

Corporate Peer Challenge **Cumbria County Council**

10th to 13th June 2019

Feedback Report

1. Executive Summary

The direction of the council is well understood and supported both internally and externally. The Council Plan 2018 to 2022 has been integral to achieving this and it is effectively underpinned by a range of related plans and strategies.

The council has risen to the financial challenge of the last eight years, both successfully delivering the savings that have been required and meeting increasing demand pressures. This has been achieved at the same time as vitally securing improvement in Children's Services.

Looking forward, the authority's approach to securing financial sustainability is predicated in large part upon promoting the independence of residents in order to reduce demand in social care. This offers the promise of better outcomes for local people alongside the saving of resources. Positive steps are being taken but it is vital that the council can reassure itself that the approach will take effect sufficiently quickly to achieve both the savings that have been agreed and a balanced year end position. Ensuring the savings for the current and future years are delivered requires robust plans, clear ownership and rigorous monitoring.

Focus is now starting to be applied by the council to the financial years 2020/21 and 2021/22. Across those two years, in the region of £40m savings are projected to be required, with the source of most of these still needing to be identified. Whilst it is positive that the council is now looking two years ahead, we would encourage it to develop an even longer-term horizon for financial planning in order to ensure financial resilience and sustainability. The council has an extensive capital programme to support its ambitions for the county and this is being delivered very effectively.

Elected members and council staff spoke proudly of the strength of the communities they serve and the 'Cumbrian spirit'. This strength and spirit was probably most visible during the flooding of 2005 and 2009, Storm Desmond and the 'Beast from the East' – with these times of crisis also being the points at which the council's leadership of place was seen to be at its very best. The challenge is for the strength of leadership demonstrated in those times to be sustained by the council on a continuous basis.

The council is playing a key role at county level and is also now more effectively engaged at the regional and national level. This is very positive and reflects an organisation that is increasingly looking outwards. The potential exists to build further on this, with many partners we spoke to seeing the opportunity for the council to play a stronger leadership of place role and being keen for it to do so. Central to this is the set of relationships across the two highest tiers of local government within Cumbria. The shadow of the unitary agenda still hangs over the county and perhaps the time has now arrived both to strengthen and re-set relationships in order to focus on the future.

Area working is central to fulfilling the council's ambitions. Whilst such an approach is not new to Cumbria, it has clearly been rejuvenated in the last couple of years. The importance being attached to it is very well understood and supported both internally and externally and it is clearly aiding joined-up working.

The way in which the area working approach is making a difference to people's lives has been made possible through the council's elected members and staff being passionate and knowledgeable about the places and people they serve. However, we see opportunities to build on this by establishing more systematic approaches to listening to the 'resident voice' in order to strengthen it and aid further understanding of communities and local priorities. This could play a crucial role in supporting greater co-production around delivering services and meeting need and supporting the authority's convening role in place leadership.

Area working can be seen at its best where strong political leadership combines with effective officer leadership. The opportunity exists to strengthen things further by enhancing the leadership support provided to area working at both Cabinet and Corporate Management Team level. This links with a further opportunity around enabling the council's partners to play a more fundamental role in area working. Partnership working 'on the ground' can be seen to be good across the different localities. However, there is differentiation in the extent to which the full range of potential partners are engaged by the council on a more formal basis through area working. Maximising engagement and joint working with partners is key to addressing the cross-organisational and complex challenges facing Cumbria.

As a council used to operating under No Overall Control, the authority has established a system of governance founded upon collaboration and mutual respect across the political groups. Both the approach and the spirit that has been created are to be applauded and reflect positively on all concerned.

The council can be extremely proud of the passionate, committed and high calibre staff that we met during the course of the peer challenge. Many staff at all levels highlighted to us that they feel both well engaged and valued by the organisation. Agile and flexible working is enabled both technologically and culturally and people are welcoming of the opportunities this provides both in terms of how they undertake their roles and in facilitating work-life balance. The council's willingness to invest in people is also a major contributor to staff feeling valued. All of this has led to what people see as a significant change of culture in the organisation.

