


LGA Corporate Peer Challenge

Pendle Borough Council

9-11 February 2022

Feedback report





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1. Executive summary

This was Pendle Borough Council's second Corporate Peer Challenge (CPC); the first CPC took place in November 2015. This demonstrates the Council's openness to constructive external insight and challenge.

Since the first CPC, progress has been made in relation to a number of investment and development opportunities. These include Phase 1 refurbishment of Barnfield Mill (Northlight) and a number of housing developments working through the Council's joint venture companies. The Council has also strengthened locality working with parish and town councils through the comprehensive transfer of a range of local facilities and services.

However, this second peer challenge has also mirrored some of the key challenges highlighted as part of the CPC in 2015 which need to be addressed. These relate to the future financial sustainability of the Council and, linked to this, the need to ensure (in the context of area committees with decision making powers), strong, borough wide strategic decision making. The latter is even more pertinent in the context of an overall savings requirement, for 2022/23, of £1.1m and a projected budget gap of £3.5m by 2025/26.

Overall, the peer team found that Pendle is an area with enviable assets including rich and diverse communities, a proud industrial heritage, beautiful countryside, unique towns and villages and a strong entrepreneurial spirit. The peer team were told that there are a number of strategically important anchor institutions located in Pendle including Rolls Royce, Silentnight and Boundary Mill.

Those who met with the peer team are rightly proud of the local area but recognise there are still significant challenges to address. These include entrenched levels of deprivation in some parts of the Borough, low skills levels compared to national levels, the impact of the pandemic on parts of the local economy and deep-seated housing challenges associated with ageing housing stock.

There is a renewed sense of optimism about addressing these challenges following the Council's success, working alongside partners, in securing the £25m Nelson Town Deal and £6.5m Levelling Up fund for Colne. The peer team heard from a range of members, officers and strategic partners who are enthusiastic, positive and

confident about the potential for these key initiatives to benefit not just Nelson and Colne but the whole Borough.

The Council has achieved savings of £10m since 2010 whilst maintaining frontline service delivery. As shown above, there are still significant financial challenges ahead and achieving the required level of savings will require focus, commitment and relentless drive from the whole organisation on the proposed transformation programme. As outlined in the Council's first CPC, this will require bold, borough wide, strategic decision making, particularly in relation larger spend areas such as the future leisure offer for the Borough and the Liberata Contract.

Both the Chief Executive and Leader are bringing some new thinking to the Council through the proposed transformation programme. The aim is to develop new ways of working including customer centric service re-design, business process improvement, digitalisation, automation, partnership working and co-location. Next steps include the development of a detailed programme of work. The peer team recognise that it is still early days, but more work needs to be done, at pace, to communicate the aims of the transformation programme across the Council and to cultivate a transformational mindset.

There are also opportunities to harness the strong partnership working developed through the Town Deal and pandemic response, to re-set, define and articulate a clearer, shared vision and priorities for both the Council and place. In doing this, the Council should develop a stronger corporate narrative which tells the Council's story including future plans for transformation and priorities. The Council's performance management framework should be revised to ensure it is aligned to the new Strategic Plan, once agreed. It is important that this supports members and officers to measure progress in relation to agreed priorities and what matters most.

As part of the proposed transformation programme, the Council intends to undertake a review of the senior officer leadership and management structure to ensure there is capacity to deliver major new projects including the Town Deal and Levelling Up fund. In undertaking this review, the Council should ensure new structures and resources are aligned to the Strategic Plan, vision and priorities of the Council. It is important that the Council's strategic vision and priorities are used to guide future ways of working.

The Council has a history of No Overall Control and the Council's position statement shows how cross-party working has become a key feature of decision making. This includes a politically balanced Policy and Resources Committee and a number of cross-party working groups including the Budget, Climate Emergency and Governance working groups. The peer team found that Members from all parties have a commitment to this and in ensuring governance and decision making remains fit for purpose in supporting delivery of priorities and longer-term planning. The Council intends to review governance and decision making in this regard and invited the peer team's comments on this.

