

Corporate Peer Challenge Mendip District Council

28 February-2 March 2017

Feedback Report

1. Executive Summary

Mendip District Council (MDC) has a fantastic story of sustained improvement. The bedrock for this has been established over the last 6 years with the strong joint political and managerial leadership pairing of its Leader and Chief Executive. Their relationship sets the tone for the rest of the organisation – it is purposeful, dynamic and focused on the success of Mendip the place, its communities and the council. That leadership is supported by a collaborative cabinet and impressive senior officer team, which in turn means a collective sense of purpose is practiced throughout the whole organisation.

There are strong and recurring features which run through that improvement story. First and foremost there exists a culture of innovation and trust throughout the council and this extends to many of its partnership arrangements. This is best exemplified in the ‘Shape Mendip’ concept and lived out in the ‘Hub’ at Shepton Mallet – a multi-agency collaborative campus delivering a range of public services. Indeed many of the partnership arrangements the council has led, fostered or committed to are truly inspiring and in some there is still ‘head-room’ for further exploration of benefits.

MDC seeks to commission **it** services in ways which best meets the needs of its communities and as efficiently as possible. This means its arrangements for providing services are quite diverse—some outsourced, some delivered in partnership, some delivered in-house etc. What is evident in all of these arrangements is that they are well-managed, all the services are as one stakeholder told us ‘... in sight and in mind’. Partners engaged in that delivery told us time and again how proactive and purposeful MDC are, one comment was very representative of this ‘MDC are the partner of choice’

A further feature of the success story is the commitment and dedication of the MDC staff group. The peer team met with a whole range of staff members across the council and our reflection was that ‘training and development is in the DNA of the council’. There was an evident zest to learn and provide better customer service – exemplified by the appointment to the Group Manager Assistant posts – time limited opportunities for middle managers to take on greater leadership responsibilities and encouraging people to push boundaries within themselves and the council. Indeed during all of our engagement with the council - pre, during and post peer challenge we have found drive, flexibility, innovation and passion at all levels.

As part of the peer challenge the council asked us for a view about its strategic positioning and how it might develop or improve that further. Mendip’s physical location creates both challenges and opportunities and whilst it does not have ready access to many of the obvious infrastructure levers for growth, notably the M5 motorway, the council work tirelessly with its partner’s right across Somerset, Devon, Wiltshire and towards the West of England to leverage what influence it can. MDC and especially its leader plays an important role on the Local Enterprise Partnership (LEP) Board. Importantly it does this very openly and proactively and that is respected and welcomed by all of its partners. In such an environment it clearly ‘punches above its weight’ and the advent of the council’s new economic development strategy is an ideal opportunity to lever that influence even further.

The council is self-aware, it knows its challenges and is preparing for them. Like many others it has made significant financial savings and as well as maintaining this focus on efficiency is now looking to ensure it becomes financially self-sustaining into the future - its plans to tackle the relentless challenges in this area are embodied in its newly emerging priorities – growth and transformation. The council is seeking to grow its tax base, become more commercial and look for new and innovative ways to increase its balance sheet, including a substantial investment fund. Those financial challenges are very much here and now and whilst the council is aware of them we would advise they now work at pace to establish an Asset Investment Plan and anchor this to effective governance and its Medium Term Resource Plan (MTRP).

That alignment of plans and strategies will be important as the council moves to its next steps of transformation. We did not always see a strong a ‘golden thread’ between the MTRP and the council’s corporate plan. We know this is ‘work in progress’ and the advent of the emerging corporate plan, setting of the council’s budget for 17/18 and recalibration of the MTRP over the next 4-5 years collectively provides an ideal opportunity to do so.

The emerging corporate plan also affords an opportunity to articulate more clearly the narrative for place and the council’s role within that. In rolling this out there is a great opportunity to hone its approaches to external communications. MDC can then work with its range of stakeholders to ensure there is a collective will and understanding about its ambitions for place shaping across Mendip and how the council will enable and influence that through for example, its digital plans.

We suggest MDC takes the opportunity to strengthen its performance outcomes and reporting and makes its scrutiny arrangements more dynamic. The council sees being clear, transparent and showing direction of travel as rightly very important and as critical friends challenging them we sometimes found this area was not as developed as it might be. Again we know that the council is addressing this issue.

In summary, MDC has made huge progress in the last six years and is a very well led, innovative and ambitious council with a preoccupation to improve and deliver to its communities through effective partnership working.