Challenges remain, however, with the council being very aware of the issues it faces in relation to sickness absence and it is imperative for the authority to ensure managers are confident and supported when it comes to managing such issues. 'Reshaping' re-structuring activity is also clearly hanging over people and we would therefore encourage the council to strengthen communication with staff about the purpose and scope of 'Reshaping' to reduce levels of anxiety.

The council has ambitions for the digital agenda. Some progress has been made but the authority recognises there is much more it can do. Building on the last twelve months, we would encourage the authority to scope and cost its ambitions and then move on to formulate a programme for delivery.

The relationship between the council's management and the trade unions that we met is seen, from both sides, to be very fraught. Such is the nature of the situation that we see

external facilitation being necessary if the potentially highly valuable role that effective industrial relations can play in the strategic direction of the authority is to be established.

There will be a degree of change at Executive Leadership Team level during the course of this year. This change needs to be managed effectively in order to ensure the council has the necessary capacity at that level to address the delivery challenges being faced whilst also having sufficient leadership capacity to support the council in its place leadership role.

2. Key recommendations

There are a range of suggestions and observations within the main section of this 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:

- A. The authority should explore opportunities to enhance the strength of the resident voice through establishing more systematic approaches
- B. Area working – a delivery and outcomes framework should be established and, through this, enable partners to play a more fundamental role
- C. The council should take the opportunity to play a stronger leadership of place role and, in doing so, both strengthen and re-set relationships in order to focus on the future for Cumbria and support integrated local service delivery
- D. Building on the last twelve months, we would encourage the authority to scope and cost its digital ambitions and then move on to formulate a new programme for delivery
- E. The council must reassure itself that it is going to be able to achieve the savings agreed for this year and a sustainable balanced year end position
- F. The council should develop a longer-term horizon for financial planning in order to ensure financial resilience and sustainability
- G. We would encourage the council to strengthen communication with staff about the purpose and scope of 'Reshaping' to reduce levels of anxiety
- H. Changes at Corporate Management Team level during this year need to be managed effectively in order to ensure the necessary leadership capacity exists to address both the challenges and opportunities that the authority faces
- I. The council and trade unions should explore the potential for external facilitation to support enhanced industrial relations

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 in Cumbria were:

- Kate Kennally, Chief Executive, Cornwall Council

- Councillor Alan Rhodes, Leader of the Labour Group, Nottinghamshire County Council
- Councillor Anita Lower, Leader of the Opposition (Liberal Democrat), Newcastle City Council
- Councillor Ian Hudspeth, Leader (Conservative), Oxfordshire County Council
- Rachel North, Director of Communities, West Sussex County Council
- Richard Harries, member of the Advisory Council of the National Council for Voluntary Organisations (NCVO)
- Shaer Halewood, Director of Finance and Investment, Wirral Council
- Alison Hughes, Assistant Director, Strategic ICT Partnership, Wigan and Bolton Metropolitan Borough Councils
- Chris Bowron, Programme Manager, Local Government Association

Scope and focus

The peer team considered the following five questions which form the core components looked at by all corporate peer challenges. 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?

Alongside these questions, the council asked the peer team to consider their ambitions and plans around:

6. Area working

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focused 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 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 four days on-site in Cumbria, during which they:

- Spoke to more than 200 people, including a range of council staff, elected members and external partners and stakeholders
- Gathered information and views from more than 35 different interviews and focus groups, additional research and reading and a number of locality visits that were kindly arranged for us
- Collectively spent more than 450 hours to determine their findings – the equivalent of one person spending around thirteen working weeks in Cumbria

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team on Thursday 13th June upon the conclusion of our visit. In presenting feedback to the council, we have done so as fellow local government officers and elected 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 the council is already addressing and progressing.

