


# LGA Corporate Peer Challenge

Redditch Borough Council

Dates: 7<sup>th</sup> – 10<sup>th</sup> March 2023

Feedback report





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# 1. Executive summary


Redditch Borough Council serves an area that is a mixture of old and new. The town of Redditch is an urban town with a rich industrial history which was once the international centre for the needle and fishing tackle industry. It is divided into several districts with the 'new town districts' built in the 1970s and 1980s to the east and the older 'former village districts' and open countryside to the south and west of the town. The council is ambitious in providing help and support to enrich the lives and aspirations of all its residents, businesses and visitors through the provision of efficiently run and high-quality services. The Leader has a very ambitious agenda on economic regeneration.

There is an ongoing commitment to shared services with Bromsgrove District Council and this arrangement is working well across both councils. It is commendable that whilst each council retains political and democratic sovereignty, people see themselves as working for one organisation and are committed to serving the residents of both councils.

There is a dedicated and long serving cadre of staff who have a strong sense of belonging to the organisation and feel the organisation cares for them. There are also good Member and officer relationships but these need to translate into enhanced joint working so that the ambitions of the council can be delivered in the most effective way.

The council has a stated vision, strategic purposes and a set of priorities outlined in the Council Plan for 2020-24 and updated in the Council Plan addendum. However, there is a disconnect between what the council wants to deliver and achieve and the activities the organisation is pursuing. A lack of specific clarity about the desired outcomes from the delivery of the priorities means that priorities are open to interpretation. Clearer communication to staff on the priorities and the expected outcomes backed up with a robust performance management framework to track progress should help to ensure that organisational effort is invested in the right places.

There are also issues of capacity and operational mechanisms to deliver on ambitions and priorities; and whether these are aligned to make an impact. For



example, capacity is constrained at the senior level in the organisation and in programme and project management both of which are critical in delivering on some of the ambitions particularly around the economy, regeneration and skills agenda.

Elected Members in Redditch are hard-working, ambitious for their areas and focused on improving the quality of life for their residents. Whilst Members are engaged, their focus on strategic delivery of corporate priorities could be strengthened. Governance and decision-making processes are important, and the active involvement of Members should be supported to move Members into a strategic space and away from operational delivery. There was some evidence of negative behaviours emerging, Member to Member relationships could be improved by the modelling of positive behaviour. This is the responsibility of all Members, and group leaders have a particular role in modelling behaviour.

There are strong, honest and trusting partner relationships in place at the senior levels through the Redditch Partnership and the 'Redditch District Collaborative' to develop the Integrated Care System. These are driven by a desire to improve local services, and everybody is committed to making a difference. Partner relationships now need to be better invested across the whole organisation. This calls for appropriate officers to start building those relationships and networks at different levels within partner organisations to support more co-design and co-production of solutions and services, particularly at community and neighbourhood levels.

The council navigated the pandemic well and is now supporting its residents through the cost-of-living crisis – all within the constraints of the financial challenges facing local government generally. The organisation was able to put in place working arrangements that enabled it to respond to the challenges in the most effective way. However, the time is now right for a post-pandemic reset, particularly on working arrangements, across the organisation so that its modus operandi is fit for purpose and is geared to delivering the councils priorities in the most effective and impactful way.

Residents identified strongly with the areas in which they live, and they were broadly positive about the council. Nevertheless, there is room for improved, consistent, and timely communication and engagement across the organisation for Members, staff and residents so that they all understand what the council is doing, how it is doing it

and the impact it is making.

The council is financially stable with a balanced budget, which in the current financial climate is positive. The task now is to ensure that plans for ensuring financial sustainability over the medium to longer term are in place and supported by robust delivery arrangements. The council must also ensure the recommendations in the Section 24 Notice and 2020/21 Interim Annual Audit Report are fully implemented.

## 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. Recommendation 1

*The council needs to review its strategic priorities and realign resources accordingly.*

Getting the right priorities in place to maximise emerging opportunities and deal with the challenges will provide the council with the strategic framework for engaging with citizens, collaborating with partners, improving the quality of life for residents, facilitating the transformation of the organisation, and will enable everybody to better understand their place and role in delivering for Redditch.