2. Key recommendations

Work at pace and dedicate appropriate capacity and skills to ensure the delivery of your MTRP. As part of this put in place a plan for your investment fund including an analysis of options and understanding of risks

Develop further with partners your narrative for the ambitions of Mendip as a place, and in doing so be clear about the role of MDC in shaping and influencing this

Develop a more systematic approach to external communications so you:

Are clear about the views, engagement and feedback from communities and key stakeholders e.g. parish and town councils

Have a better understanding as to the impact of your priorities across the district

Assess more readily how approaches to customer engagement through for example, digital means can be developed further

Revisit your overall approach to scrutiny and seek ways through which it can better influence policy development and take a more proactive role in performance management and challenge

Revisit your performance management approaches and place a greater emphasis on: transparency, aligning performance to corporate priorities and showing direction of travel

Look to lever your influence, strategic positioning and capacity through an exploration of the benefits that can be realised from both your growth plans and the potential opportunities to explore closer working with Somerset County Council

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 Mendip District Council were:

- Yvonne Rees, Chief Executive, Mole Valley District Council
- Tony Jackson, Councillor, East Hertfordshire District Council
- Jason Vaughan, Strategic Director- Dorset Councils Partnership, North Dorset, Weymouth and Portland and West Dorset Councils
- Emily Marmion, National Management Trainee, Reading Borough Council
- Paul Clarke, Challenge Manager, Local Government Association

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?

In addition to these questions, you asked the peer team to consider/review/provide feedback on: options around the future strategic positioning of the council into the future, what more you might do to facilitate further economic development in the District and whether you could work in a more integrated way with Somerset County Council. In such a short time with a small team we haven't been able to address these matters in full but where appropriate have addressed them within the five core areas, executive summary and recommendations.

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 focus. 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 Mendip District Council, during which they:

- Spoke to more than 150 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 35 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 Mendip.

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 February -2 March 2017). 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

Mendip District Council (MDC) is acutely aware of both the challenges and opportunities facing the district. The challenges are clear – a council seeking to be self-sustaining into the future, which - like many other councils is facing significant financial challenge. Its economy lacks many of the obvious infrastructure levers for growth and its population is growing but ageing and it is one that would benefit from an uplift in skills.

Importantly the council plays a very proactive role within Somerset, across the LEP area and more broadly across and beyond the south west, in seeking to lever its influence. This is a deliberate and determined approach to ensuring that Mendip as a place is, as one stakeholder told us ‘...within sight and within mind, at the table and on the map’. This disposition, amongst other things has informed and shaped its emerging corporate plan priorities which are appropriately focused on transformation and growth.

In turn we saw the council taking a planned and pragmatic way to both understand and as a consequence set its priorities. For example, we saw a clear evidence base underpinning its strategic planning processes, including using the Joint Strategic Needs Assessment (JSNA) , its Local Plan, engagement with residents and communities to inform its priorities on, for example health, well-being, housing and growth.

This is a council with a culture for innovation and learning, and that is willing to take on and try new and different approaches. The whole suite of ‘Shape Mendip’ related brands and approaches is evidence of this and exemplifies a council which shapes its current and future priorities through meaningful partnership arrangements. Likewise, when Somerset County Council working with its partners was looking for a place to incubate, learn from and grow a purposeful approach to, for example its ‘Troubled Families’ work, it created a new model with Mendip District Council and as a consequence of its success it has been rolled out across the county. This is perhaps reflective of what we heard several times from partners –that MDC was frequently ‘their partner of choice’.

The council’s internal communications are proactive and reflects a healthy mix of briefings, engagement and feedback. We also saw several effective examples of external positive engagement on policy development areas (housing strategy) or indeed around places (town centre development plans). However, we felt this might benefit from better joining up and the emerging corporate plan and priorities offer an opportunity for a reflection on how that might be done in a more systematic way. We thought engaging with stakeholders as part of a broader system – in a ‘Shape’ way could be very enriching and empowering for Mendip the place. By using such approaches, encouraging more proactive use of social media and technology and by drawing in more effectively some communities, towns and parishes this could become a real strength into the future.

4.2 Leadership of Place

The 'SHAPE' brand and ethos which underpins many of the council's partnership arrangements is very progressive – the combination of public, private and voluntary organisations, created with a clear ambition to find better ways of working together to help the people of Mendip live well is refreshingly simple and authentic. It is also highly visible with the very welcoming reception at the Shepton Mallet Hub, the first thing any visitor sees, acting as the 'front of house' for joined up public services.

