

# Corporate Peer Challenge **St Helens Council**

15<sup>th</sup> to 18<sup>th</sup> January 2019

Feedback Report

## 1. Executive Summary

St Helens Council has a good understanding of the communities which it serves, and the challenges that they face. It has identified the opportunities presented by its location on the boundaries of both the Liverpool and Manchester City regions and its connectivity through good transport links and has a vision for the Borough's future. It is well regarded by partners and has exploited this potential to enjoy one of the fastest rates of job creation in the North. It is working effectively with partners in health to create the award winning St Helens Cares, its integrated health and social care system. The Council has a good track record in financial management and enjoys a healthy level of reserves. It has identified the need to change and modernise – to become an 'adaptive innovator' to meet future challenges. The election of the Leader in 2018 is seen as a positive development after a difficult period in terms of political governance of the Council. The Chief Executive continues to be seen as a force for change and fresh thinking. This is a key moment in the Council's journey and it needs to make the right choices to move forward.

However, the Council faces some significant issues. Difficulties within the ruling political Group over recent years have given rise to instances of poor member behaviour which is having a negative impact on the Council's business and partner and public perceptions, which may put at risk the good relationships it has established locally and across the region. Appointments to the senior management team have brought valuable new skills and experience, but mean that some managerial leaders are relatively inexperienced in managing in a political environment. The change in political Leadership in April/May 2018 coincided with changes amongst the senior officer team and was made more challenging by the unforeseen illness of the Chief Executive. These events occurring simultaneously were disruptive.

Traditional approaches have served the Council well in the past, but will not do so in future. It is evident that the moves to change the culture to become an adaptive innovator (i.e. an organisation capable of influencing and responding to its operating environment in a flexible way) have stalled and a number of services appear to remain traditional and resistant to change. During 2018, focused visits by Ofsted and a peer review identified poor performance in Children's Services which is impacting on the outcomes experienced by children and families and poses further risks to the Council's reputation. The Council's performance management arrangements had not previously highlighted, nor properly understood this poor performance, nor did it spur appropriate action.

There is also an excessive reliance on the Chief Executive to move things forward. This has led to positive results in some key areas such as regeneration and health and care integration, but has also contributed to a loss of momentum in areas such as the development of the adaptive innovator approach when he was not in a position to give continued attention to this. This is not sustainable or indeed characteristic of the more empowered culture which the Council recognises it now needs. A more distributed model of leadership is required, with other senior managers stepping up to additional responsibilities and an increasing role for political leaders in relationships with partner organisations. Further joint development work is required with both members and officers to help reset the political and organisational culture of recent years.

The Council should take advantage of the planned refresh of its strategy and Council Plan for 2020 onwards to review the St Helens Borough Story – its vision for the future of the Borough and Council. This should include engagement with members, staff, partners and residents to ensure that it is widely understood and owned.

Improving Children’s Services must now become a more visible and shared corporate, political and financial priority. The Council has acknowledged this through its initial response to the Ofsted findings – establishing an Improvement Board with an experienced independent Chair, commissioning a peer review and focusing on practice improvement. But turning around Children’s Services is not yet fully owned across the organisation and the extent of improvement required, or the time and resources likely to be needed, is not fully appreciated. The Council needs to demonstrate in practice that Children’s Services is a top priority and sustain focus on this.