4. Feedback

4.1 Area working and understanding of the local place and priority-setting

Cumbria County Council's vision is to be:-

- A council that works with residents, businesses, communities and other organisations to deliver the best services possible within the available resources

As the Council Plan for 2018 to 2022 outlines, the outcomes the authority is aiming to deliver for Cumbria – people being healthy and safe, places being well-connected and thriving and the economy growing and benefiting everyone – are predicated upon a number of new ways of working:-

- Working together – working with partner organisations and communities to achieve shared aspirations
- Enterprise and efficiency – exploring new ways to deliver services and maximise resources
- Digital transformation – giving customers choice and easy access to on-line services
- Prevention and early intervention – acting early to achieve better outcomes

Central to all of these is the council 'putting customers at the heart of everything it does', along with three core principles of focusing on the most vulnerable, managing demand and supporting communities to thrive.

Area working is clearly established as a theme that runs through all of the above and, whilst this approach has had a high profile both within and beyond the organisation over the last couple of years, it is not new to Cumbria. Indeed there is a lengthy tradition to it, reflected in long-established Local Committees and a history of area planning. These foundations have recently been built upon and area working has clearly been rejuvenated – establishing it as central to fulfilling the council's ambitions, including the enabling of 'thriving communities' and 'promoting independence'.

The importance being attached to it is very well understood and supported both internally and externally and it is clearly aiding joined-up working. Examples include the work to tackle 'County Lines' issues in Barrow, the revision of library provision in Copeland involving significant asset transfers to community groups, establishing Ulverston as a 'Healthy Town' and the creation by the council of the role of Health and Well-Being Coaches and the related referral system.

Such tangible examples of the way in which the area working approach is making a difference to people's lives have been made possible, at least in part, through the council's elected members and staff being so passionate and knowledgeable about the places and people they serve. During a number of locality visits that we undertook, people shared

anecdotal evidence of the depth of understanding they have of communities – whether that be individuals, families, local organisations or matters, for example geographic or historic, specific to a given community or place. The council supplements anecdotal insights and ‘on-the-ground’ knowledge with the production and sharing of higher level, more comprehensive and strategic data and intelligence which informs the work both of itself and partners, including the Joint Strategic Needs Assessment and labour-market information used to shape the county’s Local Industrial Strategy.

We see opportunities to build on both anecdotal and strategic data and intelligence by establishing more systematic approaches to listening to the ‘resident voice’ in order to strengthen it and aid further understanding of communities and local priorities. At present, much of the gathering of views from residents is centred upon either their experiences as customers or clients. This includes the annual social care users survey, the annual carers survey, feedback from Looked After Children or young people using the health and well-being service, or from consultation on specific proposals such as the council budget and the commissioning of housing-related support for young people. Extending the thinking in order to identify ways of gaining a broader set of thoughts, ideas and views on a wider range of issues could play a crucial role in supporting greater co-production around delivering services and meeting need and supporting the authority’s convening role in place leadership. There are parallels here with some of the findings from the recent joint local area special educational needs and/or disabilities (SEND) inspection.

Engagement with the voluntary and community sector is seen to be strong across many parts of the county but opportunities exist to strengthen it further by moving away from a traditional, grants-based approach to one that is more strategic and sits the sector at the heart of co-production, thus further enhancing area working. Alongside this, there is the opportunity to be creative and adopt collaborative funding approaches to support community initiatives, such as ‘crowd-funding’ and tapping in more to other funding sources such as the National Lottery. This offers a potential multiplier effect for the ‘public sector pound’.

Area working can be seen at its best where strong political leadership combines with effective officer leadership. The opportunity exists to strengthen things further by enhancing the leadership support provided to area working at both Cabinet and Corporate Management Team level, without this undermining the independence of the Local Committees. Central to this would be the establishing of a delivery and outcomes framework, which clarifies the core principles of area working and supplements this with the creation of objectives and measures for each area. This would be informed by local knowledge combined with strategic level data and intelligence, in order to ensure resource is focused on the issues of greatest significance in each place.

