

LGA Corporate Peer Challenge – Progress Review

South Tyneside Council

**19th & 20th October 2022**

Feedback

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1. Introduction

The council undertook an LGA Corporate Peer Challenge (CPC) during January 2022 and promptly published the full report with an action plan.

The progress review is an integral part of the Corporate Peer Challenge process. Taking place approximately six months after the council published the CPC action plan, it is designed to provide space for the council’s senior leadership to:

* Update peers on the early progress made and to receive feedback on this including how the action plan aligns to the CPC’s recommendations
* Consider peer’s reflections on any new opportunities or challenges that may have arisen since the peer team were ‘on-site’ including any further support needs
* Discuss any early impact or learning from the progress made to date

The LGA would like to thank South Tyneside Council for their commitment to sector led improvement. This six-month review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

1. Summary of the approach

The progress review at South Tyneside Council took place onsite on 19th and 20th October 2022.

The progress review focussed on each of the recommendations from the Corporate Peer Challenge, which were determined by the council as follows:

* Vision
* Organisational development
* Resources
* Governance
* Capacity

For this six-month progress review, the following members of the original CPC team were involved:

* Chief Executive Peer – Jim Taylor
* Councillor Peer – Cllr Shaun Davies, Leader, Telford and Wrekin Council
* Officer Peer – Nick Graham, Director of Legal and Democratic Services, Buckinghamshire Council
* Officer Peer - Jane Carr, Director of Transformation, West Northamptonshire Council
* Officer Peer - Claire Taylor, Corporate Director – Customers, Organisational Development and Resources, Oxfordshire County Council
* Judith Hurcombe, Peer Challenge Manager, LGA

The peer team were onsite in South Shields on 19th and 20th October 2022 and had discussions with the following:

* Tracey Dixon, Leader of the Council
* Joan Atkinson, Deputy Leader of the Council
* Cabinet members
* Jonathan Tew, Chief Executive
* Directors
* Senior managers
* Employees from across the council’s services
* External partners

1. Progress Review - Feedback

Overall messages

The council has made clear and impressive progress on the recommendations given as part of the LGA Corporate Peer Challenge undertaken in January 2022. At that time the council was dealing with significant governance challenges and the leadership of the council was relatively new. Rapid and impressive progress has been made since that report was published in May 2022 and it is the team’s perception that the council continues to improve.

There is growing confidence from members and officers about how they conduct the council’s business. In the feedback given in January 2022, we reported that the working relationship between the Leader, Deputy Leader and Chief Executive was good, and was based on trust and respect, and this has become stronger. This is recognised by external partners whose confidence in the council also continues to grow.

There has been a significant and concerted effort to continue to improve the council’s governance arrangements, including on the role of scrutiny, decision making, and improving the constitution. This diligence and focus is paying off, and there is a determination to maintain this focus into the future.

Much time and effort has taken place this year at corporate level to improving how people work together and set the tone for the culture of the council. Managers speak more confidently about their roles and how they engage with their staff.

Another area of ongoing attention has been on encouraging better members’ behaviours. There are mixed views about the extent and frequency of poor and inappropriate behaviours, and there are also some concerns whether a minority of councillors pay lip service to the council’s agreed new values but continue to act inappropriately and not in line with those stated values. This is being addressed by the leadership.

The organisation is on a journey of improvement and some of the issues it needs to address are medium to long-term in duration. Improving the council’s organisational culture is a long term rather than a short-term project, and promising foundations are now in place. There is a good level of self-awareness of the range and breadth of change needed, and members and officers are ambitious for South Tyneside’s communities and their council. Many change projects are underway, and consideration needs to be given to bringing these together with a stronger strategic overview to ensure that synergies between projects are understood and maximum benefits planned for. Now would be a good time to explore what transformation means for STC, with more overt links to the emerging budget gap in the MTFP and to the culture of the organisation.

There are some tough challenges ahead, including inflation and external pressures such as those in social care, supporting residents with the cost-of-living crisis and working corporately to plan for and address the budget gap. Confidence between members and officers continues to grow, and this is recognised by them and the council’s partners and was also evident to the peer team. Challenging unwelcome behaviours, acting in accordance with the council’s newly established values and maintaining the highest standards of governance will be important factors in the ongoing renaissance of the council and its clear ambitions for its communities.

