

Steve Stewart
Chief Executive
City of York Council
West Offices
Station Rise
York YO1 6GA

April 2016

Dear Steve

City of York Council Corporate Peer Challenge follow up 8th & 9th March 2016

On behalf of the peer team, thank you for the invitation to deliver the corporate peer challenge follow up as part of the LGA offer to support sector led improvement.

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 York were:

- Dawn Baxendale – Chief Executive, Southampton City Council
- Councillor Sean Anstee (Conservative) – Leader of Trafford Council
- Councillor Howard Sykes (Liberal Democrat) – Oldham Council
- Mike Poulter – Head of Transformation and Business Support – City of Sunderland Council
- Stephen Parkinson – Head of Policy, Communications and Performance – Preston City Council
- Judith Hurcombe – Programme Manager, LGA (Peer Challenge Manager)

Scope and focus of the peer challenge

You asked us to explore the following areas:

- Progress since the previous LGA peer challenges undertaken in June 2013 and November 2014
- Behaviours and relationships
- Future plans

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement-focussed and tailored to meet individual council's needs. They are designed to

Local Government House, Smith Square, London SW1P 3HZ

T 020 7664 3000 F 020 7664 3030 E info@local.gov.uk www.local.gov.uk

Local Government Improvement and Development is the business name of the Improvement and Development Agency
Registered in England No. 3675577. Registered office: Local Government House, Smith Square, London SW1P 3HZ. Limited liability by guarantee.

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. We spent 2 days onsite at York, during which we:

- Engaged with more than 129 people including a range of council staff together with councillors and external partners and stakeholders
- Gathered information and views from more than 30 meetings, visited Tang Hall and Hazel Court, and undertook additional research and reading

This letter provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit on Wednesday 9th March. The feedback provided is deliberately light touch, as this was not a full scale corporate peer challenge, and our work with you is as fellow local government officers and members, not professional consultants or inspectors.

Progress since the Corporate Peer Challenge in June 2013

Overall the council continues to make some progress since the previous corporate peer challenge, but this has been limited by a widespread lack of ownership of many of the issues and challenges facing the council then and now. We acknowledge there has been a significant period of change at both a political and managerial level, which will have contributed to this situation, but here now exists the potential for a period of stability that should be grasped.

There is still clearly visible pride and commitment to York at all levels. Many people both internal and external to the council gave us positive views about the city and their role and attachment to it. However, many were less enthusiastic about the council, with some describing their continued employment within the organisation being despite the council, rather than because of it.

There has been political change following the May 2015 elections with the council moving from Labour control to a joint administration with Conservative and Liberal Democrat members, and there has been some change in senior management appointments. Irrespective of the nature and qualities of the individuals holding those appointments, this in itself does not represent or provide significant cultural or organisational improvement, and more needs to be done to consider how the council will bring about that change.

Those holding leadership positions are not consistently and widely visible enough across the organisation and sometimes outside of it too. Some staff told us that they rarely saw or heard from members or senior managers unless there was either a complaint to be dealt with, or they were to receive bad news relating to redundancies. Attention needs to be given to how the visibility of senior members and officers could be raised so that staff can be supported and to help them to feel more appreciated than they currently do; sometimes this can be a simple 'thank you' for a job well done, or to hear employees' views about the council and where it could improve. There is a need to develop a more positive corporate

narrative which sets out the future direction of the council and how staff will be supported through change.

A criticism previously was that the council's budget did not follow its stated priorities: the evidence presented to the peer team suggests this remains the case. We heard repeated concerns from officers and members that the most recently completed budget round was largely based on a 'salami-slicing' approach of seeking 30% budget reductions across all departments, rather than a strategic approach which begins to shift expenditure to both deal with long term financial restraint as well as reshaping the council to deal with that restraint. The approach to the budget did not engage senior managers enough and was heavily centralised through the finance directorate. This will have restricted the ability of both members and officers to thematically assess the co-dependencies that exist between service directorates and budgets, and become more aware of any unintended risks and consequences.

Ward budgets, backed by the available delegated budget of £1m, shows a commitment to meeting local priorities and residents' needs, but more attention is needed to address how the distribution of these monies will have impact, and how they will help the council achieve its priorities.

