Corporate Peer Challenge

West Oxfordshire District Council

8 -11 October 2018

Feedback Report
1. Executive Summary
West Oxfordshire District Council (WODC) has a strong and committed team of political and officer Leaders who work well together to represent and further the interests of the district. The Council has shown itself to be ahead of the curve in respect of the innovative approach to service delivery and organisational design through the Publica delivery vehicle. Publica is a key driver in ensuring WODC is well placed both financially and capacity wise to navigate more effectively the continuingly challenging local government landscape. Therefore, the Council should take pride in its solid financial position and now look to maximise the opportunities this relative stability brings for the benefit of the communities it serves.

The Council is a valued partner, playing an active part in the wider strategic agenda, contributing to successful growth delivery. The plans for the new rural service centre in the form of a new Garden Village close to Hanborough Station on the Cotswold line show both the ambition of the Council and the ability to deliver such large scale projects. It also demonstrates the ability of the Council to take the tough decisions that are necessary to safeguard the long-term interests of the district. Going forward, the Council should look to build on this successful experience in seeking to match housing growth ambitions with growth in employment and industry sectors. The recent adoption of the Local Plan provides a well-crafted framework for this.

The Council in its retained officers and through Publica is well served by a loyal and dedicated officer team. On 1st November 2017 the vast majority of WODC’s staff transferred to Publica Group Ltd. This is a local authority owned company that provides services on behalf of its owners, WODC, Cheltenham Borough Council, Cotswold District Council and the Forest of Dean District Council. There are a small number of staff retained in the employ of West Oxfordshire Council – primarily the statutory officers. WODC, along with Cheltenham Borough Council and Cotswold and Forest of Dean District Councils wholly own Publica Group (support) Ltd. It is a not-for-profit company limited by guarantee with no share capital and operates with Mutual Trading Status to deliver services on behalf of the Member Councils under contract. Whilst Publica works closely with the Council, the company has its own Board of Executive and Non-Executive Directors, its own Management Team and operates independently from the Council within the limitations placed upon it by the members agreements and reserved matters.

It was a pleasure for the Peer Team to see the commitment of middle managers and staff to ensuring the successful implementation of this recent and significant change and we heard repeatedly that staff want to make these arrangements a success. The Council in its role of part owner of Publica, should look to capitalise on this enthusiasm and utilise this to enhance the capacity of the senior team going forward. Generally, staff had a positive experience of change during the move to Publica. However the future changes planned around the Transformation Programme are not viewed so positively, mainly because of a perceived lack of understanding of the details of what is actually proposed. There is a risk that unless this is addressed shortly then staff will be less well engaged which may impact on the successful delivery of the ambitious transformation plans. We were aware that
detailed briefings to share organisational proposals were planned to take place in November.

We were impressed by the overall engagement and proactivity of Members. Both Executive and non-executive Members, of all parties, demonstrated a good understanding of the priorities and ambitions for the Council and were clear on their roles in achieving these. This cohesion allows for strong leadership, and particularly impressive results in respect of the growth agenda. A refreshed Council Plan which builds on the strong foundations of prudent financial management, effective senior leadership (both politically and at an officer level), and a committed workforce will be of significant value to the Council. Such a plan, with priorities drawn from across the piece and including the voice of the customer will help inform the Council’s medium term financial strategy (MTFS). The Council’s financial stability provides a valuable opportunity to ensure both the Council Plan and the MTFS are closely aligned and will reassure Members that their priorities are reflected at a strategic level.

We were told by a range of stakeholders that the voice of the community is not heard consistently enough, particularly in shaping priorities and change for the district. In developing the Local Plan, the Council showed an excellent commitment to community engagement, resulting in a well-received and valuable output. This approach could and should be replicated across all areas and especially as the Council looks to develop a refreshed Council Plan. The perception of the Council as an effective leader of place, as demonstrated through positive relationships with other key public sector partners could be further developed to share customer insight and aspirations in shaping future service delivery.

Publica

The arrangement WODC has in place with Publica is innovative and pushing the boundaries of perception within local government service delivery and as such is a rich source of learning for the sector as a whole as it seeks to adapt in order to survive. Balanced alongside the clear opportunities of adopting this model, there are a range of issues that the Council (and the other three Councils who jointly own the Publica Company) will need to consider so that the ambitions of this ground-breaking arrangement are realised and successfully built upon. The team would encourage the Council, and their fellow owners of Publica, to ensure that Publica consolidates the learning to date, and delivers the proposed transformation, before looking to the further growth of Publica. The current arrangements are working well largely due to the long established and very good working relationships between key individuals. Whilst there are governance arrangements in place, these are still relatively new and may require further detail to be developed in order to assist clear understanding by all in order to help WODC and Publica jointly prosper into the future. This is important as the Council needs to future proof such matters to ensure that arrangements are able to withstand the changes to key personnel that will inevitably happen at some point in the future.

