

LGA Corporate Peer Challenge

Winchester City Council

Wednesday 10 – Friday 12 July 2024

Feedback report



Corporate Peer Challenge



Contents

- 1. Introduction 3
- 2. Executive summary 3
- 3. Recommendations 6
- 4. Summary of peer challenge approach 7
- 5. Feedback 9
- 6. Next steps 23

1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending 2.5 days at Winchester City Council (WCC) to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principals of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, Accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

2. Executive summary

Through the peer team's review of evidence provided by the council, analysis of data, and views gathered from officers, members and partners in interviews; the peer team found that Winchester City Council is a well-respected and high-performing council, delivering for residents and partners. The peer team heard positive feedback regarding the council's performance and is satisfied that WCC is well-managed and benefits from a Leader and Chief Executive who are respected by staff, members, and external stakeholders.

WCC has a strong reputation for prudent financial management, consistently delivering balanced budgets and maintaining a robust financial environment. The 10-year Medium-Term Financial Strategy (MTFS) aligns with organisational priorities,

enabling strategic planning and risk mitigation. Effective budget monitoring and positive external audit feedback underscore the council's financial stability. Proactive savings strategies and a healthy level of reserves position WCC well for upcoming challenges, though a forecast budget gap of £3.4m in 2026/27 continues to demand attention. The organisation's strong financial management has thus far minimised immediate financial risks. However, given sector-wide pressures, the council cannot be complacent in addressing the financial risks forecast for the medium term. The peer team recognises the council's integrated approach to tackling this issue through their Transformation Challenge 25 (TC25) programme but continual review of the financial and service delivery pressures will be required.

There is a commitment in place from the Administration and senior leadership to the council's Transformation Programme and over £600k of baseline budget was released in the first four months of the programme with a further £200k expected to be realised in the current year. The peer team suggests that a step change is now needed to move onto the wider implementation phase of TC25, beyond the quicker wins which the council has already achieved. The initial broad requirements of the TC25 programme are well-embedded amongst staff and has been communicated to members. However, further providing a clear narrative on the reasons, aims, and relevance of the programme as it continues, along with its potential impact across the entire council, would be beneficial.

As part of TC25, sufficient resources and expertise are necessary to drive digital transformation within the council. Developing a comprehensive Digital Strategy and Action Plan, complete with key milestones, will help realise efficiencies and improve services. It is important to clearly define what digitalisation means for the council so that all services are working with a common approach. A council-wide discussion, including members, to agree on a clear definition and identify opportunities for responding to customer demand more efficiently would be beneficial. This discussion should recognise that digital initiatives need to be driven by both IT and service departments, while also improving customer access to council information and services and reducing costs

As the council enters a period of significant change, it is crucial to develop an organisational strategy that identifies and cultivates the necessary skills and culture to achieve its objectives. This strategy should extend beyond traditional HR

functions. And in a phase of reduced resources and capacity, it is essential for the council to be clear about its costed priorities and ensure it has the resources to deliver them.

WCC has a demonstrable commitment to comprehensive consultation and engagement which is a valued part of the council's decision-making processes. The thorough approach to being consultative both internally and externally is embedded across the organisation and within governance processes. The peer team though, would encourage the council to review this and consider the current demands of the various consultation meetings alongside the formal governance framework on both officers and members.

The council is developing its new Corporate Plan that will replace the current Plan that runs to 31 March 2025, and the performance framework should be utilised to ensure that priorities and values are consistently cascaded through service plans and appraisals for all staff.

Going forward and with the launch of a new Corporate Plan, effective communication of the council's vision should emphasise that it serves the entire district. Enhancing existing relationships with Parish Councils through renewed engagement, communication, and partnership opportunities can support this.

The council is clearly achieving against its overarching priority on addressing climate change. It is clear that this is embedded across the council and progress to date is impressive.

Whilst there is a solid traditional member training programme in place, the peer team felt that to enhance councillor development, members themselves should take greater ownership of their broader development needs. Establishing a member development group and pursuing the Member Development Charter Status could provide a structured framework for this.

The council recognises it is at the beginning of its journey regarding equality, diversity, and inclusion (EDI). There is an opportunity to develop a revised EDI strategy that reflects ongoing efforts and prioritises this crucial area.

3. 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:

3.1 Recommendation 1: Governance and decision making

Consider instigating a review to reduce the call on officer and member resource and increase the effectiveness of Cabinet, Scrutiny and the Policy Committees. Through streamlining the decision-making process, the hope would be to improve the efficiency whilst maintaining the quality and robustness of decisions.