As outlined in the CPC in 2015, the peer team found that there continues to be a pride in the strong locality focus, democratic engagement and local decision making which underpins the current approach, particularly through area committees. Alongside this pride, the challenge continues to be how to ensure that this strong locality focus, through local area committees, does not impinge on wider strategic thinking and decision making for Pendle as a place.

The peer team learned of particular frustrations which relate to the potential for duplication, administrative demands, officer time, costs and customer perceptions, relating to decision making relating to planning. The Council should use the proposed review of governance and decision making as an opportunity to look at this. It is the view of the peer team that the current approach needs to be more streamlined. There are also opportunities, working with group leaders, to re-visit the call-in procedure to ensure it is being used as intended to support efficient and effective decision making.

As referenced above and outlined in the Council's position statement, Pendle has deep-seated housing challenges including ageing stock, fuel poverty and an affordability ratio which is significantly below the national average. The peer team heard about a number of innovative projects and programmes which are aimed at helping to address these challenges. This includes work with strategic partners and the Council's joint venture companies. Given the scale of the housing challenges faced, there is an opportunity, working with partners, to bring a renewed focus on delivery of the Borough's strategic housing priorities. Progressing Pendle's Local Plan (Part 2) including the Borough's agreed housing requirement will be key to this.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the Council:

2.1. Corporate Plan, Vision and Priorities

Use the proposed review of the Strategic Plan, later this year, to define and articulate a clearer, shared vision and priorities for both the Council and place with officers, members and partners and ensure resources are aligned to this

2.2. Performance Management Framework

Review the Council's performance management framework to ensure that it is aligned to the re-set of the Council vision and strategic priorities. It is important that this is focussed on helping the Council measure what matters most

2.3. Performance Appraisals

Implement /fully roll out the revised performance development appraisal process and ensure this reaches all staff. This will provide opportunities to identify development needs in support of the Council's transformation programme

2.4. Organisational Structure and Governance

Ensure both the proposed leadership and management re-structure and review of governance and decision making are aligned to the Strategic Plan. It is important that the Council's strategic vision and priorities are used to guide future ways of working

2.5. Governance and decision making

Identify and source independent peer support for the proposed review of governance and decision making e.g., Local Government Association, Planning Advisory Service or Centre for Governance and Scrutiny

The peer team's observations on areas to consider in the proposed review are as follows:

- **Planning** – Consider the cost, capacity, speed of decision making and public

perceptions/experience of the current approach involving both area committees and Policy and Resources Committee

- **Policy and Resources Committee** - ensure this committee is able to focus on the bigger, strategic issues facing the Council and that it does not become pre-occupied with routine planning applications and other non-strategic or operational matters
- **Call In** – review the call-in procedure to ensure it is still being used as intended e.g., in exceptional circumstances
- **Election Cycle** –the peer team heard from some members and officers who are keen to explore (acknowledging that this was looked at previously) the potential, working within the required legal framework, of four yearly elections. This is in the context of the on-going financial challenges facing the Council and the need to ensure any party in control is able to take longer term, bold and difficult decisions
- **Protocol for streaming and recording meetings** - consider developing approaches to improve accountability, transparency and public access

2.6. Medium Term Financial Strategy

Ensure strong, strategic decision making to meet the financial challenges ahead. This includes the proposed transformation programme which will include looking at the future strategic leisure offer for Pendle and the Liberata Contract which includes many of the Council's key strategic services

2.7. Capital Budget

Ensure project and programme management capacity to maintain momentum on delivery of major capital projects and secure funding for the programme as a whole

2.8. Transformation

Ensure clear and frequent internal communication and engagement on the purpose and progress of the transformation programme. The Council should ensure the whole organisation has a focus, commitment and relentless drive on the transformation programme in order to meet the financial challenges ahead

2.9. Strategic Housing

Use the review of the Strategic Plan (to be undertaken later this year) and new ways of working developed through the transformation programme, to bring a renewed focus on delivering the Council's strategic housing priorities. Progress on the Pendle Local Plan Part 2, including the borough's agreed housing requirement, will be key.