## 2. Key recommendations

- a) Arrange an urgent all member briefing on Children's Services, highlighting the challenges facing the Council and how it needs to respond, and ensure that improving Children's Services remains a clear corporate priority
- b) Enhance senior capacity at Assistant Chief Executive (ACE) level to support the change programme and improve co-ordination of political and managerial decision making
- c) The Chief Executive should work with other senior officers to develop a more distributed leadership model which empowers Strategic Directors and senior managers (within a framework of clear accountability) and decreases the current over reliance on the Chief Executive.
- d) Provide a development programme for both members and officers to improve joint working, better understanding of their respective roles and reset the Council's culture to drive positive change and ensure it addresses the issue of poor member behavior as referred to in the report
- e) Overhaul performance and financial reporting arrangements to provide clearer information to support better informed decision making and performance monitoring
- f) Ensure constructive performance challenge and robust performance management across the organisation
- g) Ensure that the review of the Council's strategy for the refresh of the Council Plan engages with members, officers, partners and residents and leads to an expression of its vision and priorities for the Borough that is widely owned and clearly understood
- h) As part of the regeneration strategy, develop a programme to support adults in work to develop their skills to progress their careers and earnings, enabling them to take advantage of the full range of opportunities presented by jobs growth in St Helens
- i) Develop a capital and investment funding strategy that takes account of the Council's priorities, including its regeneration and economic investment goals, and ensure this is linked to the Medium Term Financial Strategy
- j) Develop and invest in a more proactive external communications strategy – to promote good news, mitigate and manage bad news and reinforce the St Helens narrative – to be owned and delivered across all service areas
- k) Develop and invest in a comprehensive approach to organisational development, including strengthening internal communications and engagement
- l) Develop clear priorities for modernisation to realise the adaptive innovator model, followed by a roadmap for delivery with sufficient resources to ensure 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 St Helens were:

- Sarah Norman - Chief Executive, Dudley MBC
- Councillor Sir Stephen Houghton - Leader, Barnsley MBC
- Tom Stannard - Corporate Director Regeneration & Economic Growth, Wakefield Metropolitan District Council
- Jon Bell - Corporate Director (Corporate Services), Portsmouth City Council
- Heather Hauschild - Chief Officer, West Hampshire CCG
- Alan Gay - LGA Finance Improvement & Sustainability Adviser (and formerly Deputy Chief Executive at Leeds City Council)
- David Armin - LGA peer challenge manager

#### 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 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 the progress you have made and next steps in your journey to become a council fit for the future – ‘adaptive and innovative’ – and the culture required to support this, with a self-awareness that this needed to be better embedded.

### **The peer challenge process**

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual councils’ needs. They are designed to complement and add value to a council’s own performance and improvement 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 four days onsite at St Helens, during which they:

- Spoke to more than 80 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 300 hours to determine their findings – the equivalent of one person spending more than eight weeks in St Helens.

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 (15th-18th January 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

The Council has a good understanding of its place – both in terms of the health, social and economic challenges faced by its communities, and the opportunities presented by its location and connectivity as a source of jobs growth. These challenges include some poor health and social indicators such as alcohol abuse, domestic violence and mental health problems; one of the highest suicide rates in the country; low educational attainment; high levels of worklessness and substantial underemployment and low wage / low skill families in an increasingly ageing population. The Council appreciates that the location of the Borough also gives rise to competition from the Liverpool and Manchester city regions (the borough is on the boundary of both) and the adjacent Borough of Warrington. St Helens has been clear about its offer and is promoting this effectively. Good economic analysis has given St Helens clarity on its core economic goals of job creation, promoting opportunities in the logistics sector (given its location on the M6 / M62 corridors) and taking advantage of its position re both adjacent city regions and improving skills although, as further referenced later in the report, the labour market mobility of adults in-work remains an area to be addressed for the resident population.

The current Council Plan 2018-20 is based on four Borough-level strategic objectives (Sustainable health & social care; Growing the economy; Raising aspiration and ambition; Being better connected). Three priorities are stated for the Council – Improving people’s lives; Creating a better place and Being an adaptive and innovative council. Its priorities in practice to address these objectives are balancing the budget to ensure a sustainable council; jobs growth and health and social care integration and this focus has enabled it make real progress in these areas. For example, St Helens has experienced the 2<sup>nd</sup> greatest increase in jobs in the Northern region and is a major contributor of new jobs within the Liverpool City Region (between 2016 and 2017 there were 4,000 additional jobs in the local economy representing 44% of all new jobs in the City Region as a whole). St Helens Cares has made a reality of an integrated health and care system, valued by partners locally and recognised by national awards.