3.2 Recommendation 2: Digitalisation

Ensure there are sufficient resources and expertise to engage services on digital transformation. The council should develop a dedicated Digital Strategy and Action Plan with key milestones to allow efficiencies to be realised and for services to be improved. There is a need for the council to be clear with officers and members on what digital means, and the intended outcomes from the transformation.

3.3 Recommendation 3: Transformation Challenge 25

The TC25 programme is well-embedded with staff and communicated with members. Providing greater clarity on the narrative of the reasons, aims and relevance of the programme and potential impact across the whole council would be helpful.

3.4 Recommendation 4: Organisational Development

As the council heads into a period of significant change, WCC should consider developing a strategy that identifies and delivers the skills and culture to ensure that council objectives are delivered - this is beyond an HR function.

3.5 Recommendation 5: Balance ambition with capacity

As the council moves to a phase of reduced resources and capacity, ensure that the council is clear about the costed priorities and have the resources to deliver them.

3.6 Recommendation 6: Golden thread

The council should use the new Corporate Plan and performance framework to ensure priorities and values then cascade through service plans and appraisals for all

staff.

3.7 Recommendation 7: Member development

There is a solid traditional member development training programme in place; members should take more ownership of their wider development; this could be led by a member development group. The council may want to consider pursuing the Member Development Charter Status to provide a framework for this.

3.8 Recommendation 8: A “One District” approach

Ensure that communication of the council’s vision makes it clear that WCC is delivering for the whole district. Consider how the council can build upon existing relationships with Parish Councils by resetting engagement, communications, and partnership opportunities.

3.9 Recommendation 9: Equality, Diversity and Inclusion

The team recognise the council is at the start of its journey on equality, diversity, and inclusion (EDI). There is an opportunity through a revised EDI strategy to reflect the work you are doing and to prioritise this.

4. Summary of peer challenge approach

4.1 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 by the LGA on the basis of their relevant expertise. The peers were:

- Lead Officer peer: Bindu Arjoon, Chief Executive, Exeter City Council
- Lead Member peer: Cllr Joe Harris, Leader, Cotswold District Council
- David Clark, Service Director Governance, Democratic and Legal Services (Monitoring Officer), Somerset Council
- Isabel Edgar, Director of Operations, East Cambridgeshire District Council
- Nick Khan, Strategic Director, East Suffolk District Council
- Harry Parker, LGA Peer, Senior Regional Adviser
- Katharine Goodger, LGA Peer Challenge Manager

4.2 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? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
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? What is the relative financial resilience of the council like?
5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every Corporate Peer Challenge includes a strong focus on financial sustainability, performance, governance, and assurance.

In addition to these themes, WCC asked the peer team to provide feedback on transformation, this was embedded as a focus throughout the five themes.

4.3 The peer challenge process

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

people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at WCC and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent 2.5 days onsite at Winchester City Council, during which they:

- Gathered evidence, information, and views from more than 40 meetings, in addition to further research and reading.
- Spoke to more than 95 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.

5. Feedback

5.1 Local priorities and outcomes

The peer team found WCC to be a high performing council delivering for residents and the area. This was heard from staff, members and external stakeholders who fed back positively about the performance of the council on numerous occasions.

WCC have clearly prioritised tackling the climate and nature emergencies, the peer team saw this embedded across the organisation. The council's achievements in this area have been impressive, including initiatives such as carbon literacy training for all members and officers, a well progressed retrofit programme and the recruitment of dedicated staff to help deliver the sustainability agenda. These efforts demonstrate a proactive approach to environmental stewardship and a dedication to creating a

sustainable future for the community.

The 'Listening Better' priority is well understood and valued amongst members and officers. This additional priority area was introduced following the council's 2022 residents' survey which was undertaken towards the end of the pandemic and found 68 per cent of residents felt WCC 'responds quickly when you ask for help' this was a 9 per cent reduction on the 2019 survey. The council's quick response to the residents' survey is commendable and reflects a shared commitment to community engagement and responsiveness. This initiative has been positively received and it is clear that the council is striving to involve as many people as possible in the decision-making process, as evidenced by the robust consultation structures in place. This inclusive approach fosters a culture of open communication and demonstrates a commitment for council initiatives to align with community needs and expectations.

A sensible approach is being taken to develop the new Corporate Plan, informed by the Liberal Democrat administration's manifesto and the 2024 Residents' Survey which is currently underway.