Vision

Over the past 6 months the council has worked positively on refreshing the Borough Vision 2023-2043, the Council Strategy 2023-2026 and its Council Values. The vision has identified 5 ambitions which are innovative and are clearly about South Tyneside the place. The process to establish the vision involved wide consultation and engagement and was regarded as inclusive. The process followed has led to the vision being widely recognised across the council by members and officers.

Since 2021 the senior leadership has been on a period of what is described as “review and reflection” to better understand its strengths, the challenges it faces and to seek the views of members, employees, residents and stakeholders. This period is now largely complete and is echoed in the new vision. During the follow up we heard of enthusiasm and commitment to move to delivering its ambitions.

Organisational development

Over the past 6 months investment has been made in improving the council’s capacity in organisational development. This has included shaping a 2-year programme of activity to support a key ambition of being a transparent and open council. This is clearly recognised by staff.

Strong progress has been made in establishing a completely renewed organisational development function, and this has been delivered at pace. The team is articulate and motivated, they have facilitated a significant engagement programme which has led to a new set of organisational values, described as PROUD, which seem authentic and closely aligned with the aspirations of the organisation. The approach ‘ignite, embed and sustain’ provides a strong framework by which to continuously refine and develop the approach and there are plans to develop a behavioural framework to underpin the values. Good progress has been made developing the learning and development offer and the approach to equalities, diversity and inclusion is emerging with employee groups and networks established.

The council has clearly recognised the strategic importance of organisational development and supporting the workforce. A longer-term task should be to ensure the progress made is embedded into HR policy and practice and strategic workforce plans, with reviews taking place when capacity allows. The leadership of the council needs to ensure that organisational development is well aligned with clear transformation objectives and is ambitious enough to drive long term change, moving beyond the challenges of the recent past. The organisation has done well to identify and develop several key individuals who have the skills and commitment to drive the work forward.

In January 2022 the peer challenge fed back that there was low awareness of equality, diversity and inclusion (EDI) across the workforce. Steps have been taken to establish new support groups for employees, including for the Menopause, and those with caring responsibilities. The council’s leadership has shown a clear commitment to EDI issues. This is also reflected in the flying of the new more inclusive rainbow flag for the first time from the Town Hall on Pride Day in July 2022.

Senior leaders know there is more to do to develop the organisation and to improve its culture, and a next step should be to provide further clarity about the behavioural framework and how it will be used to drive change. The new Leadership Development Programme for the extended leadership team will be another important step in improvement.

It is the team’s view that the council should continue to be ambitious and creative in its approach to organisational development and engagement. Linking to the transformation strategy and the modern workplace programme there should be ongoing focus on creating an organisation where the workforce understands what good looks like and how they can directly contribute.

Ensuring internal communication strategies are aligned to clear transformational outcomes and making sure there are clear plans to celebrate your successes and the difference you have made, will be important in helping people to achieve more.

Resources

Since January 2022 further progress has been made to improve knowledge and transparency of the council’s budget processes, and there is evidently more ownership and awareness of the issues facing STC through a more inclusive and transparent budget planning process. Work completed and ongoing needs to become more integrated with the Medium-Term Financial Plan (MTFP) and the council’s approach to transformation and underpinned by the leadership’s political priorities for South Tyneside.

The MTFP identifies a gap of up to £36m by 2026-27. Like many single tier councils there are no easy answers to how this gap will be addressed, and the use of reserves in a contribution to balance the annual budget can only be regarded a short-term measure. There is an urgent need to identify and agree the approach to savings, linked to the council’s approach to transformation, for 2023-24 onwards.

Progress has been made in the council-wide approach to performance management, including new quarterly “Our Performance” reports to Cabinet, and this will be important in enabling councillors to assess progress of the new Council Strategy and how it delivers outcomes for residents. The overall approach has been boosted by additional capacity.

The council has invigorated its approach to change and has ambitious plans, and there are many new and revised strategies and new projects. The overall approach will be aided by taking some time to clarify and define what is meant by transformation, how it relates to savings, efficiencies and outcomes for residents; and communicating the overall approach throughout the council. This clarification should include what benefits will be realised through a cross-cutting and strategic approach, how they will be measured, prioritised and which resources will be available to ensure they are realised.