The Council’s economic agenda in particular is underpinned by some key plans, such as the submission draft Local Plan. Developing the Plan had been politically difficult (for example the release of substantial green belt land for employment sites, which has been revised downwards since the initial draft plan was produced) but it remains ambitious and an enabler for growth and demonstrates strong place leadership by elected members. The Plan is now at the final public engagement stage following approval by Full Council in December 2018, prior to potential examination in summer 2019 with a target of being adopted by 2020. Town centre masterplans are also being produced for Earlestown, Rainhill and St Helens.

The Council intends to review its strategy and priorities for its new Council Plan for 2020 onwards. This is likely to build on its existing priorities, but may well also widen some of these to enable it to tackle the range of health, social and economic challenges it faces. For example, some partners feel that community safety issues could be given greater prominence. The Council should take the opportunity to fully engage members, staff, partners and residents in renewing the vision, priorities and outcomes for the Borough to ensure that they are widely owned. The peer team believe that these priorities should explicitly recognise the importance of a strengthened and sustained corporate focus on children's services improvement. The Council has already acknowledged this through establishing an Improvement Board and intends to reflect this in its future strategy, but continuing attention and emphasis will be essential.

The peer team found that the Council's strategy and priorities were not always consistently worded or understood. There is a need for a clearer expression of its vision, narrative and priorities in simple language which is readily understood and owned by members, residents, staff and partners. The Council believes it has a narrative about St Helens' past, future and the need to raise aspirations, but this should be revisited to ensure it effectively supports its new strategy and Council Plan and is similarly well understood. A clear communications plan should be developed in parallel with the new strategy to ensure consistent and widespread messaging.

The Council does consult with residents and other stakeholders around specific proposals, such as for its budget plans, but does not appear to have a systematic approach to citizen engagement, such as regular residents' surveys. It should develop more regular and meaningful engagement with residents. This could include some form of area based working (for example, at the 'locality' level being developed to support health and care integration) with some increase in the resources at the discretion of ward members to invest in those areas.

## **4.2 Leadership of Place**

St Helens is a well regarded and significant partner across the region, including in the Liverpool City Region Combined Authority (CA). The Council Leader and Chief Executive are also well regarded both regionally and by near neighbours, and by a range of partners within the Borough. The Chief Executive in particular has been instrumental in development of the LEP and CA governance arrangements, with clear regional impact and reputational gain for St Helens. There has been a positive impact from these relations with the LEP and CA on scheme delivery in St Helens, including the on-going development of the former Parkside colliery as an employment site, transport improvements and investment in developing skills. Good relationships are developed and maintained with employers and potential investors, with clear energy applied to these by the Chief Executive.

The overarching People's and Economy Boards provide the means to convene key partners for these agendas in one place. There are sound governance arrangements in place with good representation across key partners, including business. Progress across key agendas – such as health and social care

integration and jobs growth – indicate that these arrangements are effective. St Helens Cares in particular shows what key partners across the public and voluntary sectors can achieve through working together effectively. The voluntary sector has noted recent improvements in opportunities to engage with the Council and other partners through the People’s Board.

Innovative schemes and delivery vehicles are contributing to strong jobs growth. These include progressive delivery structures for regeneration such as joint ventures (the 50/50 JV structure with Langtree for Parkside’s redevelopment being a case in point), regional partnership and the recent exploration of potential investment partners for the redevelopment of town centres are reaching a point of delivery. Achieving this delivery should be a Council priority.

Place leadership on skills is showing positive signs. This includes the University Centre at St Helens College, enabling a strong higher education presence in the borough, the establishment of the Northern Logistics Academy and the Clickworks digital skills centre. The Liverpool City Region area based review of further education provision has been a positive experience for St Helens. The merger of St Helens College with Knowsley Community College followed a clear local strategy in favour of this. The Council and employers feel able to effectively influence curriculum planning in the local further education institutions, supported by strong economic modelling.

Notwithstanding these successes, there is scope to further strengthen the Council’s leadership of place and to ensure that its approaches are sustainable. There is too much activity centred around the Chief Executive across the growth agenda, in relation to regional working; relationship building with business and the skills agenda. This limits his capacity to address other key agendas across the Council. There is scope for greater political leadership of these agendas and good skills within the regeneration team to step up and take on additional responsibility.