This links with a further opportunity around enabling the council’s partners to play a more fundamental role in area working. Partnership working ‘on the ground’ can be seen to be good across the different localities, with people getting on and making things happen on a day to day basis. However, there is differentiation in the extent to which the full range of potential partners are engaged by the council on a more formal basis through area working and the Local Committees. This applies, for example, with the councils at district and borough level, with varied approaches to the way and extent that they are encouraged and enabled to play a role, and with the voluntary and community sector. Maximising

engagement and joint working with partners is key to addressing the cross-organisational and complex challenges facing Cumbria, including furthering economic growth. The potential to enhance joint working with partners applies at the strategic/corporate level as well as the locality level, with one example being the potential to supplement good day to day working between the police and fire and rescue service with potential 'blue-light' collaboration around prevention and response functions, in conjunction with district councils. The review of the Safer Cumbria Partnership, being undertaken by the Police and Crime Commissioner, is an opportunity to help achieve this. Another example is the finding from the SEND inspection that there is a lack of joint working between health, social care and education around planning, commissioning and delivering related services.

A further key challenge for the council around area working going forward is balancing the benefits of a localised approach with those that are offered by corporate and county-wide approaches and ways of working. One example is around library provision, with the council needing to ensure that the work being undertaken in localities to consider and potentially revise how the service is delivered – as seen in Copeland – is considered 'in the round' given the statutory requirement for the council to maintain a comprehensive and efficient service. Another example is the highways function, with the economies of scale that will exist around such a service and the requirements for it laid down by government needing to be jointly considered and balanced with the advantages derived from having locality-based teams whose work is shaped by local knowledge.

4.2 Leadership of Place

Elected members and council staff spoke proudly of the strength of the communities they serve and the 'Cumbrian spirit'. This strength and spirit was probably most visible during the flooding of 2005 and 2009, Storm Desmond and the 'Beast from the East' – with these times of crisis also being the points at which the council's leadership of place was seen to be at its very best.

The challenge is for the strength of leadership demonstrated in those times to be sustained by the council on a continuous basis. The council is playing a key role at county level, for example through the Cumbria Leadership Board and the Health and Wellbeing Board, with the latter, chaired by the Leader, now seen as being much more purposeful than before. Another example is the advancing of both the infrastructure and skills agendas and the devising of the Local Industrial Strategy with the Local Enterprise Partnership. The council is also now more effectively engaged at the regional level, deriving benefit for the people of Cumbria. Examples include the involvement it now has in the Borderlands Partnership, Transport for the North and Northern Powerhouse. The Borderlands Partnership comprises five local authorities and has secured £345m from the English and Scottish governments through its 'Inclusive Growth Deal'. At the national level, the council recently secured funding in principle of £102m from the Housing Infrastructure Fund for the new Carlisle South Link Road.

This is very positive and reflects an organisation that is increasingly looking outwards. The potential exists to build further on this approach, for instance with the emerging Lancaster and South Cumbria Economic Region where there is real potential to develop its leadership of place role further. Many partners we spoke to see the opportunity for the council to play a stronger leadership of place role and are keen for it to do so. Central to

this is the set of relationships across the two highest tiers of local government within Cumbria. The shadow of the unitary agenda still hangs over the county and perhaps the time has now arrived both to strengthen and re-set relationships in order to focus on the future for Cumbria and support integrated local service delivery. After all, strong place leadership entails the fulfilling of the ambitions and potential of an area through the harnessing of all the strengths and capabilities that it has to offer, irrespective of where they may sit. In that context, enabling and facilitating approaches come to the fore and ‘function’ assumes far greater significance than ‘form’.

Another element of place leadership that emerged through our discussions was the notion of how Cumbria positions and promotes itself, with one partner describing the county as “the UK’s best kept secret”. It is important to ensure the many and varied assets of the county – including its relative affordability, limited population density, economic diversity, availability of land, comparatively low levels of crime, heritage offer, two National Parks and three Areas of Outstanding Natural Beauty – are consistently talked up and people are able to see what Cumbria has to offer, including as a place to live and invest in, and the scale of its ambitions. It is, after all, already capable of attracting people, as seen with its 47m visitors annually.

4.3 Financial planning and viability

The council has risen to the financial challenge of the last eight years, both successfully delivering the £249m savings that have been required and meeting increasing demand pressures. This has been achieved at the same time as vitally securing improvement in Children’s Services.