This comprehensive process ensures that the plan is rooted in both the current political agenda and real-time needs of residents. The planned engagement forums with key partners, including officers and members, is positive, and the council has seen high levels of responses to recent consultations for example on the Local Plan. The communications team will continue to play a vital role in ensuring that stakeholders continue to be aware of these opportunities to engage. By incorporating feedback from multiple sources, the council can create a well-rounded and effective Corporate Plan that addresses strategic goals and community needs.

The council has a great ambition to deliver for residents, driven by a desire to improve services and enhance community well-being. However, it must reflect on how this can be achieved in light of the changing financial situation. With impacts of the TC25 programme being realised, through its corporate planning process and annual development of business plans, the council should continue to ensure careful prioritisation of scarce resources and evaluate current and new projects, areas of discretionary spend and if required reallocate resources to areas of greatest impact. Engaging with the Leader, the Cabinet, and officers will help to ensure that council priorities can be effectively delivered and adequately resourced. Through adopting a

strategic approach to financial management, the council can ensure sustainable and improved service delivery, even in challenging economic conditions.

The peer team were pleased to see that WCC takes its corporate landlord responsibilities seriously and performs well in this area. There has been thorough preparation ahead of the Regulator of Social Housing (RSH) inspection regime. A clear focus on supporting tenants and maintaining the quality of their homes underscores the council's dedication to tenant welfare and property standards. While the peer team did not have detailed conversations around housing management satisfaction, the council's positive approach to engaging with residents remains a notable strength.

The peer team agrees with the council that it currently is at the start of its journey on EDI. WCC recognises the importance of these principles in fostering a fair and inclusive environment within the council and when delivering services. It is positive to see good use of data and the embedding of Equality Impact Assessments (EQIAs) throughout reports, which helps identify and address areas of potential discrimination. The council has established a member forum chaired by the Cabinet Member for Community and Engagement, working to an agreed action plan. The council has already achieved the 'Developing' stage of the LGA Equality Framework for Local Government. However, the peer team felt that EDI needs a more consistent focus across the organisation and the council could benefit from a refreshed strategy. The peer team heard of good practice on EDI from the housing team and an exercise could be undertaken to ensure good practice examples are shared more widely throughout the organisation e.g. through the creation of a central repository for EDI resources and success stories.

The council's values are clearly visible in and around the council offices and there is an opportunity to further embed organisational priorities and values throughout the appraisal system, as well as during recruitment and induction processes. Ensuring that all staff undergo regular appraisals and that these appraisals incorporate the council's values and priorities is crucial, helping to track staff progress and ensure alignment with the council's strategic objectives. Structured training programmes, regular performance reviews, and clear communication of expectations can help staff align their work and delivery with the council's values. Additionally, consideration of incorporating values-based criteria into recruitment and induction processes will

attract candidates who are committed to the council's vision. By further fostering a cohesive and value-driven culture, the council can further enhance employee engagement, retention, and overall organisational effectiveness.

5.1.1 Performance

The peer challenge team reviewed reports and data, alongside considering the council's performance in interviews on site. The peer team found the council to have a record of strong service delivery, supported with evidence from [LG Inform benchmarking data](#), and WCC benchmarks well against CIPFA nearest neighbour authorities in many metrics including being at the upper end of the scale in terms of affordable homes delivered and processing of planning applications. An area where WCC is below average compared to CIPFA nearest neighbour authorities' is on the percentage of household waste sent for reuse, recycling and composting. The rates for Winchester are 39.5 per cent, compared to an average among the comparator group of 48.17 per cent. However, WCC's ability to improve recycling rates is somewhat limited as this is dependent on recycling material decisions taken by the waste disposal authority. Positively though the council is introducing food waste collections in 2025 and the introduction of the Simpler Recycling regime will be a key enabler for increasing recycling rates in the district.

The council has reviewed its approach to performance reporting and has recently taken a new direction. The Scrutiny Committee had appointed a Performance Panel to review the quarterly performance report before consideration in public, however with the development of a more focussed report and an increased commitment to scrutinise in public quarterly financial and performance monitoring reports will now be presented directly to the Scrutiny Committee and subsequently to Cabinet. This change provides an opportunity to refine performance management processes, driving delivery and tracking the progress of corporate priorities at all levels of the organisation.

With a refreshed Corporate Plan emerging, the current set of strategic key performance indicators are being reviewed. To ensure effective performance and monitoring, the review of current metrics and the development of new performance metrics should be a collaborative process involving both members and officers, focusing on achieving intended outcomes for the council and its residents. The

council should continue to embed a performance culture through every level within the organisation, rigorously tracking progress. This could be done through an organisational development framework.