### 2.2. Recommendation 2


*The organisation should consider a governance review to improve decision-making.*

There is room for improvements in the council's governance arrangements and a review will strengthen decision-making through more Member engagement and provide a greater level of scrutiny, challenge and assurance. It will also improve the processes and support arrangements across the council to enable Members to deliver on their democratic and leadership responsibilities.

### 2.3. Recommendation 3

*Embed the 2022-2026 Workforce Strategy and develop an action plan which needs to be implemented at pace.*

This will help to align organisational capacity, corporate resources, transformation,



workforce development, succession and talent management, and performance management to the new priorities. It will also strengthen the link between the council's ambitions and delivery as well as providing a clear corporate line of sight on how resources are being deployed, what is being achieved and how the organisation is feeling.

#### **2.4. Recommendation 4**

*Agile working principles and policies need to be implemented consistently.*

This calls for flexible and hybrid-working plans to be supported by clear management and staff guidance on how this will work in practice for the whole workforce in an equitable way. Not having clear guidelines and parameters in place exposes the council to potential unequal and discriminatory practices leading to inconsistencies across the organisation.

#### **2.5. Recommendation 5**

*Ensure the Section 24 Notice and Interim Annual Audit Report recommendations are fully implemented.*

This is a key priority for the council as it impacts on the reputation of the council and statutory compliance. Furthermore, the implementation of the recommendations will lead to improved governance and financial management in the organisation.

#### **2.6. Recommendation 6**

*Use engagement, shared values, and improved processes to create a positive democratic culture.*

This means finding ways to involve a greater number of Members in the work of the council and fostering a more supportive and cordial culture between Members and enhanced understanding and joint working between Members and staff to strengthen the democratic process.

## 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 at Three Rivers Borough Council
- **Councillor Peter Fleming OBE** - Leader at Sevenoaks Borough Council
- **Councillor Georgina Hill** – Independent Member at Northumberland County Council
- **Councillor Alan Rhodes** – Labour Member at Bassetlaw Borough Council
- **Peter Stachniewski** - LGA Associate on Finance
- **Sanjit Sull** - Assistant Director (Legal and Democratic Services) at North Northamptonshire Council
- **Helen Whiting** - Head of Human Resources & Organisational Development at City of York Council
- **Satvinder Rana** - Senior Regional Adviser at the LGA

### 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 peer team was asked to weight feedback on corporate governance in the context of the Section 24 recommendation and the associated Interim Auditor's 2020/21 Annual Report so that it focuses on understanding improvement requirements around governance systems and decision making.

### **3.3. The peer challenge process**

This corporate peer challenge was a combined peer challenge conducted at Redditch Borough Council and Bromsgrove District Council over a four-day period.

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 to ensure they were familiar with both councils and the challenges they are facing. The team then spent four days onsite at Redditch Borough Council and Bromsgrove District Council, during which they:

- Gathered information and views from around 55 meetings, in addition to further research and reading.
- Spoke to over 130 people including a range of council staff together with members and external stakeholders.

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

The council has articulated its vision, strategic purpose and a set of priorities around economic development & regeneration, skills, health & wellbeing, housing, crime & disorder, financial stability, high quality services, and sustainability in the Council Plan for 2020-24 – and these have been reviewed as part of the Council Plan addendum. These are all based on the needs of residents and the locality and demonstrate a good understanding of the current and medium-term issues facing the council and the area it serves. Staff say they understand the council's vision and priorities and partners are complimentary about what the council is trying to achieve. Nevertheless, more work is required to embed the vision and priorities with partners and within communities so that residents also fully understand the direction of travel and the progress that is being made.

The council communicates and consults its residents on critical issues but should now move to better engagement to ensure wide and deep buy-in to its vision, which is critical. Members have a crucial role to play in the engagement exercise, as do staff. The council's workforce should be seen as critical to the communication and promotion of the vision and strategy because a proportion of council staff are local residents and thus capable ambassadors for the council.