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Joanne Wagstaffe, Chief Executive, Three Rivers District Council
- Councillor Chris Hossack, Leader, Brentwood Borough Council
- Councillor Sam Corcoran, Leader, Cheshire East Council
- Nick Khan, Strategic Director, East Suffolk District Council
- Michelle Sacks, Deputy Chief Executive and Director of Growth, South and East Lincolnshire Councils Partnership
- Bushra Jamil, Advisor, Local Government Association
- Cindy Lowthian, Corporate Peer Challenge Manager, Local Government Association

3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the Council's priorities clear and informed by the local context? Is the Council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the Council provide effective

- local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
 4. **Financial planning and management** - Does the Council have a grip on its current financial position? Does the Council have a strategy and a plan to address its financial challenges?
 5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the Council have the capacity to improve?

In addition to these questions, the Council asked the peer team to provide particular feedback on:

- The Council's approach to transformation – including the shape of the programme and plans for delivery, within the local context
- The use of the existing governance model to support decision making which is well informed, suitably agile, engaging and proportionate (covered in the core themes above)
- The overarching capacity to deliver available to the Council and how this is used to meet the priorities of the Council (covered in the core themes above)

3.3. The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared 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 two and a half days onsite at Pendle Borough Council, during which they:

- Gathered information and views from more than 30 meetings, in addition to

further research and reading.

- Spoke to more than 56 people including a range of officers together with members and external stakeholders.
- Observed a meeting of the Policy and Resources Committee

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1. Local priorities and outcomes

Pendle Borough Council has a strong focus on locality working with a commitment, through area committees and joint work with parish and town councils, to bring decision making closer to local people. The peer team found a strong passion, from both members and officers, to ensuring the Council's priorities are rooted in securing positive outcomes for local residents and communities.

This is reflected in the Council's response to the pandemic where officers and members adapted quickly to new ways of working whilst maintaining critical services including refuse collection. The Council has supported the most vulnerable through the Pendle Community Support Hub, working in partnership with over 80 partners. Local COVID-19 campaigns featured images of local residents from a variety of backgrounds, localities and communities. The peer team also heard about the Council's positive work with a local community radio station who provided updates in both English and other community languages on COVID-19, lockdown rules and vaccinations.

The Strategic Plan (2020 – 2023) outlines the Council's vision for Pendle, alongside five strategic objectives: Strong Services, Strong Economy, Strong Communities, Strong Organisation and Strong Response and Recovery. The peer team found that these priorities have been informed by a range of data and evidence relevant to the local context including educational attainment and skills levels, housing, connectivity, economic growth, health and climate change.

There were mixed levels of awareness about the Strategic Plan amongst those who met with the peer team. A fundamental review of the Strategic Plan, due to be undertaken later this year, presents an opportunity to re-set and articulate the shared vision and priorities for both the Council and place amongst staff, members and partners. Building a stronger corporate narrative which tells the Council's story including plans for transformation and priorities for the future will be central to this.

The Council's performance management framework involves the production of strategic performance monitoring reports which are shared with the Policy and Resources Committee on a quarterly basis. The most recent report covers two quarters (April to September 2021). These monitoring reports provide updates in relation to 48 headline actions/key projects, financial performance, 29 Key Performance Indicators and the Risk Register.

The Council intends to refresh and refine the current performance management framework, as part of the wider review of the Strategic Plan. To inform this work, the Council is testing a new approach through the introduction of performance clinics. The first round of these were taking place whilst the peer team were on site. The aim is to support managers in driving improvement through two-way conversations with the Chief Executive and other key officers. These conversations aim to identify and remove any barriers to enhancing performance and build on what is working well. It is important to ensure that the new performance management framework works to support members and officers to monitor and manage what matters most. As well as being aligned to the new Strategic Plan, it should support the Council to manage and report progress on the transformation programme.

The Council's latest monitoring statement shows 45% of the Council's key performance indicators are on target although 31% are significantly below target including percentage of empty properties returned into occupation and processing of planning applications (minors). With the easing of restrictions, the Council is now working to address these areas and the expectation is that performance will improve.

The monitoring statement shows how the COVID-19 Pandemic has impacted on the Council's customer services, managed through a partnership agreement with Liberata. Throughout the past year, discussions with Liberata resulted in an agreement to suspend the existing performance agreement and resume this from

August 2021. However, the peer team heard that there were delays experienced in this process due to staff resource issues. The Peer Team understand that negotiations have resumed; it is important, moving forward, that clear targets are agreed and monitored.