5.2 Organisational and place leadership

It was clear across interviews that both the Leader and Chief Executive are well respected by members, officers and partners. The Leader is respected across the chamber, with his commitment to collaboration being perceived as genuine and recognised both within and beyond the district. The Chief Executive is also well respected and valued, both internally and externally, further enhancing the council's leadership credibility. Members bring a wide variety of talents and backgrounds, adding real strength to the council. Throughout the CPC, the peer team heard described to them a productive and collaborative working relationship between members and officers. The council fosters an environment of open transparency and avoids a blame culture, contributing to a positive working atmosphere.

Managers the peer team spoke to were clearly passionate about their commitment to the council, the City of Winchester, and the rest of the district. The introduction of the new Manager's Leadership Programme has been warmly welcomed, providing valuable development opportunities and strengthening leadership capabilities. This programme is expected to enhance the overall effectiveness and efficiency of the council's management team, and WCC could consider continuing and bolstering similar development programmes to further strengthen leadership capabilities across the council at different levels.

The peer team heard positive feedback regarding the council's management team and the leadership they provide the organisation. However, there remains a perception that visibility of these senior leaders, beyond the Chief Executive, could be improved. An increased visibility such as through management walking the floors and engaging with teams more widely could enhance the one council approach and promote cross-working and collaboration within the council.

Members are interested in, and in some examples, closely involved in service provision. This was generally seen as helpful by the officers that the peer team spoke with, however, some officers noted that at times this involvement extended beyond the strategic role of members, encroaching on areas of operational expertise. A

reminder through member training and development on the distinct yet complementary roles of members and officers would help clarify responsibilities and ensure effective governance.

The peer team heard many positive comments about the Staff Forum, which appears to be operating well and is highly valued. Internal communications are strong, particularly in recognising staff achievements, but as the council enters a period of challenge and transformation, there is an opportunity to refresh and boost these communications. Ensuring clear and consistent council-wide announcements and updates will be crucial and, additionally, the council might want to consider introducing more informal communication methods, such as staff networks (LGBTQ+, disability, BAME etc) beyond the existing Staff Forum, to enhance engagement and provide positive interactions for all staff.

During the CPC some concerns were raised that council policies are inconsistently applied and communicated across the organisation. It is not clear whether it is HR or service managers that have oversight of policy implementation. An example given was the inconsistent application of the '50 per cent in the office' working arrangement, which is causing frustration amongst some staff. There is an opportunity here for the council to clarify who is responsible for policy implementation and monitoring to ensure that managers apply these policies consistently, so they are used consistently and appropriately to achieve the aims of the policy.

The peer team felt there remained scope for the council to improve on its approach to contract management. With several large contracts up for renewal shortly, the council should continue to ensure sufficient resourcing and skills for the procurement of large contracts while also supporting and equipping services to manage smaller contracts themselves well. Providing an effective contract client function and driving contractor performance will enhance service delivery and ensure that contractual obligations are met consistently. Sharing best practice across the council can further improve the management of contracts, benefiting overall performance and reducing capacity strains on the central contract management function.

External partners speak highly of the council, often expressing admiration for the effective working relationships fostered by its leadership. This positive feedback underscores the council's commitment to collaboration and its ability to build and

maintain strong, productive partnerships. The rapport between the council and its partners is a testament to the mutual respect and collaborative spirit that exists. The Leader and Chief Executive are particularly well respected regionally, taking proactive and apolitical roles in place-based leadership. They effectively broker conversations between organisations both inside and outside of the district, such as advancing the public health agenda across the region and working with the Business Improvement District.

The council's efforts to engage residents and young people in the Central Winchester Regeneration programme have received high praise. Many individual officers were commended for their contributions to this major project, reflecting the council's dedication to inclusive planning and community involvement. Despite the challenges posed during previous major infrastructure projects, the council has demonstrated resilience and determination in pushing ahead with regeneration, maintaining a clear vision for the city centre and making significant progress.

The Community Safety Partnership is highly valued by partners and seen as an effective forum for addressing concerns. The leadership provided by the council in this partnership is recognised and appreciated. This collaboration underscores the council's role in fostering community well-being and addressing safety issues through cooperative efforts.

The council's progress on the new Local Plan has been impressive, particularly in terms of the levels of consultation responses received. This extensive engagement, which was recognised with the RTPI South East Award for Planning Excellence will help deliver on the council's wider Corporate Plan objectives, ensuring that the plan reflects the needs and aspirations of the community. The robust consultation process demonstrates the council's commitment to participatory planning and transparent decision-making.