The council provides a strong voice in promoting the ambitions and potential for Mendip. Again the recurring theme is that it does this through being a proactive and trustworthy partner – be that, as part of the 'Heart of the South West' devolution plans and submission to government or as a leading light within the county of Somerset as it invests leadership and council resources in 'joining-up' the aspirations of the county wide health and well-being agenda at a local level. There are many examples where it does this well, including being an active player in promoting the 'Ending Loneliness in Mendip' programme – a great local initiative working across the public and voluntary sector targeting an increasingly challenging issue.

The council has a Corporate Plan covering the period 2015-19 and its current priorities are to improve the health and well-being of its residents and also to support economic growth and development. Sensibly the council keeps its finger on the pulse of change and is refreshing the plan with a greater emphasis on transforming the council through its 'Shape The Future' programme. It has a good track record to build upon including its approaches to: Coleford Hub -- building upon the success of Shape Mendip - which is run by a new village social enterprise with a focus on tackling rural isolation, another good example is its arrangements with Fusion Lifestyle a charity which is investing £2.8m into the districts leisure centres which will also save the council £20m over 15 years. Given the financial challenges facing the council this track record of delivering services effectively and efficiently by working with external partners is crucial and the renewed focus on this is to be welcomed.

The priority of growth remains front and centre and given the nature of the place and its unique location, the challenges of developing sustainable infrastructure projects with partners, keeping jobs local and developing job, skills and opportunities for its residents is very important. The council has sought through its various partnership arrangements to save money and keep jobs local - including one of its latest significant ventures –the 5 Council partnership of geographically separated councils delivering a range of corporate services through contracts that will collectively save the councils more than £50m over a 9 years.

The council positions itself as being 'open for business' as it leads and provides support to encourage growth and jobs. The development of the former Dulcote Quarry site involving a significant food producer will both revitalise that area and create in excess of 300 jobs. Furthermore when we met with a small group of local businesses during the peer challenge they were keen to recognise the helpful

support and guidance they received from the council's Economic Development staff as reflective of that 'open for business' message.

The council is a willing, visible and active partner- it plays its role in the LEP, across public services in Somerset, and understandably also looks to Wiltshire and the West of England too. This might drain some of its internal capacity but it's certainly boosts its potential. It would perhaps benefit the council at this stage to reflect further on that strategic positioning. It would be useful to gauge what works effectively now and determine how best this can be built upon further to support the delivery of its corporate plans aims and especially its new priority around growth. Given the nature of this priority, we suggest this reflection is done both within the boundaries of Mendip and Somerset but also across a regional footprint. This will help the council better match resources to its priorities and steer a more deliberate path.

Those comments about a more deliberate path also ring true in relationship to the councils positioning on partnership work which we heard describe as a 'patchwork quilt'. There are many strengths to this approach. It has meant the council has welcomed partnerships, taken opportunities, is seen to be flexible, not dogmatic and willing to respond for the benefit of its communities and itself. That strength is something to hold on to but might also benefit from a narrative (already referred to above) which could also describe when MDC might for example: commission, deliver, enable, influence and work through partnership. We are not suggesting the council should be dogmatic but rather promote and position more confidently what that 'patchwork quilt' means in practice.

The development and refinement of such a narrative could provide a useful template to test with parish and town councils as a means of developing better, more coherent and productive partnerships with them in particular. When that works well the outcomes are evident- notably Coleford Hub, when they work less well its leads to misunderstanding and ambiguity.

MDC and Somerset County Council have a strong and positive working relationship- the housing of the county council's staff at the hub is testament to that. Through this and the positive disposition of both council's political and senior officer leadership, there are clearly opportunities to progress this further. As such we would encourage these two strong allies to work creatively and with purpose to explore and then, if appropriate, to plan to take this to a new level. One stakeholder, albeit being very positive described the hub as 'co-location not yet full collaboration'. We endorse that view and strongly encourage an exploration of the benefits of vertical integration with an emphasis on the mutual benefits around, for example: joint priorities, outcomes, focus on place, enhancing capacity and resilience amongst other as useful guiding principles.