The peer team considered [LG Inform](#) comparative data which shows the Council perform better than the average of North-West district councils in relation to: time taken to process housing benefit change events (quarter 2, 2021/22), processing of major planning applications (quarter 2, 2021/22) and new business rate registrations per 10,000 residents (2020).

The Council's re-cycling rate in 2020/21 is the third lowest amongst all district councils in the North-West although performance is improving. The Peer Team heard challenges include larger numbers of terraced housing with more limited capacity for multiple bins. This will require innovative thinking to drive recycling rates up and there may also be opportunities to learn from other councils with similar challenges. The peer team were pleased to learn that work to support communities to act on climate change forms a key action within the Strategic Plan, Climate Change Action Plan and Communications Forward Plan, including future campaigns to promote reduce, reuse and recycling messages.

Pendle experiences a number of deep-seated housing challenges including affordability, viability within urban areas, fuel poverty, empty properties (higher than the North-West average) and stock condition. 54% of stock, mainly in the private sector, was built before 1919 and 36.3% of stock does not meet the Decent Homes Standard¹. Pendle's Housing Strategy (2018 – 2023) sets out how the Council, working with partners, is addressing these challenges including work with joint venture companies (PEARL, PEARL 2, PEARL (Brierfield Mill) PEARL TOGETHER) and Homes England.

It is the view of the peer team, given the scale of the housing challenge faced, that the Council should use the development of the new Strategic Plan to ensure a renewed focus and profile on tackling these challenges. This should include exploring opportunities that the transformation programme can bring to this agenda. In particular, new ways of working to build capacity and resources, within the relevant

¹ Pendle Borough Council Position Statement, February 2022

housing and economic development teams, to deliver strategic housing priorities. Progressing Pendle's Local Plan (Part 2) including the Borough's agreed housing requirement and employment land growth will be important.

The peer team were pleased to learn how the Council has recently reviewed and agreed its Equality Objectives for the period 2022 -2026. This includes a key objective of ensuring the COVID-19 response continues to take account of the impact on different communities, particularly in relation to its disproportionate impact on older, disabled and ethnic minority populations in the Borough.

4.2. Organisational and place leadership

It was clear from conversations the peer team had with a range of officers and members that the Council is self-aware of the challenges and opportunities facing the Borough. This includes recognition of the climate change emergency. An action plan has been developed with the aim of Pendle Council being carbon-neutral by 2030.

A new Economic Recovery and Growth Strategy, agreed in July 2021, is informed by an economic impact assessment capturing a comprehensive range of metrics, data and evidence relating to the Borough as a place. The strategy outlines the key opportunities and challenges facing the Borough as it seeks to recover from the pandemic.

Opportunities include Pendle's beautiful natural assets and cultural heritage which make tourism an important contributor to the local economy. The Borough has a diverse population and rich cultural heritage; 20% of the population are from the BAME community compared to 15% nationally. The peer team heard how there are a range of strategically important anchor institutions such as Silent Night, Rolls Royce and Boundary Mill. The Economic and Growth Strategy shows Pendle has a strong entrepreneurial spirit; 88% of businesses employ less than 9 people and business incorporations increased by 75% during 2020 (on 2019 levels). The peer team also heard of opportunities arising from the Burnley to Pendle Growth Corridor and significant growth planned.

However, Pendle faces some significant challenges. The Indices of Deprivation

(2019) shows that Pendle features within the top 11% most deprived places in England. There are particular challenges in Nelson where three quarters of neighbourhoods are in the 10% most deprived nationally. Other challenges include deep seated housing issues, the disproportionate impact of COVID-19 on the local aerospace industry, low skills levels compared to national levels and rises in the number of residents claiming benefits as a proportion of the working age population in the year to March 2021². Levels of childhood obesity are higher than the average of both North-West district councils and all district councils in England.³

The Council has progressed and worked in partnership on a number of key projects to help address these challenges including phase 1 refurbishment of Brierfield Mill (Northlight); a number of housing developments working through the Council's joint venture companies and support for the roll out of Broadband to 97% of Pendle.