The above can be achieved in the first instance by ensuring that the operating model is clearly and simply articulated and well understood at all levels. Staff and partners we
spoke to were sometimes confused about lines of accountability and responsibility. Greater clarity will help individuals make a better and more defined contribution to the work of the Council. Specifically, the role and function of the retained Head of Paid Service would benefit from being clarified, particularly in reference to the Lead Commissioner role, recognising that the commissioning support is provided from within Publica. Clarity in this area, along with a refreshed Council Plan, will help not only define the priorities of the Council but also set how priorities will be commissioned and delivered.

The team found that whilst ‘further transformation’ is a commonly used phrase across the Council, the vision, destination, concept and the intended approach are not widely understood. Staff feel the Council has had a good track record of engaging them in previous changes. However, we found that the cultural temperature of the organization is now varied depending on levels of understanding and perceptions of engagement. Therefore, there is a pressing need for a more cohesive approach to internal communications, starting with a consistent narrative around current and planned changes. We heard that the Council has effectively engaged staff in previous change programmes but we received feedback to indicate that this was not being as well replicated in regard to the current transformation programme and this requires attention. The workforce are an invaluable and committed asset that if engaged could help significantly in delivering the planned changes. As indicated above we recognize that a comprehensive series of staff briefings and a major consultation exercise were due to start shortly after our visit.

As part of the Local Government Association’s role in delivering sector-led improvement, the team consciously sought to identify examples of best practice and innovation at West Oxfordshire District Council, and can happily report that there are some notable examples. The development of Publica represents an innovative, commercial and partnership based approach to ensuring the Council is financially sustainable and has the capacity to deliver services for the community and ambitions for the district within the context of continuing uncertainty for all Councils. The Council has shown an attitude of being willing to take planned and managed risk and to try different approaches, some of which have never been tried before and / or run against the convention for local authorities. This is adding financial resilience to the organisation, building on previous work, for example, the Council was an early mover in making investment in commercial property to further its ambitions for the district as well as providing new revenue income.

The organisation wide approach and commitment to iterative agile working – learning and moving on without focusing on ‘perfect’ thus creating a positive change environment should be recognised and celebrated. This approach supports a culture of continuous innovation. A culture which is further manifested in recognition of the value of strong senior managers really owning and delivering change. This is developed and reinforced through the positive ‘boot camp’ engagement approach. The Council has consciously developed and invested in effective working relationships with key strategic partners as most clearly demonstrated when working with their strategic housing partner and the CCG to drive forward a shared strategic ambition around affordable housing and an integrated approach to health and wellbeing on new housing sites.

West Oxfordshire’s approach to the growth agenda and its engagement in and support of the wider Oxfordshire partnership also represents good practice. The Council is an active
partner supporting the wider growth ambitions for Oxfordshire and advocating on behalf of key projects and schemes within other districts. WODC has successfully utilised its partnership approach to become a trusted and valued partner and to secure benefits for the communities of West Oxfordshire, for example, investment in infrastructure through the Housing and Growth Deal.

This was a Corporate Peer Challenge of West Oxfordshire District Council, but Publica is a defining characteristic of service delivery at the Council and so permeates all aspects of this report. In making comments and recommendations, the peer team acknowledge that ownership of any ensuing actions will need to be agreed between West Oxfordshire District Council and Publica as the provider of services on its behalf. However, the Corporate Peer Challenge was commissioned by West Oxfordshire District Council, and any resulting action plan will need to make clear how Publica will be commissioned (as per the operating arrangements) to address the action points. Comments and recommendations contained within this report pertain to the Council and the LGA’s commitment to sector led improvement.

Overall, in the peer team’s view, WODC has been through a period of significant and fast paced change and is well advanced on the road to setting an ambitious agenda for the future as well successfully delivering financial savings. Members and officers should reflect with pride on their collective achievements, and build on strong foundations to move ahead positively and proactively and the team hope that the comments and recommendations set out in this report will contribute to them doing so.

2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some ‘quick wins’ and practical actions, in addition to the conversations on site, many of which provided ideas and examples of practice from other organisations. The following are the peer team’s key recommendations to the Council:

1. There is a pressing need to develop the narrative around Transformation and develop a Communication and Engagement Plan to support delivery of this. This should include a clear vision for the Transformation with accompanying narrative, setting out what sort of organisation WODC and Publica will be at the end of Transformation and some outcomes by which it will be clearly measurable whether the benefits of Transformation have been delivered.

2. The Council / Publica need a plan setting out how it will deliver transformation, including, importantly, how it will support staff through the significant change ahead to ensure they retain their goodwill and enthusiasm and that they are able to adapt to new ways of working

3. We would urge the Council to continue to seek and learn from the Transformation experiences of others within the sector.

4. There is a need to ensure organisational capacity exists at a strategic level and the wider organisation so that the Council can successfully deliver transformation alongside maintaining service delivery and progressing strategic objectives. The committed group of managers as well as the wider staff cohort represent an asset and resource to the Council in this regard and should be considered in addressing this recommendation.
5. The Council should more rigorously assess the issues that are considered by overview and scrutiny and prioritise matters which directly contribute to the delivery of Council ambitions and priorities. This will enable the Council to ensure it is making the best use of both officer and member time – with the objective being to focus on quality of outputs rather than quantity.