We heard about a number of initiatives that show the council can work well, lead and engage with others to deliver services to communities in different ways, including:

- ICT cutting edge developments including trading opportunities
- The Business Improvement District
- Tang Hall community development
- Re-energised approaches to devolution

York is unusual in that there are many partners who recognise the role of the council as the civic institution of the borough to lead the place, and who are very keen to work with the council to bring about positive change and help to deliver the council's ambitions: this is a good resource to be tapped for the future. Currently the approach to partnership working appears to be stuck in silos and what is achieved and could be achieved is not widely known or understood. There will be many more opportunities available but do not yet appear to be on the radar, and raising the profile of the council's leadership will help to ensure that maximum benefits can be achieved. A more corporate approach is needed so potential opportunities are discussed, shared and understood.

Behaviours and relationships

The establishment of a joint administration reflects a level of political maturity and that, combined with the election arrangements of all-out elections every 4 years provides a significant opportunity for stability. This should not be underestimated because it provides a window to get on with difficult decisions early in the election cycle. More however needs to be done to grow the administration into a cohesive and connected body, with connected and cohesive views and policies, as often it appears to those outside of the inner cohort of the new arrangements, rightly or wrongly, that there are two rather than one political administrations leading the council. The peer team recognises that compromise will be required to allow the administration to endure. This may lead to a perception of understated leadership, yet it absolutely must be the case that power is being held for a shared purpose

and aim, and this is not yet clear. Staff, stakeholders and partners are struggling to understand what this administration is aiming to do, how it will do it, and when its aims will be achieved by.

The leadership provided by members and officers is both functional and operational, in that services are delivered well, and staff are committed to doing a good job to high standards. This commitment is more to the city and serving the public, than wanting to do a good job for the council and sometimes this appears to be despite the leadership of the council.

One of the issues hampering progress is that the organisational focus of many stakeholders seems to be set in the past, often relating to previous people in leadership positions and the previous issues surrounding them. Some of this may relate to the change in administration and of some senior officers, but this backward looking focus means we heard very little about what the council and the city should be doing in the medium-long term. Despite the new Council Plan being agreed, it does not appear to have a high profile and nor is it widely recognised as the key delivery plan for bringing about strategic change both within the council and in the city.

Relationships between executive members appear to have improved and are beginning to mature: this is positive news. More widely there appears to be less of a focus on point-scoring across the political parties, and this is partly reflected in significantly fewer complaints being referred to the Standards Committee.

However, there is room for improvement in the joint and shared wider leadership (by members and officers) of the council. There are some good individual working relationships between senior officers and their respective portfolio holders. But we repeatedly heard members and officers speaking of each other using dialogue such as on 'us and them' with very little expression of 'us' or 'we', which gives a clear indication of separate encampments who regard each other as a problem. It also gives an impression of a lack of a corporate and collegiate approach where members and officers are working together as a team to bring about positive change. This separateness must be addressed if relationships and trust are to develop and the council is to function well as a corporate entity.

There is a wide and differing range of experience across the senior membership of the authority, including of leading, planning and delivery, with some of this being inevitable given the length of time of the new administration. Members need to be mindful of being more open to receiving significant professional support and trusting the integrity of the advice being offered, and to be more open about officers challenging them. Officers too need to be able to challenge members in a constructive way and for that challenge to be reciprocated without being detrimental to either relationships or confidence.

Greater awareness is needed of the ideal behaviours and values that members and officers should be showing when leading the council. This includes the greater visibility mentioned elsewhere in this letter, as well as being consistently professional at all times, and being able to challenge each other when standards are perceived to not meet those levels. Sometimes behaviours can be inappropriate even if they manifest themselves courteously.

We heard individual and collective discussions about a genuine desire to bring about change at the council, and it appears that everyone is up for the challenge to jointly owning a future vision and plans about how to deliver that vision. But it is not yet clear what that vision is: it

needs to be written, shared, debated and articulated, so that some certainty and stability can be provided for staff at all levels including senior managers, and for partners.

Future plans

Attention has been paid to the council's role in the wider devolution arrangements within the region and more emphasis is being placed on playing a greater role in North Yorkshire's arrangements, whilst maintaining an interest in the Leeds City Region. This is a positive early win that is regarded by partners as a good move, and it allows the new administration a platform from which to provide greater leadership of place.

There is a good degree of self-awareness and a desire to bring about change, but we saw little evidence of and heard little discussion about outcomes. What differences will the council bring about that will be recognised by members of the public or other stakeholders? Outcomes appear to have a very low profile, partly because much of the dialogue we observed was internally rather than externally focused.