More recently, the Council has secured a ground-breaking £25m Nelson Town Deal and £6.5m Levelling Up fund for Colne. The peer team heard from a range of members, officers and strategic partners who are enthusiastic, positive and confident about the potential for these initiatives to benefit not just Nelson and Colne but the whole Borough.

Building on this work, as outlined above, there is an opportunity to re-set and articulate a clearer, shared vision and priorities for both the Council and place amongst staff, members and partners. This should sit alongside work to build the Borough's place brand. In doing this, the peer team would encourage the Council to look outside of Pendle, to visit areas with similar challenges, and share joint learning. For example, this could include visiting councils with similar leisure challenges.

The Council has a good understanding of the localities that make up the rich and diverse communities of Pendle and a strong approach to localism through both the area committee system and work with town and parish councils. A biennial residents survey is used to seek feedback from residents on living in Pendle. The latest survey, undertaken in 2021, was co-designed and led by young people from Nelson and Colne College. The peer team were impressed that they achieved a higher and more diverse response than in previous surveys. Countryside and clean streets are

² Pendle Economic Recovery and Growth Strategy 2021 - 2026

³ LG inform data 2018/19

the key themes which emerge from the survey which should be used to inform the Council's work in this regard.

Partners who met with the peer team, including business representatives, voluntary sector partners and public sector representatives, all spoke positively about the Council and are enthusiastic about the opportunities to work together to meet the challenges ahead. In particular, the Peer Team spoke with business representatives who said they want to work more closely with the Council in the future, building on the foundations developed during the pandemic, to support economic recovery. The Council should consider how they can strengthen current approaches including strategic relationships and engagement.

The peer team also heard how the Council is engaged in constructive discussions, with councils across Lancashire about a potential County Deal for Lancashire.

A fundamental challenge for the Council, as outlined in the CPC in 2015 – remains. This is how the Council can balance their approach to localism, through the area committee system, with the need to ensure effective strategic thinking and Borough-wide decision making to address the challenges for Pendle as a place. These important themes of governance and decision making are addressed below.

4.3. Governance and culture

As outlined earlier, the peer team found that both the Chief Executive and Leader are bringing new thinking and ideas to the Council to help address the challenges ahead including the transformation programme. This also includes work, still in its very early stages, to shape and strengthen officer engagement including the 'Team Pendle' focus group and a new format for regular Chief Executive communications and briefings.

The officers who met with the peer team were helpful, flexible, supportive and friendly. There is an appetite, from them, to understand more about the Council's plans for transformation and how they can be part of this; the Council should prioritise work on this. It is the view of the peer team that the future success of the transformation programme will depend on strong officer and member communication and engagement.

Member and officer relationships are generally positive. Members who met with the peer team understand the issues and concerns faced in their local areas and demonstrated a clear passion for making a difference.

In May 2018, the Council adopted what it describes as a 'streamlined committee system'. This sought to retain the existing structure of area committees and regulatory committees, whilst replacing the Executive with a politically balanced Policy and Resources Committee. All Pendle's elected members have a seat at one of the four area-committees and each town/parish council have a seat as non-voting co-optees.

As part of a proposed programme of transformation, the Council intends to review governance and decision-making to ensure it is still fit for purpose in supporting delivery of strategic objectives and longer-term planning. The peer team were asked to share their views on this.

To inform thinking, the peer team were pleased to be invited to observe a Policy and Resources Committee meeting. They also spoke to a range of stakeholders including committee chairs, parish council representatives and officers.

Whilst there remains a clear pride in the strong locality focus and democratic engagement which underpins the current approach through area committees, it is the view of the peer team that the current decision-making arrangements – particularly in relation to planning, should be more streamlined. To meet target turnaround times for the processing of planning applications, each of the 4 area committees are required to meet on a monthly basis. This presents a short turnaround time for the production of reports. The peer team also heard how three officers - a planning officer, senior officer and democratic services officer - are all required to attend each monthly area committee meeting.