Governance

Considerable attention has been given to improving governance over the past year, and substantial constitutional reforms are underway with others planned. Members and officers have worked hard together to address issues. The creation of the new officer Governance Board is an important feature in developing shared understanding and ownership of improving governance, risk management, audit and legal issues. Capacity in this area has been boosted and a new Governance and Corporate Affairs senior management structure has been implemented. Governance continues to be well-led by the Monitoring Officer.

A review of the council’s constitution and a review of the council’s scrutiny structures have been completed. A revised governance framework has been agreed for South Tyneside Homes, and a review of area management is underway.

A new member development programme has recently been launched following consultation and involvement with councillors, the approach to case management has been reviewed and consideration is being given to enhancing support for the council’s political leadership. This has been welcomed enthusiastically by elected members and the Cabinet.

Concerted efforts have been made on addressing councillors’ behaviour, but this area still needs ongoing attention, across the council’s membership and across the political groups. There are still too many complaints being lodged about councillors’ behaviour, although progress has been made in addressing the backlog of complaints, there is still more to do to reduce the cases not yet resolved. In particular an ongoing and concerted effort is needed to ensure that everyone is committed to and performs to the highest standards of behaviour, in accordance with the PROUD values agreed this year. There are differing views about which and how many individuals are responsible for poor behaviour, although there is a degree of consensus that most councillors do behave well. The responsibility to behave well is clearly an individual and personal one, although the political group leaders and senior councillors can play a stronger role in clarifying their expectations of councillors, being clear when behaviour has not been good enough, and encouraging uptake of member development and training opportunities. Consideration of what to do next is being actively worked upon by the council’s leadership.

Overall transparency in decision making is improving and there is a clear commitment to ongoing and increased openness from the council’s leadership. Ensuring that decisions are as transparent as possible, linked clearly to the council’s strong evidence base as reflected in the clearly presented “Our South Tyneside” document and other reports, and made in accordance with the council’s agreed values and behaviours will be important for ongoing improvement, and will continue to build trust in the council’s leadership.

Capacity

The council is ambitious for the future and the Chief Executive’s leadership and encouragement of cultural change and improvement is paying dividends across the organisation. Investment has been made in increased strategic capacity, in both more posts to deliver this work, and investment in leadership development. Senior officers have been energised by their engagement with employees and express more confidence in the overall direction of the council, and their roles in delivering improvement. Compared with what the peer team heard in January 2022 there is a tangible improvement in how managers and their staff talk about their council and themselves, with growing confidence for the future.

The change programme for the council continues to grow, it is ambitious and long term. The pace of delivery since January 2022 has been impressive. Investment in programme management, organisational development and in employee engagement and training are setting the tone for better ownership of change across the organisation. It is the peer team’s view that capacity needs to have ongoing consideration, not least because STC is not a large organisation. We identify 3 areas which need this ongoing consideration:

* firstly, the ongoing capacity and resilience of several individuals who are playing leading roles
* the broader enablers of capacity including HR, ICT, digital and comms, and
* how the projects can be prioritised by the benefits they will realise, and how they are then connected back to deliver the MTFP.

Quick wins

One aspect of the team’s January feedback to the council was to focus on some quick wins, to build momentum and show commitment to change. Ordinarily in a Corporate Peer Challenge Progress Review these would not be highlighted, but the council has delivered an impressive array of these. At October 2022 a sample includes:

* Refreshing the Borough Vision based on wide engagement and co-production principles
* Published a 12-month delivery plan
* Established a cross-council Engagement Network
* Developed “Our South Tyneside Conversation” to consult on a range of issues
* Worked with other partners to explore the proposed devolution deal under a new North East combined authority
* Produced “Our South Tyneside 2022” baseline, which sets out data and key characteristics of the area. This is a well presented and engaging document which clearly identifies need both across and within the borough
* Re-introducing a full Summer Events programme
* Relaunching council-wide appraisals for employees
* Refreshed apprenticeship strategy
* Reviewing the council’s approach to digital working, with plans to introduce a more modern ICT service management approach during 2023
* Revised approach to corporate risk management
* Revised constitution
* Investment in new capacity across several corporate functions, including the creation of a new Corporate Programme Management Office
* Reviewed case management for councillors
* Launched a review of area management

1. Final thoughts and next steps

The LGA would like to thank South Tyneside Council for undertaking an LGA CPC progress review.

We appreciate that senior managerial and political leadership will want to reflect on these findings and suggestions to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on several the areas identified for development and improvement and we would be happy to discuss this.

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