As the council refreshes its Council Plan post 2024 there is an opportunity to develop, with partners and strategic stakeholders, an aspirational and forward-looking longer-term (5-10 year) shared vision and a strong and compelling 'place narrative' about how the council would like to see the area and its communities developing in the future. Developing a shared place vision through a strong story about the future of Redditch and communicating this through clear and consistent messaging, engagement and communication with residents, businesses, and strategic partners will help to consolidate the council's place leadership role and secure both awareness and sustained buy-in to its ambitions and priorities. It will also bring clarity about how it will impact on residents, partners, businesses, and staff so that everybody understands how they fit into its future, what their responsibilities might be, and what outcomes they can expect.

At present there is a disconnect between what the council aspires to achieve and

what is being delivered. There is ample evidence of the outputs being achieved, but less so of the tangible outcomes.

There is a capacity issue in the council, and this is being compounded by three factors:

- (i) A lack of capacity at senior officer and programme/project management levels.
- (ii) Capacity being deployed on activities that may not be making an impact on delivering the priorities.
- (iii) Recruitment and retention in some the core areas, which is an issue across the local government sector.

The organisation needs to match and better align resources to its vision and priorities. It also needs to improve performance management across the organisation so that there is a greater focus on measuring outcomes as well as outputs and not simply reporting on progress against activities. This calls for the political and managerial leadership to have a clear line of sight on performance information – presented in an easy to digest format such as a traffic light dashboard - to enable them to take corrective action where performance may be faltering. That said, it is good to see that the organisation is moving towards a data-driven model, and this should help to build a more robust performance management system and culture throughout the organisation.

There are stated objectives and documentation on equalities, diversity and inclusion issues, including an Equality Strategy 2022-26, in place. These now need to be translated into measurable outcomes for staff and residents so that all sections of the community and council workforce can benefit from not just investments in services but also the economy and access to education, training and good quality jobs – including those within the Council. The starting point for this is for the organisation to have accurate information on the make-up of its workforce against the protected characteristics as outlined in the Equality Act 2010.

There is clarity in the council on the importance of the Green Agenda, but it needs to focus on delivery through a well-defined programme of work.

## 4.2. Organisational and place leadership

There is established political and managerial leadership in the organisation, and it is delivering for the residents of Redditch. Members are hard-working, ambitious for their areas and focused on improving the quality of life for their residents. The Leader demonstrated personal knowledge of local communities and his passion for the local area. His leadership skills are recognised, and he is very well liked by partners and residents the peer team spoke to – *“he is ambitious, business like and straight-talking”*

The Chief Executive and senior managers are approachable, liked and well regarded by staff and partners. However, there is a lack of capacity at the senior officer level as well as a high turnover of staff, which is holding the council back in terms of delivering its priorities at pace.

The council effectively uses partner capacity to shape and deliver priority outcomes. For example, the ‘Redditch District Collaboratives’ with health providers to support local communities to deal with mental health and wellbeing, obesity and frailty is seen as a very positive initiative by partners, and the Asset Based Community Development work which make connections between local people and services and activities. The success of these partnerships is due to strong and productive partnership relationships at senior level which have been praised by strategic partners, community and voluntary sector and the wider county networks – *“we have the best relationship of any council in the patch and the council can be trusted to be fair”*.

The organisation plays its part at local and regional levels, but it could go further to benefit from shared learning and shared agendas. At present there is a lot vested in the role the Chief Executive plays on external forums – *“95 per cent relationship with the council is framed by the relationship with the Chief Executive”*. Whilst this is very positive, there is a risk that relationships are vested in one individual and both leading Members and other senior officers are detached from this. They also need to carve a place for themselves in this space to widen their perspective and provide more distributive leadership of place.

There are a number of partnerships in place in Redditch, such as the North Worcestershire Community Safety Partnership (NWCSP), the Redditch Partnership,

the Redditch District Collaborative, problem-solving task groups, etc. There is an opportunity to strengthen partnership working in Redditch by increasing the visibility of Members and middle managers in partner activities and improving communication on ambitions, priorities and strategies. Lack of good and managed communication with the public and partners was recently demonstrated by the negative publicity and opposition to the relocation of the library – *“we found out the council’s plans from the newspaper”*.