6. The work already underway to develop the People Plan needs to continue apace to support wider organisational priorities.

7. Review and strengthen governance in relation to Publica so that it is future proofed and able to withstand the inevitable changes in key personnel that will occur at some point in the future. Particular attention should be given to the role of the Council as a part owner of Publica to ensure the Council continues to properly exercise its role on the future direction of the company; as well as the approach to strategy and commissioning, to ensure this serves the Council to best effect and clearly avoids any conflicts of interest.

8. Clarify the role and responsibility of the Head of Paid Service and the commissioning support provided to this role, so that the position can successfully fulfil the role of Lead Commissioner and ensure that what Publica delivers, fully meets WODC’s needs.

9. The development of a new Council Plan should be utilised as an opportunity to:
   a. Align strategic objectives ensuring they support each other and minimise potential for conflicting priorities
   b. Make good use of the community voice, building on the work carried out through the Local Plan process to ensure the community voice is reflected in the wider agenda as set out in the Council Plan
   c. Articulate and give clarity to the Council’s economic ambitions setting out clear outcomes for business and employment growth, infrastructure and capitalising on the opportunities of being part of the wider Oxfordshire knowledge economy with its related potential for innovation and high value growth as will be set out in Oxfordshire’s Local Industrial Strategy
   d. Consider the potential to use Council reserves for the benefit of the community and to develop a longer term approach to investment given the Council’s strong financial position.

3. **Summary of the Peer Challenge approach**

   **The peer team**

   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 West Oxfordshire District Council were:

   - Cllr Chris Millar – Leader of Daventry District Council
• Alex Parmley – Chief Executive, South Somerset District Council
• Natalie Anderson – Head of Organisational Development, Elmbridge Borough Council
• Anne-Marie Bond – Director of Corporate Services (and Monitoring Officer) Torbay Council
• Mary D’Arcy – Director for Communities, Adur and Worthing Councils
• Paul Clarke - LGA peer challenge manager
• Emily McGuinness – LGA Adviser

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to Councils’ performance and improvement:

1. Understanding of the local place and priority setting: Does the Council understand its local context and place and use that to inform a clear vision and set of priorities?

2. Leadership of Place: Does the Council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?

3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?

4. Financial planning and viability: Does the Council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?

5. Capacity to deliver: Is organisational capacity aligned with priorities and does the Council influence, enable and leverage external capacity to focus on agreed outcomes?

As part of the above the Council, were keen that the Corporate Peer Challenge (CPC) helped them address the following issues:

• Assessing the cultural temperature of the organisation following a period of considerable change;
• Progress towards delivering transformation programme; and view from the team on then operating model and the effectiveness of its governance.

The team’s thoughts on the delivery of the transformation programme are presented as a distinct element of this report, whilst the other points are addressed implicitly in other sections.
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 Councils’ needs. They are designed to complement and add value to a Council’s own performance and improvement. 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 current LGA sector-led improvement support offer includes an expectation that all Councils will have a Corporate Peer Challenge every four to five years.

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. The team then spent three days onsite at West Oxfordshire District Council, during which they:

- spoke to more than 115 people including a range of Council staff together with councillors and external partners and stakeholders
- gathered information and views from more than 50 meetings, visits to key sites in the area and additional research and reading
- Collectively spent more than 150 hours to determine their findings – the equivalent of one person spending more than 4 weeks in West Oxfordshire.

This report 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 (8-11 October 2018). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.
4. Feedback

4.1 Understanding of the local place and priority setting

There is a strong sense of pride in West Oxfordshire, amongst both officers and members – we found a real passion to maintain the district’s identity but importantly at the same time ensure the Council plays an active role in the regional growth agenda and continues to build a thriving but beautiful district. The clearly defined and articulated growth priorities are underpinned by clear evidence and a thorough appreciation of both the physical and human geography of the district.

The Council responds to residents’ concerns and seeks to be a proactive shaper of place. For example, the recent closure of a GP Practice in Witney, and potential further closures, was an issue of significant local concern. The Council, whilst recognising it does not have a statutory role in this context, has sought to exercise proactive community leadership in supporting councillors to actively influence these decisions and enhance community engagement in future service delivery discussions.

The Council’s leadership reflects its commitment to ‘opening up the Council’. We heard that WODC is now more outward looking, accessible and open to discussions with the full range of partners and stakeholders, and as such it plays a very active and positive role in regional growth and as part of the Local Enterprise Partnership. This more collaborative approach is well reflected in the joint pursuit (with other Oxfordshire partner local authorities) and securing of a Housing and Growth Deal with Government. In the Government’s November 2017 Budget, Oxfordshire was offered a Housing and Growth Deal which provides £215 million of funding over 5 years (including £150 million for infrastructure, and £60 million for affordable housing). The Deal was conditional upon the completion of a Growth Deal Delivery Plan – co-produced by all partner authorities and central government. The close and positive working relationships that the Council has invested in undoubtedly contributed to this success and will directly benefit the residents of West Oxfordshire. An example of this is the commitment to investing in infrastructure upgrades on vital transport links to and within the district which are vital to the district’s continuing economic success.