There is a widespread expectation from some members, staff and partners that the council will produce a vision, backed by clearly articulated future plans that set out and clearly state the future ambition for both the organisation itself and the city. The new Council Plan does not yet appear to fulfill this function: despite its existence we heard widespread concerns from people not being clear the future purpose of the council, its size, shape and future role. This creates uncertainty for staff, stakeholders and partners, about York the council and York the city and their role in it.

We heard of less initiative overload than when we previously reported, but there is also an absence of clarity about how important individual projects relate to each other and the synergies between them. This can be attributed to the perceived lack of a declared vision, Local Plan, medium term financial strategy and agreed and properly resourced delivery programme. The corporate capacity for establishing a coherent plan that is aligned with resources and managed by way of a programed approach appears to have been redistributed or removed as part of the abolition of the Office of the Chief Executive. The reasons for abolition do not appear to be widely understood either and how future performance will be monitored and reported on is not clear.

The business of any council is complex with a great deal being delivered and being planned for, so care needs to be taken to ensure that the risks and consequences of decisions taken are fully understood and explored before decisions are made, so that the desired outcomes are achieved without detrimental impacts elsewhere. During the recent budget round members do not appear to have fully utilised the skills and experience of officers who could provide that advice, so it is not clear whether interdependencies have been fully explored, nor whether future risks have either. The next round of the budget needs to include more opportunities for members and officers to discuss together how and where savings will be made, so that those risks and interdependencies are explored together and are widely understood. This is important for both the budget round and decision making more widely, to ensure that decisions are made on a solid evidence base.

In 2013 in light of anticipated future budgetary pressures and increasing demand for services, particularly in Adult Social Care, we urged the council to explore its future role and purpose over and above its intention to become a 'commissioning council'. Not much

appears to have happened on this until fairly recently, with new ideas and form being given to how both Adults and Children's services will fit into a new operating model and reduce dependency on the council, with both only recently being discussed in more detail in the context of the council's future size, shape and role. More explanation and debate is needed about the model, including costings and workforce development planning.

There are a number of senior posts which are interim in anticipation of a future restructure. Churn in some directors' posts in recent years has not brought stability to the organisation. The senior managers' review is taking too long to complete and that too is creating anxiety not only for those directly affected but for the people in the departments who work for them. Sorting out the review and the posts affected by it needs to be done with pace, to help to bring stability and end uncertainty.

Staff and member morale needs some attention because wide numbers of people appear to be jaded. Whilst senior members and officers cannot offer certainty about everything, particularly in light of future budget pressures, they can help to create more positive environments which support people better, even if immediate answers cannot be given.

Service delivery is good to date, but the context and demands on local government continue to present challenges, so space needs to be created to think about the strategic and long term future of the council. Such thinking needs to be inclusive and cross-party so that plans are resilient to cope with any future changes of administration (which are not unusual in York's political history). The council and the city deserve those plans to be robust and to be in the best interests of the organisation and the communities it serves.

Recommendations

There is a range of elements we think you should consider now:

- Making visible and public demonstrations of joint leadership
- Create Strategic Leadership Team meetings between the Executive and SMT on at least a monthly basis
- Provide better clarity of the roles and responsibilities of members and officers
- Get on with the senior management review: create officer stability, followed by SMT team building
- Don't lose the opportunity of being a new administration to make the difficult decisions now, and be bold in those decisions
- Focus on action, rather than reaction to immediate issues and events
- Develop a positive narrative about the council and what you want to achieve
- Consider capacity for corporate planning and performance management linked to a medium term financial strategy
- Beyond the social media policy, consider a wider approach to managing vocal minorities, to ensure they do not dominate and distract the council from its business
- Develop a tactical plan to raise the profile of the council
- This is the third review within 3 years. We expect you to develop - with a sense of urgency - a clear and visible action plan with deliverables, timescales and individual member and officer accountabilities, ready for adoption during early summer 2016

Next steps

You will undoubtedly wish to reflect on these findings and suggestions made with your senior managerial and political leadership before determining how the council wishes to take things forward. As part of the peer challenge process, there is an offer of continued activity to support this. In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date.

I thought it helpful to include contact details of Mark Edgell, LGA Principal Advisor for Yorkshire and the Humber, [REDACTED] He is the main contact between your council and the Local Government Association. Hopefully this provides you with a convenient route of access to the Local Government Association, its resources and any further support.

All of us connected with the peer challenge would like to wish you every success. Once again, many thanks to you and your colleagues for inviting the team to undertake this follow up peer challenge and to everyone involved for their participation.

Yours sincerely

[REDACTED]