Throughout the CPC the peer team heard consistently a perception that WCC is too focused on the 'City of Winchester', often at the expense of the wider district. This view is shared across political groups, including both the administration and opposition. Throughout the review, it was noted that the wider district did not always feature prominently in council communications. While the city of Winchester is a key driver of the local economy, it is essential there is an equitable focus across the

entire district. This can be achieved by highlighting positive developments and initiatives in other parts of the district. There is a need for a more balanced communication strategy that ensures clear and consistent messaging about the council's activities and achievements across the entire district rather than the current narrow focus on the city. This approach will foster a greater sense of inclusion and recognition among members, officers, and residents.

There is a strong appetite from parish councils to further strengthen their relationships with WCC. There is some evidence that Parish councils are keen to engage in proactive dialogues and potentially take on more roles in service delivery. This is particularly relevant for the progression of TC25 initiatives and strengthening these relationships will be important to support transformation and service delivery going forward. There is a regular six-month Parish Liaison meeting and ward members play a key role in supporting parishes, but peers heard that current engagement could be more effective, ensuring ongoing opportunities for open dialogue and stronger working relationships.

The council recognises the value of the voluntary and community sector (VCS) and acknowledges the opportunity to utilise their expertise to drive the delivery of shared priority areas. Collaborating more closely with these organisations can help achieve better outcomes for residents, leveraging the sector's knowledge, resources, and community connections to address local needs effectively. The peer team saw this working well with WCC's support of a local drama group to use a key location in the city centre free of charge, benefiting both the group and the wider community. However, opportunities remain for further alignment, such as by ensuring grant funding, like the support given to the Citizens Advice Bureaux, is more closely tied to WCC's strategic priorities. By fostering these stronger partnerships, the council can maximise the potential of the VCS to support their objectives and deliver even more effectively for residents.

Previous decisions being challenged by judicial reviews and negative publicity have occasionally put the council in a defensive position. Feedback from internal and external groups reflected that the 'loudest voices' often dominate conversations, which may not represent the broader community's views. While some residents have the resources and knowledge to pursue redress against decisions they do not support, it is nevertheless important to consider the wider community's needs and

interests. The council must continue to balance these vocal interests with the broader aspirations for regeneration and community development, ensuring that all voices are heard and equally considered in the decision-making process.

5.3 Governance and culture

It is clear that the council has a thorough and detailed route for decision-making. There is a strong feeling that by the time decisions reach the council, they have been thoroughly examined, ensuring security and confidence in their acceptance. The peer team observed and heard of many efforts to ensure cross-party engagement in decisions being made, which is commendable.

Risk management processes at the council are robust, with WCC being seen as an example of best practice within the audit partnership. This reflects the peer team's view that strong governance is in place at WCC.

The council operates an extensive governance structure that includes Cabinet Committees, Local Forums, Decision Days, the Executive Leadership Board (ELB), and the Leadership Board. This structure facilitates thorough deliberation and inclusive participation, but it represents a significant demand on both member and officer resources. The council may want to consider reviewing these arrangements to speed up the delivery of priority areas. Whilst the desire to engage and collaborate is commendable, it is essential to judge the effectiveness of current arrangements. Simplifying these processes could lead to more agile decision-making, allowing for quicker responses to emerging issues.

The council has a solid traditional member induction programme in place, however, the peer team felt that members could take greater ownership of their wider development. There is a role for the political groups in this, looking at how they can support their own members to further develop. Establishing a member development working group could be beneficial, focusing on the development of individuals within the councillor cohort and fostering a culture of continuous learning and professional growth among members.

Scrutiny within the council could be further strengthened by ensuring that the policy and scrutiny committee functions are used effectively. The recent involvement of the Centre for Governance and Scrutiny is positive, and the peer team suggest a good

next step would be for the committee to have increased ownership of their forward plan. Additionally, scrutiny could play a more significant role in the decision-making process, doing more of the heavy lifting in policy review and supporting the executive. As part of a wider reviewing on the decision-making processes, the council could look at enhancing the role of scrutiny.

The council has cultivated an impressive and positive staff culture with staff survey results indicating that 83 per cent of employees enjoy their work. This is a testament to the supportive and welcoming environment within the council. During interviews, staff frequently described the leadership as approachable and empathetic, with many noting that *"it's like family here."* Staff feel that their ideas are valued, and there is a culture of openness where no idea is considered out of the question. This positive environment fosters employee satisfaction, motivation, and productivity and is a real strength of the council.