4.3 Organisational leadership and governance

The council benefits from exceptional joined up political and managerial leadership. When partners repeat time and again the names of the leader, chief executive, cabinet members and senior officers as the architects and mainstays of MDCs

contribution towards effective working it confirms strong, joint and collaborative leadership. As a peer team we heard and saw this at first hand too. The council's cabinet is collectively very impressive- they are all 'on top' of their portfolios and work 'hand in glove' with the senior officer team. Role boundaries and designations are clear so there is no chance of 'role creep' or lack of clarity-it is a model of good practice. We were equally impressed by the overall mature political environment at the council - opposition members are clearly positively engaged in all aspects of the political governance arrangements.

SHAPE Mendip and all it stands for both physically with the hub at Shepton Mallet and culturally with the intent behind this and all aspects of Shape, speaks volumes of the council's leadership approach. They have ambition, they are creative and innovative, they are focussed on delivering for their communities, and as one stakeholder said 'they are always on the bus, that doesn't mean they always just have to be the driver'. In essence they lead through collaboration. That collaboration in our view is driven by a collective and shared ambition and focused on deliver – the Fusion Leisure partnership is perhaps a good example of this.

The council has in place proportionate governance arrangements and employs an appropriate mix of both formal and informal arrangements e.g. formal committees, board arrangements, informal review meetings etc. to manage these well. We met or spoke with a wide range of stakeholders from leisure, housing, police, health, voluntary sector etc. who confirmed the same and pointed to the core underlying principles which MDC employs to help achieve this i.e. –a focus on achieving agreed outcomes and keeping strong relationships.

The style of leadership within the officer group is empowering. We met with many middle managers and staff- all of whom were clear about their roles, clear about the flexibility that was built into their responsibilities and knew what they were individually and collectively accountable for. Overall there exists a constructive and supportive framework for people to work in, with staff encouraged to push boundaries and try out new ideas. The overall approach fosters 'bottom-up autonomy' where people know what is expected from them and enables them to look to ways that this engagement might be improved so the customer has a better experience.

The speed and nature of the changes that MDC and other councils are entering into is very different from the way it was even 3-5 years ago. In such an environment it is important to keep oversight of how significant programmes, for example the performance of 5 Council partnership, or how the Phoenix Board, set up to be responsible for the council's approach to transformation, fit into the council's core governance functions. In a constantly changing world our advice is straightforward – and reflective of the approach the council has taken to date i.e. keep an eye on governance across the board seeking to keep it proportionate, focused and even more importantly now with the right level of transparency.

The above advice is pertinent in terms of the scrutiny function. The council was already planning to review its application during March 2017 and that is welcomed by all councillors we spoke with. To add value it should align its forward plan and

work schedule more closely to the priorities of the council. Likewise, it should make a positive contribution to policy development and innovation as well as providing effective challenge. An observation from the peer team was that the finance and performance reporting of the council was not as forensically clear nor plain as it might be and this does not help scrutineers, all members or importantly the public make easy sense of some committee papers. In the spirit of transparency and performance management it would be wise for the council to revisit its practice in this area to ensure that they convey information in an easily accessible way.

4.4 Financial planning and viability

MDC has been successful in tackling its financial challenges to date, indeed between 2010 and 2016 the council achieved savings of over £5m through service efficiencies and better procurement and has recently managed to contribute towards its balances through in year underspending.

The council has achieved the above wisely and proactively. It has a history of outsourcing services with major contracts currently accounting for 66% of the council's budget. It has driven down internal cost through management restructures, budget reviews, sharing services etc. It is continuously seeking to drive out costs and maintain performance and the extremely innovative 5 council partnership is a vehicle for the delivery of even more savings and importantly creating local jobs.

The council is self-aware and it understands the extent of the budget savings it will require over the next 4-5 years. For 2017/18 that is £1.4m and then a further £3.3m across the remaining four years. Importantly the council has demonstrated it can meet its past financial challenges but like many more councils it will need to recalibrate its plans as it aims to become financially self-sustaining. As such the focus going forward will require it to increase income, grow its tax base through growth, and be more commercial in its approaches to spend and investment.

The councils renewed focus on growth and transformation as the means to create financial sustainability must be effectively planned, resourced and enacted. The peer team felt that the links between the councils' corporate plan, its transformation plan and its Medium Term Resource Plan could be strengthened further to reflect this. That is not a criticism of the individual plans but an observation that priorities, performance and finance are intrinsically linked. That 'golden thread' which binds them, is reported on and performance managed is an area, given the real challenges here that should into the future understandably receive greater prominence.