There are productive relationships with the trade unions and the council’s workforce strategy provides a good framework to develop the organisation and its people. It now needs to be implemented at pace through a measurable action plan. Some of the critical areas to address are filling vacancies in key areas, for example finance, putting in place the necessary policies and guidelines to facilitate agile working, and improving internal and external communication and engagement. This means bringing more clarity on what is expected from staff and how they should work and ensuring that there are timely responses to external enquiries.

There is evidence that managers have discretionary leadership to manage services, however, lack of resources within current structures and recruitment and retention of staff was raised across numerous services by front line staff and service managers. This in turn is impacting on motivation and ability to deliver at the appropriate and needed pace in some areas.

Succession planning, creative recruitment and development of the workforce is acknowledged as a key strand within the workforce strategy to address capacity, but it was not clear that there was a commitment at all levels to enact.

Members in Redditch have the potential to become more actively involved in the business of the council and within communities and become forceful ambassadors for the area with the right kind of training, development and support. This is inconsistent at present and needs to be improved so that they are fully briefed on their areas of responsibility and are working as effectively as they can. Members need good officer support, and they need to take up training opportunities which may be available through Member development programme. These opportunities may incorporate induction training for new Members; external mentoring for new portfolio holders; corporate governance; leadership skills; equality, diversity and inclusion

training; chairing skills; decision making; and communication – some of which should be mandatory for all Members. The Local Government Association can support the council in this work.

The council's shared services arrangement with Bromsgrove District Council provides a huge opportunity to tackle some of the big issues in collaboration and bring consistency to the 'one organisation' ethos. Regular meetings between the Executive and Cabinet (in Bromsgrove DC) to discuss issues common to both councils and how priorities of each council are to be delivered could help move this forward and enable both Member and officer capacity to be maximised.

#### **4.3. Governance and culture**

The necessary and standard governance, decision-making and risk management arrangements appear to be in place in Redditch. The Executive is providing political leadership and the Leader is supported by eight Executive Members with portfolios loosely aligned to the priorities of the Council. Executive Members bring some valuable skills and could benefit from top team development within the council context. The senior management team provides strategic and managerial leadership with the Chief Executive supported by two directors and seven service heads.

Whilst governance, decision-making and risk management arrangements are in place it is not clear they are adequate or that good governance and decision-making and the management of strategic risk flows from them. There are various examples, such as the effectiveness of overview and scrutiny and robust organisational challenge, the visibility and role of front-line members in council business, officer accountabilities on delivery, and the role of Executive in policy and strategy development which demonstrate that governance and decision-making needs to improve and become better embedded within the organisation so that they can provide the necessary assurances.

There are generally good Member and officer relationships but these need to translate into improved joint working so that the ambitions of the council can be delivered in the most effective way. At present the roles of Members and officers are often misunderstood. This is partly due to frustration around provision of information and perceived lack of delivery where Members find the need to step into the officer space. Clearer role definitions, greater understanding of demarcation lines, and

better communication on delivery can help to resolve some of these issues. To ensure that this is embedded within the organisation the council may want to revisit the codes of conduct which regulate Member and officer behaviours and working relationships with each other. Members should lead this review through the Audit, Governance and Standards Committee. This will make it clear what the expectations of each party should be and how robust challenge can be handled to ensure proper accountability. Officers need to recognise the legitimate rights of Members for information in a timely way to enable them to perform their role and for Members to recognise that policy is the preserve of the council unless delegated and officers saying no is a legitimate outcome. Crucially, officers should ensure Members are fully briefed on the reasons for the approach.

Members could be even more effective if a larger number of them engaged more fully in the business of the council by providing constructive political leadership. Members raised issues around their ability to take part in the democratic process due to issues with timeliness of reports, shaping agendas, asking questions, provision of information, etc. These issues are easily rectified by putting in place the necessary processes and timelines.