There are numerous examples of good collaboration across teams within the council, particularly in areas such as climate change, which is a key priority for WCC. While there are a few instances of siloed working, the general feedback suggests a culture of collaboration. However, there is further scope for enhancing collaboration across the organisation on various themes and projects outside of climate change. For example, the housing team works together effectively within and across services, engaging with tenants and national partners. Building on this collaborative culture can further enhance service delivery and innovation across the council.

As mentioned earlier in the report, while the council's values are displayed in various places, it is not always clear how these are embedded into council processes, including appraisals and recruitment. There is an opportunity to make these values more explicit in performance management systems. For instance, the appraisal template and guide could emphasise working in line with council values. Ensuring that values are consistently embedded in all processes will reinforce a culture of shared purpose and commitment throughout the organisation.

5.4 Financial planning and management

WCC has a well deserved and warranted reputation for prudent financial management, underpinned by a legacy of setting and delivering balanced budgets. A strong financial environment is in place, with the finance function respected and

held in high regard. The good financial management the council has demonstrated to date contributes to the minimal immediate financial risk to the council.

The council takes a long-term view to its financial planning with an annually updated Medium-Term Financial Strategy (MTFS) which covers a 10-year period. Effort is made to ensure alignment of the budget and MTFS with the Corporate Plan and the council's organisational priorities.

This long-term view to finance enables the council to plan more strategically and mitigate potential risks early. By being able to demonstrate that core services are funded in the short to medium term this provides assurances to the financial viability of the authority.

Whilst there was an acknowledgement of the benefits of this long-term approach to finances from across the council, the peer team heard in certain services there could be an improved buy-in to this process. For example, engaging early and strategically on upcoming expected capital expenditure due to repairs and maintenance. In doing so, strengthening the modelling that can be undertaken to provide a more accurate picture for future years spend.

From reviewing both council meetings and associated papers, the peer team saw evidence through the Cabinet, Audit and Governance and other relevant committees of clear reporting and effective budget monitoring. This view is also evidenced by the external auditor who provided a positive and unqualified opinion for the council's 2022/23 accounts and an equally positive value for money statement. WCC's external auditors were positive about the approach the council takes to financial sustainability, governance, risk and value for money.

WCC have historically had an impressive approach to the delivery of savings, with established programmes in advance of need. As referenced in the council's Section 25 report: *"considerable savings have been achieved to date, and the recent experience has been that compensating savings have been found to cover unforeseen growth pressures."* The peer team saw and heard evidence of consistent communications with officers and members, such as through the TC25 programme, regarding the need to make the savings and drive efficiencies.

WCC have a good level of reserves, both in general fund balances and HRA reserves. The council has a policy of a minimum balance of reserves representing 15

per cent of net revenue expenditure, this is a healthy level, and higher than most authorities, this provides WCC the resilience to tackle potential unforeseen challenges.

The peer team were pleased to see that there is a good understanding among officers and members of the emerging financial situation and the increasing need to deliver on the TC25 programme to make the required savings and efficiencies. The challenge for the council will be the extent to which the TC25 programme will be sufficient to bridge any budget gap that arises as a result of rebasing of business rates and any reform to other government funding programmes.

The council is currently forecasting a considerable budget gap in 2026/27 of £3.4m which represents nearly 10 per cent of the council's annual gross revenue expenditure. This funding gap is predominantly due to proposed structural changes. It is important the council sustains its messaging that difficult decisions will be required to meet this funding gap. The peer team heard instances, for example through the star chamber process, of questions being posed about the breadth and depth of current service provision, and if funding pressures materialise where there could be reductions or a rethinking of delivery models.

The council are aware of the need to guard against fatigue regarding the budget gap particularly in the instance the requirement does not fully materialise due to further government delays on business rates reform or New Homes Bonus changes. The external auditors commended the council on its record of savings delivery and front-loading these to minimise risk, this is positive and a practice which should continue.

WCC operates a finance business partner model, these officers are clearly a valued resource across services. The peer team heard that there are opportunities to build clarity over respective roles and responsibilities between budget managers and finance. In some service areas there is an overreliance on the finance business partners, with budget management and savings delivery perceived "*as a finance team responsibility.*" The peer team heard examples of dedicated finance training being offered for services but not taken up, delivery of this type of training bespoke for services would be helpful in achieving greater ownership by budget managers.