The Council is committed to ensuring that all residents across the district have access to superfast broadband and has successfully led the procurement of a programme, in conjunction with BDUK (who match funded the Council’s £1.6 million investment) to contract Gigaclear PLC to cover the remaining 20% of rural properties in the district. The contractor was very positive about the leadership role played by the Council in this exercise in both recognising this is an important local issue and committing resources to ensure successful delivery.

Whilst these are good examples of the Council’s clear focus on the growth and economic vitality of the district, we found less evidence to suggest that the voice of the community and user experiences consistently inform the wider strategic direction of the Council, or even specific service delivery. We did hear that the Council plays an active and successful enabling role with communities and organisations (Parish
Councils, Dementia Friendly approaches etc). However, the community/user voice is less evident in the leadership and place shaping journey and strategy and so there is a risk that opportunities to deliver targeted services are missed and that Council priorities do not always match those of the community it serves.

The Council is aware of the above and is actively working to address this, for example by the appointment of additional resource. The development of the Council Plan for the period 2018 to 2023 will be an important opportunity to show direct correlation between the needs and expectations of service users and the priorities and actions of the Council. The Council has an enduring aim, and has done so since 2008, to “Maintain and enhance West Oxfordshire as one of the best places to live, work and visit in Great Britain” an aim which is supported by a number of priorities, including to work with communities and residents to meet current and future needs and aspirations. We heard that Publica’s work on developing the ‘Visibly Better Strategy’ is intended to help deliver on this commitment. However, this work would be enriched if based on quantifiable customer data and insight. Publica has recognised the need for such data and is committed to providing appropriate resources to ensure that it is gathered and used appropriately.

To help gather and maximize the value of customer data and insight, the Council may wish to explore emerging opportunities to work with partners and include this voice in the transformation programme. We were told by key partners, with whom the Council has strong relationships such as Parish Councils, the CCG and Cotsway Housing, that they are all on similar journeys of transformation, the success of which will depend on meaningful engagement with their patients, communities and tenants and that there are as yet unexploited opportunities to share this journey and the resulting customer insight. A willingness to explore shared opportunities exists and the Council should capitalize on this.

The Council Plan covers the period for 2016-19 and is refreshed annually - the last reported refresh being in July 2018. The work to refresh, and potentially create a more long-term Council plan is a fantastic opportunity to bring members, Publica, retained officers, partners and residents together to really think about and plan for the district over the next three to four years and longer. The Council can build upon the strong relationships it has developed at both a county and sub-regional level and use enhanced customer insight to develop a set of clear priorities and set the future strategic direction of the authority whilst contributing to wider multi-agency outcomes.

4.2 Leadership of Place

This strong understanding of the district, particularly the focus on shaping and delivering the growth agenda in terms of digital infrastructure and housing growth has resulted in West Oxfordshire being recognised and valued for the role it plays in leadership of place. The Leadership Team (members and officers) have enacted a step change in the Leadership of Place and this approach has demonstrably benefitted the district and wider sub-region, most notably through successfully securing Growth Deal funding. The Leader, other leading Members and key officers are held in high regard by partners across the
sub-region for their openness, supportive and collaborative approach and the overall contribution they bring to the wider strategic agenda.

The Leader has been instrumental in driving this change on behalf of WODC and “opening the Council up” ensuring that the Council engages in a wide range of county-wide and local partnerships in pursuit of the interests of the local community. He has been at the heart of discussions with OxLEP and the production of the Strategic Economic Plan. This provides an important framework which enables West Oxfordshire to secure support and infrastructure funding. The Leader is a LEP Board member and amongst other key board memberships, sits on the Oxfordshire Growth Board – a body established to facilitate and enable joint working on economic growth, strategic planning and housing delivery. The Leader, supported by the team of senior officers and members, maximises this opportunity to demonstrate good leadership of place and deliver on the Council’s stated priority areas. We heard from partners that the Leader is regarded as inclusive, approachable and knowledgeable. The administration is considered to have managed well in a period of change delivering an ambitious Growth Deal, adopting the Publica model and notably the Local Plan which required the taking of some tough decisions. This provides an important element of direction and consistency in the context of wider organisational change when combined with the fact that the same approach is adopted by his Cabinet colleagues.

The West Oxfordshire Local Plan sets out a vision for District in 2031 and provides an overarching framework to guide and deliver that vision. In contrast to early comments about the need to improve community engagement in the wider priority setting of the Council, the Local Plan was shaped by extensive community engagement which has helped to ensure that it focuses on those issues of greatest significance to West Oxfordshire, some of those issues are locally specific such as traffic congestion on the A40 whilst others are more wide ranging and cover climate change and housing affordability. The resulting Plan has now been successfully adopted and both the document and the process followed to develop it are highly regarded – the Council should look to replicate this effective approach across other key strategic projects, including the Council Plan.

