



Dean Langton
Strategic Director and Head of Paid Service
Pendle Borough Council
Nelson Town Hall
Market Street
Nelson
Lancashire BB9 7LG

6 December 2016

Dear Dean,

LGA Corporate Peer Challenge follow up visit 25 November 2016

As part of the original LGA Corporate Peer Challenge in November 2015 Pendle Borough Council asked the peer team to make a follow up visit approximately 12 months later to help review and assess progress and developments in response to the peer challenge feedback and recommendations.

This letter summarises the main observations of the peer team. The peers 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 during their visit to Pendle Borough Council on 25 November 2016.

Process and peer team

Peer challenge is one of the key tools to support sector-led improvement. It is tailored to meet individual councils' needs, and designed to complement and add value to a council's own performance and improvement focus. The peer team provide feedback as critical friends, not as assessors, consultants or inspectors.

Members of the original peer team participated in the follow up visit:

- John Sellgren – Chief Executive, Newcastle-under-Lyme Borough Council
- Councillor Bryony Rudkin – Deputy Leader, Ipswich Borough Council
- Councillor Keith House – Leader, Eastleigh Borough Council
- Councillor Tom FitzPatrick – Leader, North Norfolk Borough Council

Kate Herbert, LGA Programme Manager, was the Peer Challenge Manager for the follow up visit.

In November 2015, the peer team left Pendle Borough Council with seven recommendations¹ which it thought would help the council address its main

¹ See Appendix I for a list of the recommendations from the 2015 Corporate Peer Challenge

challenges. This feedback letter reflects on progress made in implementing the recommendations over the last year.

To inform their work the peer team spent one day on site at Pendle Borough Council, during which they spoke to more than 40 people including a range of council officers, councillors and external partners.

We would like to thank you for inviting us back to Pendle to provide further challenge to the council. We hope that our feedback below helps to support continuous improvement at Pendle Borough Council.

Key messages and observations

Overall the council has made a good progress in taking forward the recommendations the peer review team made in 2015, however some areas still require significant attention. The feedback below covers progress made against each of the recommendations in turn, and identifies further suggestions for the council to consider.

1. Get the council to a long-term financially sustainable position

The council has worked hard to try to address the financial challenges facing the authority. The budget outturn for 2015/16 was an underspend of c£320k, drawing on reserves. The council's budget for 2016/17 is £12.1m, assuming the delivery of savings of £837k, and it is currently projecting an end of year underspend with an intention to draw on reserves again this year.

The Council has developed a clear financial strategy of 'Grow', 'Charge' and 'Save', and has reviewed key contract areas. A cross-party Budget Working Group is tasked with identifying options for savings for 2017/18 as well as the remainder of the Medium term Financial Plan period to 2019/20, which has identified a savings requirement of £4.8m over the 3 year period. Helpful progress has been made, with c£600k of savings for 2017/18 approved at Council in October 2016 and options for a further £1.2m being developed. The council has also submitted its Efficiency Plan and in doing so has secured a four year financial settlement from government.

However, despite the good work already undertaken on planning for the 2017/18 budget, the scale of the financial challenge remains significant and the council will need to be bold to support planning for 2018/19 – when the budget gap is larger – and the financial years beyond.

We heard that the financial position is understood by Members and staff, and we saw some evidence of this from those we spoke to. However, there is a need to widen and deepen the understanding of the financial challenge among non-executive members. This will enable the council to harness the skills of all members and secure the necessary member buy-in to a) the need for budget savings and working differently and b) the potential solutions to balance the budget. This is essential to drive the pace of change needed to respond effectively to the budget challenge.

2. Continue with strong local decision making but strengthen strategic decision making

The council has taken positive steps towards trying to marry local decision making with more strategic decision making, for example the cross-party support for the Combined Authority, and some major planning applications being decided by Development Control in consultation with Area Committees. Members have had the opportunity to attend awareness sessions on strategic issues such as Financial Strategy and Planning, with reasonable take up.

The Combined Authority is a prime opportunity for the council to stake Pendle's claim for the things that will most benefit the borough, and the Head of Paid Service is already making a significant contribution as an officer representative. The council should seize this chance, and look for other opportunities to get out and secure additional resources for the borough.

There are ongoing discussions with local town and parish councils on devolving more services from the borough council. The peer team remained impressed by Pendle's approach to working with local communities, and is of the view that the localism in action in the borough, for example how the community came together during the floods, is leading edge. The council should continue to be strong on local activity, and make use of its local knowledge, skills and expertise to win resources at strategic level (for example lobbying the Environment Agency on flood prevention). The council should consider further expanding the transfer of property and responsibilities to town and parish councils in a way that enables a bespoke offer, tailored to fit the context of each local council.

3. Create a strong narrative for Pendle as a place

The council and partners have made good progress on developing the "Promoting Pendle" narrative and there is now a much sharper articulation of Pendle the place. There is also better engagement with Pendle Businesses, with successful Pendle Business Awards, Pendle Business Week, Lancashire Hotspots Event and the development of 'Pendle Connects' networking over the last year.

There is now a need to deepen the narrative and develop it further to shape the Pendle brand to enable the borough both to play to external audiences and bind local recognition of and commitment to the place. This will bring benefits in terms of the tourism industry, attract inward investment, build on existing strengths, and provide opportunities for new and emerging partnerships, for example high tech industries and further and higher education.