In addition to this, the Council's Constitution allows some planning matters to be referred to the Policy and Resources Committees e.g., where a decision the area committee is minded taking would represent a significant departure from policy, present a risk of costs or straddles area committee boundaries. The number referred in this way has increased in recent times and the peer team heard from both officers and members how routine planning decisions have become a significant part of the Policy and Resource Committee meetings. The peer team saw this first-hand in the

meeting that they observed where over half an hour was allocated to a planning matter.

The peer team heard from both members and officers about frustrations and concerns relating to this overall approach to planning. These frustrations relate to administrative demands, potential duplication e.g. consideration by more than one committee, associated costs including officer time and consistency of decision making across committees. The overall approach also impinges on the strategic decision-making functions of the Policy and Resources Committee.

It is important that this overarching, strategic committee of the Council is able to focus on the bigger, strategic issues facing the Council and Borough e.g. budget recommendations to Council, strategic policy, performance, strategic partnerships and Local Plan development.

In reviewing the approach to decision making, the Council should carefully consider the pros and cons of the current approach. This should include consideration of capacity issues, speed of decision making, costs and public perceptions/experience. There are a number of options that the Council could consider including the establishment of a strategic committee to consider referrals (instead of these being referred to the Policy and Resources Committee), the re-establishment of a single Development Management Committee (the Council previously had this when it operated under the executive arrangements) or the status quo.

The peer team heard that, when the Council moved to a committee system, it retained a call-in procedure. A report to Pendle Council in May 2017 says the aim was to prevent too many decisions made by the Policy and Resources Committee potentially being overturned at the Full Council meeting and subsequent delays in decision making. The 'call in' procedure was designed to mitigate against this. Between May 2018 and January 2022, there have been 14 decisions subject to call in. In reviewing the approach to decision making, there is an opportunity, working with group leaders, to look again at this procedure. This is to ensure it is being used as intended e.g., in exceptional circumstances rather than day to day.

Overall, when undertaking the proposed review of decision making, the Council should source independent peer support e.g., LGA, Centre for Governance and Scrutiny and/or Planning Advisory Service. The Council should also agree clear

terms of reference for this review covering design principles and timeline. The overall focus should be on how the current approach is supporting the Council in taking effective, efficient, engaging, transparent and timely decision making in support of the Council's vision and priorities. Once the Council has looked at the strengths and challenges of the current approach, this can then be used to inform thinking on any structural changes required.

The Council operates a system of elections by thirds rather than 'all out' elections every 4 years. There are advantages and disadvantages of both approaches in relation to costs, stability of decision making and democratic accountability/engagement. The peer team heard how, in September 2018, the Council considered moving to 4 yearly elections following a consultation exercise with key stakeholders including residents and political groups. A key consideration for those who supported change was that 4 yearly elections would support the Council in developing longer term strategic plans and direction over 4 years, particularly in the context of the Council experiencing regular change of control. At this time, the Council voted against changing the electoral cycle.

The peer team heard from some members and officers who are keen to explore this again, working within the required legal framework and subject to consultation. This is in the context of the on-going financial challenges facing the Council and the need to ensure any party in control is able to take longer term, bold and difficult decisions.

As part of the review of governance and decision making, and to support transparent and open decision making, the Council should consider reviewing its approach to the streaming of Council meetings, including protocols for this. The peer team heard how the Council does not currently stream or webcast its meetings due to resource issues, but participants and observers are permitted to do so which has the potential to create confusion and inconsistency.

The Council's self-assessment indicates that opportunities for Member Development have reduced over recent years and the Council need to revive this. There were mixed views, from both officers and members, on the reasons behind this including issues associated with attendance. It is important that the Council directs capacity and resources behind a future member development programme that is engaging, relevant and accessible. This should support them in working cross-party and be co-

designed and produced with members. It is equally important that all members and groups commit to engaging in this. Consideration could be given to appointing a Member Development Champion. Planning, equalities and information governance should form part of the programme. The peer team also heard how the Council's code of conduct has recently been reviewed (using the LGA's model code of conduct as a guide). It is important that future training covers the application of this code including standards, declaration of interests and bias.