Governance is a matter for the whole organisation, and everyone needs to play their part and ensure the process and the timelines work smoothly for the whole organisation. It is important that everybody starts thinking about corporate discipline and what good governance looks like to them at their level. This may be facilitated through a governance review which will require everyone to think about what needs to change and then to agree and make the necessary changes and incorporate them into the Constitution and business processes.

In addition, Member to Member relationships and behaviours requires attention. A better working culture at the political level needs to be fostered so that some of the strained and challenging Member to Member relationships are smoothed and become more constructive. This is the responsibility of all Members, and group leaders have a particular role in modelling behaviour.

There is a dedicated and long serving cadre of staff who have a strong sense of belonging to the organisation and feel the organisation cares for them. The workforce also looks after each other and have established good support mechanisms between

teams, peers and colleagues. Staff groups that the peer team met did indicate that they are fatigued and there is a need for an injection of clear messaging to ensure that priorities and support are known, and the workforce can be resilient to the future challenges.

The organisational culture is one where the staff feel supported and empowered to bring forward improvements. They are happy and want to help the council to respond to the needs of the different communities.

There is good staff communication and engagement with the Chief Executive through his monthly staff briefings and these need to continue and embed across all levels of the organisation. This could be extended to include the Leader so there is joint delivery of messages. Embedding this communication across the organisation will require the platforms and methods of staff communication to be widened so that correct and timely information reach all levels of the organisation. In addition, wider management engagement with staff could be improved through more face-to-face interactions which brings more visibility to managers and encourages them to go and talk to all their team members.

The council navigated the pandemic well and was able to put in place working arrangements that enabled it to respond to the challenges in the most effective way. Staff are proud of their response to the pandemic, and rightly so, however, some of the working methods deployed during the pandemic have continued and these may now not be the most effective for organisational performance. The time is, therefore, right for a post-pandemic reset across the organisation so that its modus operandi is fit for purpose and is geared to delivering the priorities of the council in the most effective and impactful way. It is important to ensure that the positive relationships, partnership working and cross directorate working that excelled during the pandemic are embraced and embedded into business as usual before silos begin to form again.

At present there is inconsistency around flexible and hybrid-working and it is not clear whether they are working for everyone in the way intended. The flexible and hybrid-working plans need to be supported by clear management and staff guidance on how this will work in practice for the whole workforce in an equitable way. Lack of clear parameters and guidelines introduces the potential risk for unequal and discriminatory practices leading to inconsistencies across the organisation.

Investments in Agile working must lead to a more responsive and efficient organisation with a refreshed set of organisational values to help deliver better customer interactions and service delivery that meets the changing needs and expectations of residents. This means an increasingly flexible customer-focused workforce and improved processes that embraces the use of digital technology to deliver services and information online.

#### **4.4. Financial planning and management**

A key focus of the financial element of this review was the extent to which the financial issues that had resulted from the implementation of the financial system (which in turn had given rise to the Section 24 Notice) had been addressed.

The most significant issue was accuracy of the data available from the new system and the issues this caused for assessing the council's financial position. The cash receipting system implemented in February 2021 did not correctly allocate income between Redditch BC, Bromsgrove DC and Rubicon Leisure. Since November 2022, income has been correctly allocated, but work is ongoing on allocating cash received between February 2021 and November 2022. In addition, there are issues about the robustness of the data transfer from the old to the new system. Resolving past data issues has delayed the audit of accounts, with the audit of the 2020/21 accounts not expected to be completed until the middle of 2023 and consequential delays in subsequent year audits. Whilst discussions with council officers suggest that a reasonable level of confidence can be placed on the data they are using for financial reporting purposes, there remains a degree of uncertainty.

Issues arising from the finance system implementation together with staff turnover in the finance team meant there was a period of over a year during which members did not receive reports on the financial position of the council. There was no financial reporting to Members until the final month of 2021/22 financial year, but it recommenced in 2022/23. There was a first financial quarter monitoring report to the Executive Committee in September 2022, followed by a second quarter monitoring report in December 2022, with the third quarter monitoring report going to the Executive Committee in March 2023. There is confidence that issues of financial reporting to members have been addressed although the reliability of this is dependent on the robustness of the underlying data produced by the financial



system.

