a reasonable set of assumptions. This shows that it will need to identify further recurring savings (or additional income) after 2020/21 which amount to approximately £400,000 per annum. As yet the Council have not published their ideas beyond some thematic areas and this represents an area the council would benefit from focusing on further.

In 2020/21 the Council faces significant risks around contract renewals, in particular the waste contract (an additional £300k per annum. has been included in the MTFP), and from the revaluation of the pension fund (£150k per annum included in the MTFP).

The Council has low levels of debt (£5.4m) and has a strategy to provide resources from revenue to support the repairs and renewal of assets. This capital programme reserve stood at £2.25m at 31<sup>st</sup> March 2019.

The Council has a commercial investment strategy in order to generate income. This strategy is supported by an investment reserve of £570k. The strategy recognises the risks of this kind of investment and sets out a clear set of parameters within which the Council works to mitigate against such risks. However it is unclear how the strategy is being used to determine potential investments and whether there is additional funding available to maximise financial returns.

The council is in a strong financial position given the current climate. There has been a strong focus on financial sustainability around savings and efficiencies but needs to include a clear drive for increasing income generation. Coupled with a drive to generate income there should be more clarity around the true costs of services so that managers can robustly assess the commerciality of their services. The commercial ambition for the council needs to be clearly defined as a whole including the role of core services. The Commercial Board needs to be willing and to make timely investment decisions. The council’s strong financial position should enable it to be more ambitious with commercial

investments underpinned by robust management rather than avoidance of risk. It may help if the council considers a target which is derived from return on capital invested. The peer review team noted that the establishment of the Limited Liability Partnership was not being progressed and suggests that other delivery models are investigated to enable the council to operate with a more commercial approach for the relevant projects.

The use of assets to generate income for the Council should be a clearer priority emerging from the Asset Management plan. It is clear that DDDC has taken up the challenges of rationalising the asset base, a key recent example being leisure centres and public toilets. To continue the optimisation of its significant number of assets a swift governance process needs to be in place.

#### **4.5 Capacity to deliver**

DDCC has good, dedicated staff who are well thought of, enjoy working for the council and are clearly dedicated and passionate about working here. The peer team heard positive feedback from members and partners about officers. Staff expressed that they are happy with the current management arrangements and approach. There was however evidence of risks around recruitment, retention, staff progression and succession planning which have been highlighted by staff.

Once the new corporate plan priorities have been confirmed, there will be the need to further review capacity and skill requirements to deliver – “step up from enabling to delivery”

There is recognition amongst all parts of council (including members) of a lack of strategic capacity with CLT drawn into operational delivery. A suggestion from members is to reintroduce the Corporate Director role and the peer review team would support this action to provide additional strategic input and resilience for the Chief Executive.

Both procurement and asset management were seen as areas which would benefit from additional professional capacity.

Some of the shared services are working well and returning financial benefits such as the Building Control Company. There appears however to be some confusion amongst staff between the role of the ICT partnership and the digital transformation programme.

The council currently has flexible working in place and staff recognise the benefits that this brings. There is evidence that there is a demand for more flexible working policies across the council and not just in specific services. As many staff travel from other districts and there is limited public transport there is a potential to improve efficiencies and reduce the carbon footprint through the expansion of this approach.

## 5. Next steps

### Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order 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: [mark.edgell@local.gov.uk](mailto:mark.edgell@local.gov.uk)

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 their next Peer Challenge before 2024.