The peer team would encourage the council to continue to provide the necessary focus to its Housing Revenue Account (HRA) which overspent during 2023/24 and is

moving into deficit for the first time during 2024/25. The HRA faces multiple pressures resulting from the council's ambition for new homes, repairs and maintenance and to retrofit the existing stock. A costed plan is needed, looking to address future deficits whilst resourcing both new housing, environmental and stock maintenance ambitions.

The peer team heard in pockets of the organisation an aspiration to be more commercial and focus on increasing income generation. Good examples were cited where a more commercial approach was adopted, for example the planning pre-application service that is provided, even in this example though the peer team heard the council is particularly forthcoming with support but is not necessarily charging at the market rate for all the support which is provided.

Senior managers in the organisation were concerned that it is not universally understood the corporate ambition to be more commercial, and that processes and the current culture of a degree of risk aversion does not necessarily enable commercialism.

5.5 Capacity for improvement

There is a clear acknowledgment of the need to transform the organisation not only to drive efficiencies, but also to further improve the quality of service provision to residents. The organisation recognises that streamlining operations and improving service quality are critical steps towards this modernisation.

To enable this, opportunities around digitalisation are recognised, and staff are excited by this challenge. Digitalisation offers a pathway to modernising service delivery and operational efficiency, however, it is essential to define what digitalisation means for the organisation. A comprehensive digitalisation strategy with a clear action plan, rooted in best practices and informed by service leaders, is crucial. A well-defined digital strategy will provide a roadmap for adopting innovative solutions that enhance service delivery and operational efficiency, and this strategy will ensure that implemented systems are practical and beneficial to services, addressing historical slow adoption of new technologies. It is essential to align this strategy with the specific needs and priorities of the services to ensure it effectively addresses existing gaps and future requirements. The council has shown a commitment and appetite for progress in this area, which is encouraging and staff

enthusiasm for digitalisation highlights a readiness to engage with new technologies and methodologies, reflecting a positive culture towards innovation and continuous improvement.

The TC25 programme is well-embedded among staff and socialised with members, with everyone the peer team spoke to knowing what TC25 is and feeling they have had a good opportunity to engage with it. Members are also aware of TC25 and the ongoing work. Although the council is at an early stage of implementation, there is an opportunity to capture learning and make a significant step change in this area. This early engagement is crucial for long-term success, as it builds a shared vision and collective commitment toward achieving the programme's goals.

Significant recruitment decisions have been made to fill specialist roles essential for delivering the TC25 programme and advancing the climate change agenda. These roles bring the necessary expertise and experience to drive these critical initiatives forward. By attracting talent with specialised skills, the organisation positions itself to better tackle complex challenges and achieve its strategic objectives.

There is a strong, embedded commitment to 'growing your own', demonstrated by an established apprenticeship and graduate programme. This approach ensures a sustainable pipeline of skilled professionals well-versed in the organisation's values and objectives. This commitment resonates with staff and helps address recruitment and retention challenges. Moving forward, it is important to be clear about the routes for succession planning and the opportunities for development and promotion within the council. By investing in staff development, the organisation fosters loyalty, enhances capability, and ensures a continuous influx of fresh perspectives.

The management has a good relationship with the trade unions, who feel engaged and up to speed on the TC25 programme. Keeping unions on board helps support clear and consistent messaging to staff about the programme's objectives and benefits. This collaborative approach ensures that staff concerns are addressed, and their buy-in is secured, which is vital for the smooth implementation of any transformative initiatives.

The peer team consistently heard of pressures on capacity, emphasising the importance of balancing this with the council's level of ambition. While the desire to pursue ambitious projects is commendable, it is essential to be clear about the

capacity required to deliver these priorities effectively and ensure that the available resources and capabilities can support them. This balance is necessary to avoid overextension and to maintain the quality and sustainability of the council's efforts, and hence as mentioned before, an exercise in prioritisation involving both members and officers will support this.


HR and IT functions should be viewed as strategic enablers for the council, playing key roles in the successful delivery of the TC25 programme. HR is pivotal in managing and fostering a culture of continuous improvement, while IT is essential for providing the technological infrastructure and support required for digital transformation. In this regard, it is recommended to consider developing an organisational development strategy that identifies and delivers the necessary skills and cultural changes required to meet the council's objectives. This strategy should extend beyond the traditional HR function, ensuring a renewed focus on aligning resources and capabilities with strategic goals.