Staffing turnover in the finance team has also been a major issue. Eleven out of the sixteen staff in the finance team left the council over an 18-month period. There is a new interim director of finance and Section 151 officer who has been in post for just over a year and a permanent head of finance who has been in post for 9 months. Posts have been filled at lower levels of the structure although some key posts, including chief accountant, remain vacant. Members and officers indicated confidence in the way that the finance department is now being run. There remains a significant risk about what happens when the interim director of finance's contract comes to an end in June 2023 but the process for recruiting to the permanent role is underway.

Based on the best information available, it appears that council General Fund reserves are at an adequate level. The current forecast, following publication of the 2022/23 third quarter monitoring report, is that overall reserves will stand at £10.1m at 31st March 2023, with £2.6m held in a general balance and £7.5m held in earmarked reserves. These figures are at an adequate level for a council of the size (£10.5m net revenue budget in 2022/23), and with the risk profile of Redditch BC.

The council has historically maintained overall spending within budget. The impact of pay and price inflation in 2022/23, which is significantly above levels forecast when budgets were set, has made it particularly difficult to maintain spend within budget in 2022/23. The 2022/23 budget variance was forecast at £0.4m in quarter 2 monitoring but increased to £1.3m at the time that the 2023/24 budget estimates were reported to Full Council, largely because of the impact of the higher than budgeted pay award. The latest forecast in the quarter 3 budget monitor is that the overspend will be £0.8m. Whilst most of this is due to pay and price inflation, there was a significant (£0.3m) projected overspend in housing support costs for people in temporary accommodation.

Provision was made within the budget for the impact in 2023/24 of the 2022 pay award, for energy and contractual price increases, but no additional provision was made for pressures on the temporary accommodation budget which remains a risk area. The budget also assumed a 2% increase in pay in 2023 but this has been overtaken by the subsequent pay offer by the local government employers which will

lead to a shortfall in budget provision for 2023/24. This issue will need to be addressed at quarter one monitoring in 2023/24. Overall, however, budget assumptions seem reasonable and, given the quarter three forecast overspend in 2022/23 is less than when the 2023/24 budget was set, the council should be in a position to manage spending within budget.

The council's Medium-Term Financial Plan runs to 2025/26. It is based on the assumption that external resources remain broadly at 2023/24 levels in future years and builds in assumptions about pay, prices and council tax increases. The only significant savings item forecast for future years (beyond 2023/24) is from service reviews tied in with implementation of the customer and digital strategy and redesign of Redditch Town Hall which were expected to deliver savings of £0.1m in 2023/24 rising to £0.4m in 2025/26. The forecast for the General Fund balance is that it will remain broadly at the level projected for 31st March 2023 at 31st March 2026 i.e. around £2.5m.

In order to ensure that the council's General Fund remains financially sustainable in the longer term and can meet local priorities, the council has identified a number of measures it needs to take to improve the efficiency and effectiveness of its services, including reviewing the effectiveness of the council's largest contracts, assessing the council's leisure and cultural strategy in terms of affordability, rationalisation of the asset estate, possible redevelopment of depots, and implementation of a new operating model tied in with digitisation of services. Each of these is a large project and the council needs to ensure that it has the programme and project management arrangements in place to deliver them. It will also need to identify one-off resources not only to meet the cost of these programme and project management arrangements but also to ensure that posts can be backfilled so that business as usual activity is maintained and that any redundancy payments can be met. Key to successful delivery of these changes will be lessons learnt from the financial systems implementation project.

There is a need for greater collective ownership by Members in the way council priorities are reflected in financial plans. Members need to be involved in identifying what the key priorities of the council are and what they are not and reflect those in the way the council allocates budgets to services. This also means portfolio holders having oversight of budgets in their areas of responsibility and overview and scrutiny

being able to scrutinise budget proposals. Furthermore, thought needs to be given to how stakeholders' views can be considered in budget decision-making processes. The council went out to consultation on the budget last year, but it is unclear how that then informed the budget later. Every council finds this difficult, but it is easier once priorities are clear, and people are aware of how delivery of the priorities ties in with the resources available.