The Council has identified sectors for economic growth and has very successfully encouraged inward investment in those sectors. There is a complementary need to grow the business base of the Borough by supporting SMEs and indigenous businesses to grasp opportunity across all sectors. The Council could helpfully make more visible engagement on this matter.

The Council has already acknowledged the importance of a more inclusive approach to growth, so that more people already resident and working across the Borough are in a position to take up new and better jobs. The work of the independent St Helens Sustainable Growth Commission, announced by the Council in November 2018, should contribute towards this. In support of this, there is a need to develop a strategy to support St Helens adults in work to develop further skills to progress their careers and earnings. The emphasis to date has largely been on skills for young people and new entrants to the labour market. It is evident that a range of partners are willing and prepared to do more with the Council to sustain and deepen the success of the growth agenda, for example further education providers would welcome more involvement in school improvement work.

More generally, there is scope for members to play an enhanced role in leading their communities and developing engagement and capacity building in their wards and local areas. As referred to in the previous section, some increase in resources at the discretion of local members could assist members in providing greater place leadership in local areas.

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

Consideration of leadership in St Helens should be set in the context of the difficulties the Council has encountered over recent years. The previous Leader, for personal reasons, was unable to attend the Council's offices and meetings for an extended period. Over that period the Chief Executive had to assume some aspects of the role of the Leader in representing and becoming a figurehead for the authority. A new Leader was then elected but unfortunately, almost immediately, the CEX, for unforeseen reasons of ill-health, then had to take time off from the council for three months and return to work on a staged basis. This coincided with the retirement of a number of senior staff. These factors have slowed the progress made by the Council, contributed to tensions in the ruling Group and continue to impact on perceptions and behaviours of both members and officers. These tensions have built-up over a number of years and it is vital that the Council now moves on and has a good opportunity to do so.

The election of the Leader in April 2018 has been seen as a positive development following a particularly difficult period for the Council. The Chief Executive, appointed in 2015, is seen as a force for change and fresh thinking. Both the political and managerial leaders are well regarded by partners and seen to be making a positive contribution to partnership working. It is evident that staff are willing to be empowered to move the organisation forward, which provides an environment in which the aspiration to become an 'adaptive innovator' can be realised, if steps are taken to help realise this and nurture the necessary culture.

Partly as a result of his energy and drive, and partly as a result of a lack of senior capacity, the Chief Executive is continuing to take too much on himself across a range of activities. This is not sustainable and, more importantly, will preclude the Chief Executive from addressing some key issues of corporate significance as they arise and reliance on a key individual will inevitably slow progress. Moreover, it goes against the empowerment of officers across the organisation to make the Council an 'adaptive innovator'. A more distributed leadership approach is required, with other senior officers assuming greater responsibility, including in managing external relationships, and political leaders playing a greater role in representing the Council across the wider partnerships. The peer team believe the Council should consider providing additional capacity at Assistant Chief Executive level to support the change programme and assist the Chief Executive to improve co-ordination of political and managerial decision making and management of the interface with members. This will release time for the Chief Executive to lead the management of the authority, enabling him to deal with a wider range of key issues as they arise and become priorities for attention.

Arrangements for scrutiny in St Helens appear to be generally effective. It is adequately resourced, members feel engaged and able to challenge the executive. Portfolio holders and senior officers contribute to the development of scrutiny work programmes. Scrutiny's contribution to the budget setting process is regarded as positive. However, it was reported that poor member behaviour can be detrimental to effective scrutiny, officers and sometimes members can feel inappropriately challenged in scrutiny. This is an example of how member behaviour, often rooted in difficulties within the ruling Group, is impacting on Council business. For scrutiny to be more effective, these underlying issues need to be addressed. In terms of structures, the Council recently reviewed these and decided to retain a structure of an Overview & Scrutiny Commission and five scrutiny panels. To ensure continuing effectiveness and sustainability, faced with on-going resource pressures, the Council may wish to review its scrutiny structures again at some point in the near future. This should consider the relationship between the Commission and Panels and the rationalisation of the number of panels to reflect the streamlined departmental structure of the Council and the value of more pre-decision scrutiny to engage the wider membership more. Scrutiny of service delivery would be enhanced by the smarter reporting of performance information, as discussed later in this report.