There is a degree of risk aversion within the council, and it is important to not shy away from making difficult decisions when they are the right ones to make. Encouraging a culture that is open to taking calculated risks will enable the council to be more agile and responsive to emerging challenges and opportunities. The council has a good track record of delivery and engagement, so it just needs to be a bit bolder in decision-making to drive long-term success.

6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council and **Annex A** signposts to LGA support mentioned either while on site or within this report. As part of the CPC, the council are also required to have a Progress Review and publish the findings from this within 12 months of the CPC. The LGA will also publish the Progress Review report on their website.

The Progress Review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The Progress Review will usually be delivered on-site over one day. The



date for the Progress Review is still to be confirmed but will likely take place in May 2025.

In the meantime, Will Brooks, Principal Adviser for the South East, is the main contact between your authority and the Local Government Association. As outlined above, Will is available to discuss any further support the council requires – william.brooks@local.gov.uk.

Annex A: Signposting to LGA support

MEMBER DEVELOPMENT

Political mentoring: The LGA can broker political mentoring for Cabinet Members, committee chairs and group leaders to support them in their role. Political mentoring involves matching mentees with a LGA member peer from the same political party. This is particularly helpful for confidential conversations for members to explore tricky issues in a 'safe' environment. In identifying suitable mentors, we take into account the themes that mentees want to explore in mentoring.

Political mentoring costs £362/day with the time to be 'spent' as agreed between the mentor and mentee (e.g. in hourly blocks/ half days etc).

We typically suggest a mentoring engagement of three days equivalent which can be spread across a six-month period.

Contact: harry.parker@local.gov.uk.

LGA Leadership Essential programmes: [Leadership Essentials programmes](#) are designed as themed learning opportunities for councillors. Each event concentrates on a specific portfolio area or a specific theme, and many map onto portfolio areas.

There are also cross-cutting modules to support those in leadership positions, such as finance for non-finance cabinet members, risk management, being an effective cabinet member and communication and media.

In addition to providing policy updates and practical advice, these sessions present an opportunity for members to develop their networks.

Many of these programmes are offered at no cost to the council.

Particular leadership programmes which may be of interest include:

- Leadership Academy
- Leadership Essentials: Being an Effective Cabinet Member
- Leadership Essentials: Effective Scrutiny
- Leadership Essentials: Finance

Top Team Facilitated Development sessions: The LGA can arrange and facilitate top team development sessions for the senior political and officer leadership team, either individually or as a collective. These sessions are aimed at helping to develop cohesive leadership teams and supporting strategic leadership. These are bespoke and tailored to the context.

If you're interested do contact katharine.goodger@local.gov.uk who would be happy to discuss scoping any sessions.

Effective Opposition

The LGA's [effective opposition two-day events](#) are designed to support opposition leaders and deputy leaders in their roles, equipping them with the skills to excel in their role of leading an opposition group on their council.

TRANSFORMATION

LGA Transformation Experts Programme: The LGA [Transformation Experts Programme](#) has launched. The programme offers bespoke advice and support to local authorities to help them deliver transformation activities. We have a cohort of transformation experts who have delivered transformation programmes in their own councils.

Transformation Experts would be linked up with councils who request ad hoc support to provide expert advice. This could range from reviewing their council plans and projects, to offering constructive challenge based on their own experience and knowledge. The type of support will be led and determined by the needs of the recipient council. The support will be available for a maximum of 10 days until March 2025.

If you would like to find out how your council could benefit from this support, then please complete the [expression of interest form](#). If you would like to discuss this and/or the broader transformation support offer, please contact:

olivia.lancaster@local.gov.uk

Councillor Transformation Network

The LGA's Councillor Transformation Network is for senior councillors working in transformation, change and innovation roles. Members will discuss emerging issues and trends affecting councils, and hear from each other and guests on policies, programmes and practices. The inaugural meeting of the network will be taking place in November 2024. To join this network please complete this [expression of interest form](#).

RECRUITMENT AND RETENTION

Recruitment and retention

Recruitment and Retention best practice: The LGA has launched a [recruitment and retention best practice](#) hub. More detail is available including signposting to councils that have developed award winning recruitment strategies.

Pathways to Planning graduate programme

Applications are now open for the LGA's [Pathways to Planning graduate programme](#) for local government planning teams. Graduates who secure a place on the programme will work in a council planning team, complete a fully funded qualification and receive mentoring support.

The programme offers councils access to a diverse pool of graduate planners, a £5,000 educational bursary and a recruitment campaign delivered at no cost. Councils can [register their interest in our next intake](#), hiring graduates who will start work in September 2025.