The council has a Housing Revenue Account (HRA) with a housing stock of around 5,600 properties. The 30-year HRA Business Plan has recently been reviewed alongside the development of an HRA Asset Management Strategy. A key risk to the council is loss of further housing from Right to Buy sales and the council has an ambition to build new council houses. The 30-year plan envisages retaining an HRA general balance of just over £2m per year, with surpluses within the HRA being transferred to earmarked reserves which can be used to fund new housing. The council currently has 19 units under construction and there are a further 8 sites agreed for development which are expected to provide an additional 37 units of accommodation over the next 3 years. Additional sites are expected to be added to allow more housing to be developed. The council will need to ensure there are robust programme and project management arrangements in place to deliver the additional homes the council needs.

One of the improvement recommendations of the external auditor is the need to improve the council's capital budgeting and ensure that the capital programme is delivered. There appears to have been considerable slippage in the General Fund capital programme in previous years which was mainly due to limited opportunities, particularly during Covid, to use the council's Investment Fund. As part of its budget setting for 2023/24 the council is focusing its regeneration efforts on delivery of the Towns Fund programme and using all its capital programme to provide match funding for the Towns Fund programme. The council should bear in mind that government funding is time limited and failure to deliver on time could have significant implications for the organisation.

In addition, redevelopment of the Town Hall is key to both Redditch BC and Bromsgrove DC delivering changes to the way they work and savings in their revenue budgets and it is important therefore that arrangements are in place that ensure delivery of the project on time and to budget.

The council should also look at arrangements that could improve the effectiveness of its internal audit arrangements. Weaknesses in strategic risk management mean that internal audit activity has not always targeted the highest risk areas. This led, for example, to internal audit's role in the financial systems implementation not being clearly defined. In addition, there do not appear to be clear processes in place for ensuring that internal audit recommendations are implemented. Improved effectiveness of internal audit would in turn contribute to increased effectiveness of the Audit, Standards and Governance Committee. Internal audit now starting to report to Corporate Management Team on progress is a good start.

#### **4.5. Capacity for improvement**

There is potential for the council to make significant improvements in the way it does business. The refresh of the Council Plan is due next year and once the priorities have been redefined it will be important to ensure that resources (both financial and human) are realigned to them. This means putting the right skills in the right place with the necessary governance and decision-making arrangements to ensure the right kind of delivery. It will also be important to prioritise the actions that will lay underneath the priorities to ensure timely delivery.

Realigning resources will inevitably mean reviewing the current operational arrangements to ensure organisational capacity is utilised in the most effective way to facilitate the delivery of those priorities. The key areas to focus on will be the deployment of available workforce capacity; organisational culture and development; programme and project management; equality, diversity and inclusion; communications; systems and processes to ensure they facilitate delivery of priorities. Concerted effort and focus will, therefore, be needed to ensure that some key management processes are further developed and embedded into the organisation to enable it to move to the next level. This could include:

- (i) A much clearer and integrated strategic planning process that aligns the corporate plan with the financial plan, service plans, team plans and the employee appraisals process – all backed up with analytics and data.
- (ii) A robust performance management framework that tracks progress against corporate priorities through SMART and ambitious targets for the outcomes

the council wants to achieve and provides a clear line of sight on progress to senior management and Executive through an easy to digest dashboard and traffic light system.

- (iii) A system for receiving, fielding, and responding to Member enquiries in a solution-based and timely manner.
- (iv) Ensuring the customer interface is effective and makes full use of digital communication, engagement, and transactions in addition to face-to-face interactions.

Getting these in place and strengthening existing management processes can provide some quick wins for the organisation.


## 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 for West Midlands, is the main contact between your authority and the Local Government Association. Helen is available to discuss any further support the council requires at Email:

[helen.murray@local.gov.uk](mailto:helen.murray@local.gov.uk) or Tel: 07884 312235.



**Satvinder Rana**  
Senior Regional Adviser, LGA  
(On behalf of the peer challenge team)