Based on their experiences as part of Local Plan development discussions and the Housing and Growth deal process, partners articulated that the vision for West Oxfordshire is well championed by senior officers who act with energy to develop influential and system wide relationships that are enabling strategic ‘place shaping’ in the District. This expertise and enthusiasm could easily be translated into pursuing a renewed focus on securing growth in employment opportunities within the district.

We felt there is a good understanding at all levels of the organisation of the local context in terms of delivering sustainable growth, and the challenges and opportunities are recognised. The energy and drive to achieve stretch objectives for housing, transport and digital infrastructure was clear to see and backed up by an ability to deliver, partners told us that the bravery and boldness of the Council in taking difficult decisions in relation to the Garden Village and Local Plan should be commended!

The Council is perceived by partners to ‘punch above its weight’ in regional growth discussions, and is particularly vocal in highlighting the disparity of rail service provision
within the district. The Council seems well placed to continue championing their transport issues and ambitions. Again this widely held respect should be capitalized on further to achieve support for an additional focus on employment growth.

The Council's sense of community leadership is well reflected in the role they have taken within the Wychwood project, stepping in to provide office space for this local project in the charitable sector when Oxfordshire County Council were no longer able to provide accommodation. Similarly, the Council has a good track record of supporting social enterprise as demonstrated by their work supporting the development of a local solar farm – support that has ranged from valued officer support and advice through to providing affordable loans.

However, we are less clear about the Council’s ambitions and plans for delivery of business growth, skills and employment. The work in relation to West Oxfordshire’s role in the Sub-Region, and relationship to the Local Enterprise Partnership’s ‘Knowledge Spine’ and Oxfordshire’s emerging Local Industrial Strategy, will be crucial to ensuring the district provides high quality employment opportunities, thus attracting people to both live and work within the boundaries of West Oxfordshire. It will be important for the Council to match their ambitions across the whole growth spectrum to ensure sustainable growth is achieved across the piece.

4.3 Organisational leadership and governance

There is a strong political leadership at West Oxfordshire District Council, with an inclusive approach, as demonstrated by the high levels of member engagement in all aspects of the Council including through the Scrutiny function and the way in which senior members are able to demonstrate ownership of their portfolio areas. We found that the Leader and Cabinet are setting the strategic agenda for the Council and are respected for doing so. The Leadership style is collaborative and allows for effective debate but whilst ensuring clear direction and decision making.

There is a significant Overview and Scrutiny programme, with all Members supporting this via participating in task and finish groups. Following the approval of an updated Council Plan there is the opportunity to ensure that the work of Overview and Scrutiny aligns much more strongly with this and that resources and capacity are used to best effect and add real value to delivery of the Council’s ambitions. Whilst high levels of member engagement and the general positivity with which the Scrutiny function is regarded should be welcomed, at times of reducing resources, the Council may wish to more rigorously assess the issues that are considered by overview and scrutiny and prioritise matters which directly contribute to the delivery of Council ambitions and priorities. This will enable the Council to ensure it is making the best use of both officer and member time – with the objective being to focus on quality of outputs rather than quantity.

Member and Officer relations are well defined, with Members setting the strategic direction and holding officers to account in respect of service delivery. We heard positively in respect of good member and officer dynamics, with healthy levels of support combined with appropriate challenge on both sides. This results in an effective senior leadership
team of Members and officers. This would be further strengthened if the role of Head of Paid Service is revisited as suggested below to ensure ongoing effective working relationships between members, Publica, and retained senior officers, are protected and enhanced.

The fact that well regarded and respected senior figures remain delivering services to the Council, albeit now within Publica, has provided a welcome level of confidence, although it is now important to clarify roles and responsibilities to ensure that the structure remains fit for purpose into the future. For example, whilst all senior officers are contributing positively to the success of the Council, some stakeholders we heard from expressed concerns that the statutory role of Head of Paid Service within the Council is not yet sufficiently supported, defined or enacted and now is an ideal time to clarify that role.

The Constitution would benefit from being refreshed to reflect roles and responsibilities and the officer structure as it operates in practice – not doing so could expose the Council to ultra vires challenge.

The role of Head of Paid Service would certainly benefit from a period of reflection, given that the post has been in place for some months now and the very able and progressive post holder is also holding a significant responsibility for the success of the growth deal. There is a wealth of collective learning that could be shared, with particular emphasis on defining the Commissioning role of the post and ensuring the responsibility is adequately matched with sufficient authority and supporting resources so that it can contribute to the successful evolution of the Publica model.

Whilst we found that the working relationships between the Council and Publica are currently sound reflecting good personal interactions between long established officers there is a need to provide further detail in relation to the existing governance arrangements. This is particularly pertinent in relation to management responsibilities between retained staff and Publica colleagues. We were told that whilst there are currently no issues or concerns, this is largely because of the considerable level of goodwill being exercised on both parts and a lack of challenge, rather than confidence in the robustness of the arrangements. To mitigate potential future risk, the Council should look to put in place arrangements that will ensure the continued successful operation of West Oxfordshire District Council, in conjunction with Publica, should there be any changes to key personnel.