4. Develop commercial acumen within the organisation and then look outwards for investment and development opportunities

The council has made good progress on prudential borrowing to reduce revenue costs, generating savings of over £350k, has successfully introduced a number of trading models and charging for services, and is strengthening its activity within its joint venture to good effect.

However, there is a pressing need to develop a commercial strategy that clarifies what the council means by 'commercialisation' and the approach it wants to take so that all involved have a shared understanding. The council also needs to work with members to ensure that all councillors understand and engage with the need for

such a strategy. From a commercial perspective, the council could also extend its approach to wider commercial property, promoting development and investment.

Finally, it would be helpful to align the council's communications strategy with its commercial strategy, for both internal and external communications to ensure clarity of message and buy-in to the approach.

5. Get out in your own community and beyond, listen and learn, bring that back and make change happen

The council is undertaking a Perceptions Survey seeking public views of the council and has widened the reach of the survey by seeking views from young people, the Citizens Panel, street interviews and by making the survey available on the Council website and in reception areas. The survey is being promoted through social media and other communication channels. This is a helpful development, and the council should consider how to build upon this further.

It is positive that Members are taking roles outside the council, for example the Leader of the Council is now an LGA Member Peer, Cllr Ken Turner is a Member of the LGA People and Places Board, and the peer team heard examples of other members who have shared their expertise more widely. There have been a number of visits to other authorities to explore examples of best practice. These efforts provide opportunities to not only promote Pendle elsewhere, but also to learn from other councils and bring that learning back to Pendle.

The council should acknowledge that it is a sector leader in a number of areas, for example on devolution of services to town and parish councils and work on joint ventures. It should not only recognise this and celebrate it locally, but also tell others about it to raise the borough's profile. It would be worth reflecting on how, as an organisation, the council celebrates success and the contributions of staff and members to this success.

6. Learn from others to accelerate the pace of change

As mentioned above, the council has participated actively in the development of the Combined Authority and has visited a number of other authorities to learn from them.

The council has made a great deal of progress over the last year, but there is an urgent need to focus on pace to accelerate and deliver change. Budget setting for 2018/19 will be a particular challenge, and the council would benefit from getting clarity about this as soon as possible. It is important that members make decisions now that can ease some of the pressure on 2018/19. These will be difficult decisions, but they will not be any easier if they are put off until next year.

As referred to above, there is a need to ensure that all councillors and staff understand the scale of the financial challenge and the level of pace required to respond to that challenge.

7. Create a culture of development and talent management for officers and members to aid with succession planning

The Head of Paid Service is very well-respected and his contribution to the change agenda has been recognised by members, staff and partners. The peer team were struck by the strong sense of a 'can do' attitude, coupled with energy and

enthusiasm, of the staff and managers they met.

There have been a number of new developments, for example the introduction of the Extended Management Team, the Continuous Improvement Group has been established, and the extended leadership and management development programme. This work is unlocking management capacity and is helping to deliver change.

Staff learning and development opportunities have been well-received. However, member development take up has been patchy.

As a more general point, there is a need to ensure that there is engagement across the political spectrum to make best use of talents and skills held by councillors. This is essential to enable the council to rise to the challenges it faces.

In summary

Pendle Borough Council has an ambitious agenda and clearly has an appetite for more. The council has made a great deal of progress, however with the scale of the challenges the council faces, the pace of change is still not fast enough. The pace needs to be quickened, and this will require Members to make some difficult decisions promptly.

There is a need to ensure there is cross-party member engagement in setting the direction for the council to help respond to these challenges.

The council has committed its support for the Combined Authority. Now is the time to stake Pendle's claim and 'bang the table' to get the best deal for the borough.

Progress to date on commercialism has been positive, but there is a need to fully embed commercialism with staff and members and ensure wider buy-in.

Discussions are ongoing with local town and parish councils on devolving more services from the borough council. The council should seek to expand and tailor the offer to town/ parish councils to ensure a good fit for each locality.

The council's financial strategy of 'Grow, charge, save' has been effective so far. However, it is time to include 'stop' as part of your analysis. Members need to confirm to officers which services need to be prioritised as resources contract further.

The peer team's final recommendation to Pendle Borough Council is to be bold and move with greater pace. The Council has achieved a great deal over the past year and needs to use the evident energy which has been unlocked in that time, particularly that of management and staff, to help take it on the next stage of the journey. Members need to support the Head of Paid Service and the management team to ensure the long-term sustainability of a strongly performing council which is serving its community well.

Next steps

Your LGA Principal Adviser, Neil Shaw, will be happy to work with you to identify any additional support the LGA can offer to help you respond to the points set out in the above. Examples of the types of support available includes the Productivity Expert, Economic Growth Adviser, and Behavioural Insight funding streams, and member

development support. Neil can be contacted on 07876 688987 or neil.shaw@local.gov.uk.

Kate Herbert – LGA Peer Challenge Manager
On behalf of the Peer Challenge Team

Recommendations from the 2015 LGA Corporate Peer Challenge for Pendle Borough Council

1. Get the council to a long-term financially sustainable position
2. Continue with strong local decision making but strengthen strategic decision making
3. Create a strong narrative for Pendle as a place
4. Develop commercial acumen within the organisation & then look outwards for investment and development opportunities
5. Get out in your own community and beyond, listen and learn, bring that back and make change happen
6. Learn from others to accelerate the pace of change
7. Create a culture of development and talent management for officers and members to aid with succession planning