4.4. Financial planning and management

The Council has achieved savings of £10m since 2010 whilst maintaining effective frontline service delivery. There is a positive relationship with the external auditor who gave an unqualified opinion on the Council's financial statements in November 2020. Group Leaders have a good understanding and awareness of the financial challenges ahead; the Council's cross-party Budget Working Group has helped to build this understanding.

The Council has a medium-term financial plan which is based on using a combination of reserves and savings to balance the budget through to 2024/25. A total of £1.5m is planned to be used from the Budget Support Reserve over this three-year period up to 2023/24. The overall savings requirement for 2022/23 is £1.1m and there is a projected budget gap of £3.5m by 2025/26. The estimated gap up to 2025/26, if not rectified, would create a budget shortfall (potential call on reserves) of £8.262m.

The budget strategy to date has focussed on the themes of Growing, Charging, Saving and Stopping. However, the peer team heard how the Council now considers that their ability to deliver further efficiencies is increasingly limited. As highlighted through the Section 25 statement relating to the 2021/22 accounts, the Council cannot continue to rely on reserves indefinitely to manage the budget as this is not sustainable over the medium term.

In February 2022, the Budget Working Group participated in an LGA facilitated discussion on the budget challenges ahead. The peer team would encourage the Council to address the key themes identified during this facilitated discussion. This includes strengthening a one council approach to ensure continuity against budget

plans and the reserve position. It also encourages members to review comparative financial data, via LG Inform, on the Council's total spend relative to other councils. This includes planning services where spend is the highest of all North-West district councils.


To achieve the required level of savings, the Council is intending to look at some big spend areas as part of the transformation programme. This includes the strategic leisure offer for Pendle which represents a significant percentage of total net budget as well as increasing maintenance costs for ageing assets. Difficult decisions will need to be taken on the sustainability of the current structure of provision. The contract with Liberata also makes up a significant element of the Council's revenue budget. It is important that the Council maintain focus, commitment and relentless drive – across the whole organisation – on the transformation programme in order to meet the financial challenges ahead.

There has been slippage (£13m) in the Council's capital budget from 2020/21 which has been carried forward to 2021/22. As part of the 2022/23 budget and revisions of the Medium-Term Financial Plan, the Council is reviewing the capital programme (considering the pandemic, operational factors and future needs). It is important that the Council strengthens project management and governance to build capacity and maintain momentum on delivery of capital projects. Programme and project management capacity will also be key to delivery of the new Strategic Plan, performance management and bringing about delivery in a more efficient way

The Council has agreed a Land and Property Asset Management Strategy (2019 - 2022). The team noted that this is due to expire this year and would encourage the Council, in reviewing this, to ensure they are continuing to make the most efficient and effective use of their asset base currently valued at c£56.2m (March 2021) including the capacity to generate capital receipts in the future.

4.5. Capacity for improvement

The peer team met with a range of officers across the Council who were engaged, friendly, loyal and flexible. There was clearly a strong work ethic and an openness to new ways of working and change. This was evident in the response to the pandemic



where staff quickly adapted to new ways of working to ensure critical service delivery was maintained and the most vulnerable were supported, working with partners.

The Annual Governance Statement (2020/2021) outlines challenges associated with sustaining organisational resilience and capacity in the context of an overall reduction in staff numbers since 2010. As part of the transformation programme, the Council intends to review the leadership and management structure of the Council to ensure there is capacity to deliver the change required at pace.

Fundamental to this will be the need to take a corporate approach that involves aligning new structures, resources and ways of working to the agreed Strategic Plan, vision and priorities for Pendle. It is important that the Strategic Plan is used to guide future ways of working. The review should also ensure that there is sufficient capacity and resources within the Council's enabling services that will be key to the Council's transformation e.g., human resources, legal, financial services, communications and ICT. Some of these are provided through Liberata which the Council will need to consider.

A staff survey is undertaken on a biennial basis. The most recent survey undertaken in January 2022 explores a number of themes including thoughts on working at the Council, health and wellbeing, line management, communication, learning and development. The results indicate employees are feeling more valued and getting more recognition and thanks at all levels. The survey also highlights a rise in employees feeling stressed as a result of work and qualitative feedback demonstrates much of this stress relates to workload capacity. This is reflected in the staff absence figures which show that almost two thirds of absences were stress related. It should be noted that this is in the context of the pressures on staff associated with the pandemic. The Council should continue to address the findings from the staff survey when implementing the new Workforce Development Strategy which covers a range of themes including recruitment and resourcing, reward recognition, development, employee engagement, technology and wellbeing and diversity.