As noted above, difficulties in recent years within the ruling Group and examples of poor member behaviour are impacting on Council business and adversely affecting partner and public perceptions. This risks damaging the Council's reputation and the credibility of members as community leaders and in representing the authority to partners. Members need to take stock of this, quickly resolve the underlying issues and consider the implications of individual behaviours. Some members believe that decision making processes are not always inclusive. In part this is a function of the executive and scrutiny governance model. But this perception may be mitigated by more effective processes and discussion within the ruling Group and further enhancement of the role of scrutiny.

Officers have had a challenging political environment to navigate in St Helens. This has been exacerbated by changes in senior staff and the inexperience of some members of the Corporate Management Team (CMT) in working in a political environment, notwithstanding their technical and professional expertise. A number of people – both officers and members – spoke of the need for a better understanding of the distinct but complementary roles of officers and members and how they can most effectively work together to take forward the Council's ambitions and priorities. The issues among members, combined with the need to enhance the skills and experience of CMT in managing in a political environment, is contributing to a disconnect between members and officers. The peer team would suggest a programme of leadership and wider development for members and officers to improve joint working and help reset the Council's culture. This should build on the LGA's member development programme that has been delivered to the ruling group over recent months.

#### 4.4 Financial planning and viability

The Council has managed its finances well despite the difficult circumstances of recent years for the sector as a whole. St Helens has a record of managing within its overall budget despite significant cost pressures in some areas, most notably in Children's Services, which continues to spend beyond its budget. In 2017/18 the Council underspent its budget overall by £6m, largely as a result of windfall gains which materialised late in the financial year, and the early achievement of some planned savings brought forward at the request of members. This has enabled the Council to set aside funds in earmarked reserves to provide additional resilience against future service cost pressures.

The Council holds relatively healthy levels of both general and earmarked reserves. At 31<sup>st</sup> March 2018 the General Reserve stood at £21.3m which is equivalent to approximately 14% of the Council's net revenue spend; this compares favourably with most Metropolitan authorities. There is an awareness of financial risks and the level of reserves held provides the Council with substantial mitigation. There could be a more explicit link between risks and the levels of reserves held, and it is recommended that a risk based reserves strategy is developed.

There is a Medium Term Financial Strategy (MTFS) in place which ends 2019/20. Some initial projections have been presented to Cabinet for the three year period beyond the current MTFS and this identifies that further savings will be required of £14.7m by 2022/23. This projection clearly is based on a number of assumptions which are difficult to estimate at this stage, but it is right that the Council should attempt to forecast its position using the best information available. The Council has identified seven broad headings which it intends to explore in order to maintain financial stability, but as yet there are no detailed savings plans in place. It is important that the Council gives early consideration to developing savings plans for 2020/21 onwards.

There is evidence of a robust budget setting process with good scrutiny involvement, but some members do not always feel engaged enough and consequently savings plans may not be well understood. This has contributed to some examples of savings decisions being reversed after the budget has been set. The 2019/20 budget includes some challenging decisions and the Council needs to ensure that these are clearly understood to prevent further reversals. Members need to demonstrate the resolve to see through difficult decisions to give officers the confidence to develop service plans on this basis. Reversal of budget decisions inhibit forward planning and presents the Council with an additional budget management challenge and further challenges in terms of external communication.

Throughout the financial year regular reports are submitted to Cabinet which combine financial and service performance; these reports are also considered by the appropriate Scrutiny Panel. Whilst this is good practice, the reports themselves are written in a very detailed narrative style and lack a financial summary. The

Council should consider making these reports briefer and more summarised to improve their quality and impact.