The council's current fairly traditional approach to Treasury Management was in contrast to the council's recent decision to increase its borrowing limit to fund an investment plan, creating an income stream as a key plank of its MTRP. We know this is a recent decision and we also know the council is soon to be appointing a strategic partner to work with on this, but there is a £1.4m budget gap to fill for 2017/18 and more down the course of the MTRP so this must be front and centre. As such we would expect to see an Asset Investment Strategy with a clear plan for the investment following analysis of options, a detailed analysis of risks and issues,

and a schedule of return on investment, all being overseen by appropriate governance arrangements.

Given the pace required we would encourage the council to do some contingency thinking and planning in relation to its financial plans. There are several core issues underpinning its MTRP -two key aspects of which are the investment fund and the relatively new 5 Council partnership. So for example, a reflection on the implications of any delay in the delivery of investment programme, and keeping aware of external influences that could impact upon major projects such as the 5 Council partnership would be wise.

4.5 Capacity to deliver

The council's greatest strength, which has been a repeated theme of this report is of working through partnerships. In such a way it builds its own capacity but importantly that of others too – this truly is a success story and one both the council and the sector should celebrate more. In our feedback we listed over 20 projects, programmes and results on the ground where MDC with others was helping deliver real outcomes. In truth these were just 'the tip of the iceberg' and the list could have been five-fold.

We met with Somerset County Council's (SCC) Leader and spoke to their Chief Executive. Those recurring features of positive partnership were again prevalent. MDC are very welcoming of the offer from SCC of a senior officer from the county council to work as part of MDCs senior team. This will help both councils to seek ways through which their mutual interests surrounding priorities and place can be delivered even more effectively and we strongly encourage both councils to explore at pace the mutual benefits and synergies that exist and can be exploited from even closer county council and district council working.

To compliment the council's excellent political cabinet and senior officer team, MDC invests proactively in development of both councillors and staff. We met with Cabinet Assistants who work closely with their cabinet colleagues to help build capacity and likewise their own skills and expertise. We were, as one peer team described 'blown away' by the energy, enthusiasm and drive of both the council's Group Manager's and their own assistants who we also met with. These small but crucially important programmes are succession planning for real and a great example of good practice.

The council's workforce is one of its key strengths and a great asset. The exceptional and dedicated staff group that work for MDC has been achieved through a prime focus on staff training and working with staff to manage significant change effectively. The staff of MDC are true ambassadors for the council-they showed a real pride and purpose for Mendip the place and Mendip the council, they understood the council's priorities and felt they were both empowered and accountable in terms of delivering them.

From top to bottom of the organisation we found a focus on projects and themes, not departments and teams, and working for Mendip as a whole. There is no silo working at MDC. To reflect this the leadership of the council politically and

managerially 'gets out of Mendip', networking, influencing and learning on a regional and national stage, this is of prime advantage for Mendip. The cabinet and senior team source and welcome external strategic advice. Indeed the peer challenge process was welcomed in a very open and developmental way.

It is important that the council remains focussed on this capacity issue as it is currently gaining real advantage from it. This will be important in the member arena where that capacity and succession planning may benefit from a more diverse approach to encourage more and different councillors to take new and different responsibilities. Likewise given the renewed focus on transformation and commercialisation we beg the obvious question as to whether the council has the existing skills and resources to deliver its ambitions, and perhaps the investment plan is a good example of this.

The council is a proactive partner but as an added value suggestion we believe they might be able to work even more in tandem with its partners and utilise its close working with the LEP. They could develop potential projects that are 'shovel ready' to be turned into reality as opportunities present- given the emerging corporate plan focus on growth we believe this investment of time and resources could build capacity.

We are aware that the council is developing some of those core people policies which can help plan and deliver for capacity. Given the challenges and the skills issues described, the development of a fit for purpose, modern workforce plan and OD strategy with some of those key elements which help shape and guide the councils to achieve its future ambitions will be important. As part of this we suggested the inclusion of a staff recognition scheme which will again be a visible demonstration of the council's investment and commitment to its staff and importantly a celebration of achievement by some exceptional people working for a very good council.

5. Next steps

Immediate next steps

We appreciate you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the Council 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. Andy Bates, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His/her contact details are: 07919562849
andy.bates@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA 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 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 12-24 months.