The Publica model is an exciting development for local government. It is ‘ground breaking’ and there is much to commend it in terms of challenging the norm and looking to innovate in a field closely aligned to tradition. Much of what we saw was inspiring, and presents a refreshing perspective to share across the sector. It has also been successful at delivering the required changes and efficiencies to date. As is to be expected with something so new and different, there were some areas which we felt would benefit from greater clarity and understanding. We, and several stakeholders we spoke with too, remain a little unclear as to who provides the strategic direction of West Oxfordshire District Council. The political leadership have a clear vision but how this is translated (and by whom) into a set of service deliverables by Publica was not clear. Central to this issue is the role of the Head of Paid Service and how the role interacts and co-exists with the Publica Executive Board.
On a more technical, but related point, West Oxfordshire Council needs to act more recognisably as a part owner of Publica. We observed that the focus had been upon the Council commissioning the services of Publica, but we believe that the Council needs to better recognise its distinctly separate role as a part owner of Publica and the control that provides (together with fellow owner Councils) in setting the future strategic direction for Publica. Such control will ensure that the interests of the Council and Publica remain aligned in the future. The Council’s Members and retained Officers may benefit from some support and advice on this topic reflecting experience elsewhere to ensure the role is clearly understood so that it can be acted upon, together with ensuring that appropriate governance mechanisms are in place for this role.

We heard of an inconsistent approach to individual performance management and support for staff development. For example, some people had not had appraisals or formal one to one meetings in over a year and whilst this is not totally surprising given the scale of change, it needs to be addressed.

The Council and Publica need to be aware of how important it is to embed a clear performance management framework and support for staff development to ensure that all staff contribute fully to the ambitions of the Council and its partners.

**Transformation**

The Council leadership has recognised the need for and benefits of transformation and have been bold to date in moving towards the Publica model. Almost without exception, we heard a widespread acceptance that further transformation is necessary which now needs to be delivered in a planned way, at pace.

To assist in the delivery of the Publica Business Plan Objectives, Publica has embarked on a £4.5 million Transformation Programme. The Transformation Programme is being developed in two work streams: People and Digital & Data. Programme Governance has been approved by the Publica Board.

However, below a high level familiarity with the term, transformation is not well defined or understood outside of the most senior leadership forums. The vision, destination, concept and the intended approach are not widely understood and remain unclear to many staff, managers and Members. We were unable to ascertain the aims of the transformation programme outside of delivering further financial savings. The Council and Publica needs to develop the narrative and understanding of Transformation. In doing this they would benefit from being able to answer questions around what transformation means:

- For customers and communities
- For Staff
- For Members
- For partners
- The way services will be delivered
- How effective delivery of Transformation will contribute to the future sustainability of the Council
- The culture of the organization and behaviours
- The use of technology
- The management of data

There is a pressing need to boost communications and engagement and Publica has recognised this through the appointment of additional resource. The Council will need to support improvements in this area and champion at the highest level. Intrinsically linked to this, the Publica and the Council need to plan how they will support staff through the significant change ahead, and there may be a need for additional HR and people change management capacity to support this. The scale of change involved in Transformation will have a significant impact on all staff and so having a planned programme of staff support and the resources to deliver this will be important in ensuring staff are engaged effectively in delivering the Transformation, that they are aided in dealing with the personal impacts of transformation including potential changes to roles; and that Publica and the Council retain talent and the enthusiasm of staff for working for the Council and what it is trying to achieve. The staff are an important asset to be nurtured and engaged in delivering the changes ahead.

The progress of delivery of a preferred transformational model has been slow and is widely perceived to have been delayed. Given the management capacity that will be required to deliver Transformation on top of maintaining service delivery during change and delivering the wider Council ambitions, the Council and Publica need to be careful that any reductions in management and resultant capacity constraints don’t hold back its plans. The wider group of managers are committed to Transformation and keen to get on with delivering it. Staff are by no means resistant to delivering transformational change, but in contrast to previous change, they do not feel sufficiently engaged in the process, and this is causing some concern and anxiety. We believe there is a need to ensure Publica have provided sufficient capacity to deliver transformation and the strategic objectives of West Oxfordshire District Council

Clear decision making arrangements will be important as the transformation agenda proceeds at the pace needed to secure the benefits required – the Council may wish to articulate where people sit within the RACI framework (Responsible, Accountable, Consulted and Informed) to help manage expectations.

The approach to delivering Transformation has been described as an agile one. Whilst this could work well for the Council and Publica, given the complex nature of Transformation and the interrelationships between different aspects of a new operating model, it will be important to ensure in this agile approach, that sequencing is correct and connections between different parts of the programme and model are made to avoid having to return to aspects of Transformation and rework them. It will be important to ensure that an agile approach also ensures a clear plan against which to measure progress and give clarity to Members and staff about what is being delivered and when. Without this, agile could
become confused by some with having no plan for delivering Transformation or “making it up as you go along.” There are an increasing number of Councils who have embarked on, and successfully delivered transformation programmes, using a variety of techniques, approaches and models. This has resulted in a significant pool of knowledge, learning and shared experiences that could greatly benefit the Council. We would urge the Council, and Publica, to take every opportunity to exploit the experiences of others in designing and implementing their own transformation programme.