The Council has developed savings ideas each year in order to deal with declining resources. To date these savings have tended to be mostly incremental and spread evenly across services, with the effect of gradually reducing service levels without taking more fundamental decisions. For the next stage of savings, the Council will need to take a more strategic approach and ensure that decisions on savings or income increases are consistent with the Council's vision and priorities.

In 2018 the Council set out some funding principles to support capital investment. These principles set out how different funding streams should be used to fund capital projects. This includes the use of capital receipts to support the Council's priorities, including income generation. However, the Council is holding receipts of almost £30m in its reserves with no explicit plans of how these will be used although there is a clear recognition that regeneration priorities will require significant investment. The Council needs to develop a more explicit capital investment and funding strategy which supports the Council's priorities, and which is reflected in the MTFs. A key component will be a comprehensive property strategy for the Council's estate much of which is in a poor condition. Such a capital and property strategy will provide the opportunity to strengthen the links between the Council's regeneration plans and its financial strategy. These should include implications for the revenue budget; risk management around town centre acquisitions; the potential for savings and income generation through property rationalisation and investments. The need for investment in major schemes such as Parkside to secure the delivery of all phases and subsequent revenue streams should be more explicitly reflected in the MTFs, as should the need to invest in Town Centre regeneration.

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

Overall, the Council has a solid basis from which to move forward: a loyal and committed workforce, solid corporate services, and a recognition of the need to develop in key areas such as organisational development and communications. It has also shown, through the St Helen's Cares agenda, that it can transform if it applies the right focus, resources and leadership. This has shown how the Council can make its vision for the future of the Borough real and work with partners to enable cultural change across sectors. However, corporate services are traditional and not modern or transformational; the "Adaptive Innovator" vision for cultural change – though welcomed - is not embedded or well-understood and there is little evidence that the council is actively pursuing digital transformation or moving towards more agile working with an accommodation strategy to support this. A number of key strategies have been written only recently, and the council will need to demonstrate that it is able to deliver them. The council now needs to make a step change to ensure that it has the capacity to deliver on its priorities.

There are some good examples of corporate services providing strong governance, effective control and good support. For example, the Council has the "Gold" Investors in People accreditation, and has a strong track record of effective

financial control. Member services are well-regarded, and the council has continued to resource its scrutiny function. The ICT service has a history of developing good systems in-house and maintaining high levels of security although the sustainability of the ICT approach needs better understanding.

However, corporate services are also perceived by some staff as being bureaucratic, inflexible and a blocker to change. We also found a number of examples of inconsistency in the effectiveness of support. For example, some new staff had not received formal induction or performance appraisal after several months, the availability of training was mixed, and there were frustrations with the age and quality of ICT equipment as well as some ICT systems.

We saw insufficient evidence of corporate services influencing or supporting the Council at a strategic level. For example, there appears to be little strategic HR activity looking at how to develop the workforce to meet future business need, creating an employer brand, understanding the employee value proposition etc. ICT is not driving digital transformation, and Communications appear to have little influence on managing major perception and reputational issues. It was noted that there was no engagement between Corporate Services (including Communications) and People Services to plan for the potential impact of an adverse Ofsted inspection. There is a need for corporate services to develop more strategic capability, but also for the wider organisation to start engaging with corporate services in a more strategic and proactive way. This could include, for example, engaging at an earlier stage on major projects and working with services on future plans.

There are some examples of corporate services starting to respond to the need for change - new strategies have been initiated for organisational development and communication, HR is moving towards a more business partnering approach, contract procedure rules have been reviewed, and there is a strategy for migrating IT systems to the Cloud. Whilst it is positive that the Council has recently developed strategies for organisational development and internal communications, it needs to ensure that these strategies are co-produced with stakeholder departments so that they have broad corporate ownership and therefore a greater chance of success and support wider cultural change. Corporate services will need to significantly transform and modernise in order to meet the council's future needs and be an engine room for change. The Council needs to be much more outward looking, with both members and officers participating more in the wider local government community, learning from good practice elsewhere (along with from successes within the Borough such as St Helens Cares).