The Council's transformation programme will require new skills and capabilities which may be latent in some areas but can be developed through training and development opportunities. The new workforce strategy needs to support the Council in

developing these training and development opportunities in areas including project and programme management, IT, business process improvement processes and customer centric design.

The peer team were pleased to note that the Workforce Strategy recognises the importance of a diverse and representative workforce. Data which covers a range of equality groups is analysed within the strategy to inform the direction of HR policy. Areas of focus include the percentage of Black, Asian and Minority Ethnic (BAME) employees overall which is significantly lower than the BAME population within the district but is an increase on previous years. Data also shows the Council has an ageing workforce. The Council needs to develop an approach to succession planning to identify and develop potential future leaders and senior managers of the future, particularly in business-critical roles to ensure future sustainability.

The Annual Governance Statement (2020/2021) states that, because of the impact of the pandemic on the Council's working arrangements and its overall capacity, it was not possible to conduct performance management reviews. It states that these would be re-instated during 2021/22 subject to a review of the procedures. It was unclear, from discussions with a range of staff, if the new approach has been formalised or embedded. It will be important to ensure a programme of performance management reviews for all staff over the coming year. This will support staff in meeting their objectives and give them the opportunity to identify development needs in support of the Council's transformation programme.

4.5 Transformation

In December 2021 the Council established a Reserve of £250k to pump prime Transformation. The aim is to develop new ways of working to meet the Council's priorities and address the financial challenges ahead. The Council recognise the need for appropriate capacity, skills and experience to help them to shape and inform design and delivery.

A Transformation Programme Director has been appointed, for an initial period of 9 months, to oversee the programme. A number of transformation opportunities have been identified relating to leisure, environmental services, corporate estate, governance, capital programme, building control, in-house printing services, disabled facilities grants and pest control. Out of these areas, as outlined earlier in this report,

it is the view of the peer team that developing the strategic leisure offer for the whole of Pendle will be important. As outlined in the Council's position statement, there is an opportunity to review the current offer to ensure it meets future needs of all communities whilst also saving revenue and capital costs.

Next steps include the development of a detailed programme of work and re-design. Given the scale of change, the Council needs to ensure robust project and programme governance arrangements are in place. This should include clear lines of accountability, clear reporting lines and scrutiny and adoption of robust project management methodologies and tools including risk and financial controls. The Council is already taking steps in this regard through the establishment of a strategic Transformation Board. The peer team would also encourage the Council to apply the learning from the programme management of the Town Deal.

It is still early days, but it was clear, from conversations the peer team had with a range of stakeholders, that more work needs to be done, quickly, to communicate and engage with staff and members on the transformation programme. This should help to engender a better understanding and buy in of what the transformation programme is, areas covered, objectives, how people can get involved and the timeline for implementation. Ensuring both the Leader and Chief Executive are visible to staff in leading from the front on this will be critical. Sharing a common vision of the transformation programme can help improve staff morale by ensuring joint ownership, ideas and contributions. The aim should be to appeal to the hearts and minds of all stakeholders so that they understand and embrace the changes ahead.

It will also be important to ensure Liberata, who deliver a number of customer facing and key enabler services for the Council, are involved in the development and delivery of the transformation programme.

The Council will also need to accelerate work in relation to the Digital strategy (2020 – 2023) which is a critical enabler for transformation. The peer team heard how COVID-19 has provided the Council with an opportunity to make progress with Digital Transformation including significantly more visits to the website and increases in use of web-based forms, but there is more work to do. Building on the progress to date, the Council needs to accelerate work relating to the key digital themes of Digital

Council and Digital Community. In particular, ensuring the opportunities for digital channel shift are identified, understood and pursued.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the Council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Helen Murray, Principal Adviser, is the main contact between your authority and the Local Government Association. Helen Murray is available to discuss any further support the Council requires and can be contacted via:

Helen.Murray@loal.gov.uk