4.4 Financial planning and viability

The Council has been proactive and ahead of the curve in responding to the period of austerity. Originally, through its commercial investment programme and a ground breaking partnership with other Councils and more recently in the setting up of Publica, it has sought to create an environment and a vehicle that will best help it deliver its priorities and secure its financial stability. The Council estimates that joint working with Cotswold District Council (the arrangements prior to creating Publica Ltd) was saving the Council £1.9 million p.a. by the end of March 2018. The pursuit of cost efficiencies in service delivery over successive years has been followed by the progressively more radical and innovative action of more recent years, most notably, the formation of Publica Ltd.

WODC is clearly in a strong budgetary position that would be the envy of many. As of 31 March 2018, the Council had £30.1 million in useable reserves including revenue balances and earmarked reserves. Recent budget papers show that in 2017/18 the Council generated an under-spend against its original budget of £2.35m. Of this figure, £1.4m relates to growth in the business rate base and £927k relates to operational underspends – this financial outturn position has enabled the Council to increase, rather than reduce the General Fund Balance. The Council is now forecast to make contributions to the General Fund over the life of the MTFS, and in doing so believes it has taken sufficient action to help address the funding ‘cliff edge’ post 2020/21 and be able to respond to the other funding uncertainties that lie ahead.

Members and officers show a strong understanding and ownership of the financial position and future risks and this has ensured careful stewardship of the Council’s financial resources. The Council was an early adopter of the now more common place practice of diversifying investments into commercial property to protect its income stream. Since commencing a programme of acquisitions in early 2008 the Council now has a commercial property portfolio valued at around £40 million which delivers an annual yield of 7.5 % to support its revenue budget. This approach, combined with the radical approach to sharing services, has undoubtedly safeguarded services for the residents of West Oxfordshire and enabled the Council to invest in delivering its ambitions for the district. The success in these fields to date should give the Council confidence to continue to be brave in investing funds for the benefit of the district.

The Council should be commended for the sound and prudent budget management practices that have led to this position, including a 10 year plan for the revenue budget and 5 year plan for the capital budget (soon to move to a 10 year plan). However, the team felt that given the levels involved, the use of useable reserves warrants further review, with a particular focus on investing available funds to achieve maximum return for the Council –
both in terms of its ambitions for the district and its communities and in generating further funding to protect service delivery. We heard that the Council is keen to retain significant levels of reserves to mitigate the risks of financial uncertainty across the sector and to provide valuable time and space to plan for transition and change. The Council is significantly better placed financially than many of their comparable Councils, and could look at more effective use of their reserves for community benefit.

We heard that whilst there is effective budget management in place, as evidenced by the positive financial position, there is work to do to align budgets to the priorities identified in the emerging Council Plan. As referenced elsewhere in this report, the Council needs to work on articulating a clear set of priority areas and actions in a new Council Plan. The Council will need to ensure that the MTFS and the refreshed Council Plan are closely aligned and monitored, this work will need to be led from the most senior level of the authority and reinforced throughout the Council.

A primary (although not sole) objective of adopting the Publica model of service delivery was to ensure financial sustainability, and we heard that initial plans and proposals have been delivered as anticipated. However, going forward, there is less certainty and we heard that savings put forward for 19/20 are not being delivered in the way envisaged, but from further staffing changes, particularly in management, and there is little detail about where ongoing savings after 2020 will come from. This plays into the wider narrative of the Council needing to develop and communicate a more coherent plan for their Transformation agenda and how these plans will deliver both service and budgetary requirements. To retain and safeguard its strong financial position, there is now a requirement to step up the delivery of Transformation and to be able to deliver this at pace.

### 4.5 Capacity to deliver

There is effective partnership between political leaders and senior officers at WODC and across the Publica partnership. This means there is trust and confidence and indeed we found very capable leaders across the piece. We saw at first hand highly motivated middle and senior managers who are committed to the Council and to the success of Publica. This enthusiasm is reflected throughout the wider body of staff and the Council should continue to value this, and enhance how this energy is harnessed to deliver ongoing and substantial change.

Senior officers are highly regarded by external partners, we heard specific examples in respect of Town Centre growth and management, Garden Village development and engagement with key stakeholders such as the LEP, other Councils and CCG of how individual officers are working diligently and with purpose on behalf of the Council in a number of arenas. As a result of this positive external profile, combined with significant and ongoing internal organisational change, the leadership team capacity for the present at least appears stretched and many partners commented on this. Some highlighted that the demands of the growth deal will also require the Council (and others) to step up the pace of delivery and this will place further demands on senior management.
Given the level of change that lies ahead through Transformation, the demands of the Growth Deal and the need to ensure service delivery and performance continues to a high standard, there is a need to address management capacity if the Council and Publica are to be successful on all fronts. The Council may wish to consider this and review the level of delegation in place across the organisation. We saw a willingness amongst middle managers to engage in this way, and in doing so, the Council and Publica could build resilience into their operations.