We provide some further comments on particular aspects the Council's capacity to deliver below:

### ***Communications***

The council has rightly recognised the need to bring all communications and marketing activities together and appoint a corporate communications manager. It

now needs to build on this to develop a communications function that is effective at both strategic and operational levels.

The council lacks a strategic approach to external communications. Despite the existence of a communications strategy, the council still struggles to communicate key messages in a coherent and proactive way. Communication activity is seen as very reactive, a situation made worse by the leaking of reports to local media and the somewhat unrestrained use of social media channels by members (the issues presented by social media are not unique to St Helens). Recent changes in the local media and the advent of digital/social media channels have presented new challenges, given the greater scrutiny and transparency this has afforded to public meetings of the Council than was previously the case. But members, officers and partners are becoming accustomed to this and relationships with the local paper are reported to be generally good which provides a sound base on which to build.

Members, service departments and Communications should work more closely together to ensure that key messages are proactively delivered, and that potentially damaging news is properly managed. This should also enable the St Helens narrative of the future of the Borough to be better communicated.

Internal communications are underdeveloped, both formally through the Communications team, and informally between service departments. The weekly email bulletin suffers from a lack of contributions from across the council and relies on content from the Communications team. The intranet is regarded as unhelpful and would benefit from a review of format and content to be more relevant to staff in their jobs and provide a more effective resource for internal communication. Digital channels have not been recognised as means of communication but as transactional which has inhibited their full potential. Managers do not have any tools or support to assist them in informing their staff. An internal communications strategy has been produced, but in addition to this the Council needs to establish a "rhythm" of communications that allows managers and staff to feel informed and engaged. This could include regular bulletins, core briefs provided to managers to use at team meetings, regular updates on major change initiatives, and an improved intranet.

### ***Cultural Change***

The Council began a major piece of work to develop the culture and characteristics of the 'adaptive innovator' model through extensive engagement with staff and members. This inclusive approach to its development was welcomed. However, this work has not progressed. In part, this may be a further indication of the over-reliance of the Council on the drive provided by the Chief Executive. Awareness of the adaptive innovator model is mixed amongst staff and managers, and understanding of what it means in practice is limited. The council needs to rapidly develop a strategy to take the adaptive innovator vision forward, or risk losing the good work that was done and have to start again. In particular, it needs to describe what the characteristics of the model are and what this means in practice – and to demonstrate this by empowering staff to make change. There was a self-

awareness at a leadership level of these issues which was why it was requested as a focus for the peer challenge.

The Council needs to develop an understanding of the interdependency between cultural change and organisational change - these things need to happen in parallel rather than sequentially. From the staff and managers we met there was a strong appetite to modernise, and to be more empowered to "get on with the job". The need to change was well understood and recognised, but staff were waiting for greater direction from the Council's senior leadership, along with encouragement to innovate. There will also be a need for Council systems and processes to be updated to facilitate the culture change required.

### ***Performance management***

The Council has a well-established performance reporting system. There are many strengths to this. A comprehensive set of KPIs is maintained and reported regularly to members, alongside financial data. The system is transparent and well established, available via the intranet to all staff and members (and published via the website) and updated by staff in service departments. It includes a degree of analysis and comment and there is a systematic approach to updating annual targets. However, there is little evidence that the council is using performance data to effectively *manage* performance or to flag up potential areas of major concern. This was particularly evident with regard to Children's Services, where performance concerns were not identified by the wider organisation despite the data being reported (see section 4.6 for further detail).

Although the Council has managed to produce reports combining performance and financial data, the reports are not presented in a particularly meaningful or impactful way to members that highlights key indicators or adverse trends, and are short of analysis that would help members to make decisions about risk or the prioritisation of resources. The reports would also benefit from including a more holistic view of performance, including delivery against major projects and political priorities, the performance of contractors, and the extent to which risks are being managed.