The Council and Publica make excellent use of technology to facilitate multi-site working. This goes a long way to minimising the impact of operating out of several different offices. The use of this technology is well embedded and could be further enhanced to take account of the concerns some staff raised about participating in large meetings, and look at new opportunities to listen to staff.

This resilience and capacity will become increasingly important during the period of further change to come. We talk elsewhere of the importance of a meaningful and valued approach to internal communications and the vital role this will play in supporting staff to understand the changes planned and the impact on them as individuals and the services they provide as part of the Transformation programme. More widely, the Council would benefit from revisiting its approach to communications. Important and emotive subjects are currently under discussion, and how this information, and proposals for change land with staff will be crucial to successful implementation. Senior Management will need to ensure they have time to be visible and accessible to staff during the Transformation including leading many aspect of the communications.

A recurring theme when asking about the organisational culture was the perceived withholding of information. There were no specific examples of where this has happened, but in the absence of clear and consistent information, a strong perception has grown amongst staff that information is available and not being shared. A refreshed approach to communications building on the organisation’s existing commitment to openness and integrity would go a long way to removing this perception – currently there is an element of people filling a void due to inconsistent communication flows. As well as communicating with staff, the Council should consider stepping up communications with Members too. Currently they are perceived to be “in the dark” on what Transformation means to the organisation and how it may impact on their role, which potentially poses a risk to the changes ahead.

In the view of the peer team, the potential impact of the proposed transformation on organisational capacity and productivity may be underestimated. The Council needs to ensure that there is enough capacity and resilience during the period of change to meet statutory obligations e.g. planning decision timeframes and Audit requirements; deliver the Growth Deal commitments and the Council’s wider ambitions; and transform the organisation at the same time.

We heard from employees that there is strong sense of loyalty to West Oxfordshire District Council and that in general, they have felt well supported through changes to date. Staff were positive about the staff recognition scheme.
but felt that there is still work to be done to build better team dynamics. The majority of staff are employed by Publica and have welcomed the initiatives put in place so far to build the ‘One team’ approach – for example the middle managers’ forum, and are keen to see more of the same – we heard on numerous occasions that ‘Publica is on a journey and we want to be part of it’.

In contrast to the successful communications and engagement approach deployed during the adoption of the Publica model, there is no clear understanding of the transformation proposals, as referenced in the specific Transformation section of this report. This lack of clarity is impacting on the capacity of individuals to engage with change and will inevitably impact on the culture of the organisation. We heard that staff had previously felt involved with change – and invested in the successful outcome, but that this is less often the case now.

There appears to be no clear plan on the change related to people, despite this being one of the two core Transformation work streams. There were some good examples of staff development and learning (the staff recognition scheme was well received), but also concern that these budgets were perceived to be reducing which sent a confusing message to staff. There are areas of excellent practice in individual and team development but the Council lacks a structured approach. The emerging People Plan is a great opportunity to address these concerns – especially as there is ongoing work to review terms and conditions – and to reassure staff of their value in embracing further change.

Organisational Culture

The team were specifically asked to consider the organisational culture. Overall we found that staff are well motivated, committed to good public service and keen to be part of the future success of Publica and West Oxfordshire District Council. People are proud of the organisation they work for and the area they serve and whilst being committed to Publica, also want to ensure their identity with West Oxfordshire remains. Some, but not all staff were confused on identity following the transfer of most staff to Publica.

The overall organisational culture is one that is accepting of change and generally, managers and staff are keen to be informed of and engaged in change. Many are proud of the innovative approach the Council and its partners have taken to date, albeit there remain some concerns around detail and potential impacts on staff.

The lack of information on the overall objectives of the transformation programme appears to be having an impact on staff morale. It is causing some staff to be anxious although this is not uniform across the organisation with some areas reporting relatively good morale and others reporting very low morale. Staff and members have already been in a period of change for some time and there is more to come. In order to ensure staff are active participants in that change, and owners of a shared success story, the Council and Publica should look to ensure that culture is a component of the transformation. It is not clear what has been done to assess the current culture and what cultural shift may be required to deliver the transformation objectives. There are four organisational values that have been developed with the engagement of staff – Thoughtful, Modern, Flexible and
Authentic. It is not clear to what extent these are reflected in how all staff act or what support has been provided to ensure they become embedded in the organisational culture.

We found evidence that the values were reflected in managers and the management approach. The Council benefits from a group of senior and middle managers who are committed to its success, to modernizing the Council, appear flexible in their approach and act in an open manner. The Middle managers forum has worked well, and establishing a similar group with a focus on the wider organisational culture could be beneficial. This could consist of employees from all levels and help organisational coherence as well as clarifying the current position of the organisational culture, and what steps are needed to help shift the culture to where the Council and Publica wants it to be.

5. Next steps

Immediate next steps

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

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Mona Sehgal, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Mona’s contact details are: mona.sehgal@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

Follow up visit

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next two years.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all Councils will have a Corporate Peer Challenge or Finance Peer Review every four to five years. It is therefore anticipated that the Council will commission their next Peer Challenge before 2023.