### ***Workforce***

In order to recruit and retain high calibre staff, particularly in high-competition areas such as social work and planning, the Council needs to understand and develop its employer brand. Although the Council's pay levels are perceived by staff to be low, this does not appear to have been verified through benchmarking, or reviewed alongside other aspects of the employment package to understand whether the overall employee value proposition (EVP) is helping or hindering recruitment and retention. Understandably, staff felt under pressure from increased workloads and reduced capacity, but were realistic about the reasons for this and appeared supportive of the Council in trying to find ways to do more with fewer resources. Leadership at all levels (both for officers and members) needs to be developed, including effective individual performance management to encourage both innovation and accountability, linked to the Council's future strategy. The

Council could do more to celebrate success and recognise staff contributions to reinforce positive change.

#### **4.6 Children's services improvement**

Although this is a corporate peer challenge and an LGA children's safeguarding review has already taken place, the concerns identified in that review, coupled with the concerns identified by Ofsted in their focused visits, led this team to include in its work a specific focus on how well the whole organisation is responding to the challenges identified in Children's Services. This also provided the team with an opportunity to consider what learning there is from the failures identified in Children's Services for the way the Council operates as a whole and what learning there might be from the improvement work going on for the rest of the Council. The team also thought it would be prudent to look at the preparedness of the organisation for the possible consequences from an adverse Ofsted inspection given the very considerable political, reputational and financial issues at stake, in addition to the impact of poor performance on children and families in St Helens.

The Leader, Children's Services Cabinet Member, Chief Executive and Strategic Director for People are very aware of the challenges Children's Services faces in St Helens. All have committed to ensuring that the Council does what is required to make rapid improvement. However, there is limited understanding of the scale and seriousness of the problem amongst some other elected members and senior officers in other service areas. There is also evidence that some officers and members are still in denial about the extent of poor performance in the service, the historic circumstance of how it has developed, and the improvement required is not yet seen as a whole council challenge and responsibility. There is also little appreciation from the wider organisation of how long it will take to make improvements.

The Strategic Director is providing strong leadership to the improvement programme and the Council also has the benefit of a very experienced and effective Chair for their Children's Services Improvement Board who is providing independent expertise and assurance. However, a corporate leadership approach is needed to ensure other service areas play their part.

Corporate Services like finance, audit, HR, legal, IT and communications all need to play an enabling role in supporting the improvement agenda. The team heard evidence that a number of current systems are a barrier to progress rather than an enabler, for example the difficulty experienced by Personal Assistants in releasing care leaver funds. These blockages need to be addressed but are also an opportunity to make improvements that will better enable other service areas too.

There are also contributions that can be made in other areas, for example to assist care leavers with housing, skills and apprenticeships. Identifying and tackling these is not only an opportunity to improve outcomes for young people it will also help to break down silos between service areas, a key requirement of an adaptive innovator organisation

It is clear from both Ofsted's and the Children's safeguarding peer review's findings that the failing in Children's Services in St Helens have existed for a considerable time. However, they were not identified through St Helens' performance management systems, despite the fact that a number of key performance indicators (very high numbers of children looked after, very low numbers of children subject to child protection and low numbers being adopted last year) should have alerted the Council that there were serious problems. This is not because the data was not available, but because the performance reporting arrangements in St Helens do not provide the kind of highlight corporate reports to Corporate Management Team, Cabinet or Scrutiny that would have alerted concern. Moreover, the culture of performance management in St Helens did not encourage such enquiry. In addition, the data available does not include any qualitative management information, for example from audit reports, that would highlight inadequacies in the quality of work being undertaken. Making these improvements would not only make it easier for the whole organisation to understand performance in Children's Services, it would also make potential failures in other services across the Council easier to spot.

The Council has committed additional resources to Children's Services, both recurrently and in the form of a transformation reserve. However, experience from other councils shows this may not be sufficient and considerably more investment may be required.

Whilst very significant challenges in Children's Services remain, some excellent practice is already being developed as part of the improvement work which is consistent with the adaptive innovator model and could be of application to the wider organisation for example in communications and staff engagement and in performance management and quality assurance.

## **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. Claire Hogan, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Her contact details are: tel. 07766 250347 and e-mail [claire.hogan@local.gov.uk](mailto:claire.hogan@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.