Looking forward, the authority’s approach to securing financial sustainability is predicated in large part upon promoting the independence of residents in order to reduce demand in social care. This offers the promise of better outcomes for local people alongside the saving of resources. The authority has agreed a total of £22.7m of savings for the current financial year, of which £17.5m is planned to be achieved in the People Directorate through promoting independence. This figure comprises £15.4m from adult social care and just over £2m from children’s social care.

Positive steps are being taken around increasing independence, including the creation of 13 Integrated Care Communities across Cumbria, which sees health and social care professionals working with local GPs, the voluntary and community sector and local residents to provide more care within communities and support people to manage their own health and well-being. This should support the achievement of savings but we could not find evidence as to how the overall savings translated into local savings targets that were owned across the health and social care community. Therefore, it is vital that the council can reassure itself that the ‘promoting independence’ approach will take effect sufficiently quickly to achieve both the savings that have been agreed and a balanced year end position. A key part of the context for this is the council, whilst having increased its level of reserves by 50% this year, only having £15m in its General Fund to call upon.

Further context is provided by looking back to last year. Savings of £38.8m savings were agreed in 2018/19, with the council reporting that over 90% of these were delivered. During the same period, the People Directorate overspent by a total of £11.5m, of which

£8m related to the Children Looked After budget. However, this was addressed from corporate resources and the council achieved a balanced budget for 2018/19. The council has found the means by which to increase the budget for children's services for the current year by £8m but the latest reporting shows a projected overspend in this area of up to £4m.

Ensuring the savings for the current and future years are delivered requires robust plans, clear ownership and rigorous monitoring. Cabinet as a collective needs to be at the forefront of this. The council as a whole also needs to demonstrate resolve. We gleaned anecdotal evidence and a perception from some staff that changes implemented in social care assessments had been challenged in response to issues being brought forward on behalf of residents by elected members or MPs. This risks a 'double whammy' effect both on the finances of the council and the morale and motivation of its staff.

Focus is starting to be applied by the council to the financial years 2020/21 and 2021/22. Across those two years, in the region of £40m savings are projected to be required, with the source of most of these still needing to be identified. The vast majority of the necessary savings – equating to around £30m – are needed in the first of the two years. Whilst it is positive that the council is now looking two years ahead, we would encourage it to develop an even longer-term horizon for financial planning in order to ensure financial resilience and sustainability.

Clearly there are a range of financial un-knowns for the years ahead but many other authorities are working in line with what is known and combining this with their best assumptions and, as a consequence, finding themselves being able to identify opportunities, including jointly with partners, that otherwise may not have come to the fore. At the heart of the shift we are encouraging the council to make is what we see as the benefits of moving away from the budget process being an 'annual event' that absorbs significant capacity, leaves people feeling they are constantly in 'budget mode' and risks constraining thinking and options.

The council has delivered a capital programme over the four years from 2015 to 2019 of just under £500m. This included:-

- £90m of the £117m Infrastructure Recovery Programme set up to deal with the damage of Storm Desmond
- Three new care homes
- Working with partners, including Sellafield Ltd and the Copeland Community Fund, to create Campus Whitehaven which has seen the bringing together, onto a single site, of two existing schools (one secondary school and one special school) and the supplementing of this with a range of state-of-the-art sporting facilities for community use

Its future three year capital programme (2019 to 2022) totals £195m and includes the remaining £27m of the Infrastructure Recovery Programme and the council's contribution to the £112m Carlisle Southern Link Road but it excludes the balance as approval is sought.

The council has commercial – what it terms ‘enterprise’ – ambitions but we would encourage it to extend the scale of its ambition and consider opportunities that have yet to be tapped into. One example of the sorts of opportunities that might be explored is the opportunity around investment, potentially funded via the Public Works Loan Board (PWLB), in commercial property to generate additional revenue streams and promote economic growth. Extending the horizon for the council’s financial planning, with the refresh of the Medium Term Financial Plan that this would entail, provides the opportunity to extend the enterprise ambition and explore the types of opportunities that the council would find appropriate and feasible.

4.4 Organisational leadership and governance

The direction of the council, outlined at the start of this report and founded upon a clear vision, new ways of working and core principles designed to deliver the sought-after outcomes, is well understood and supported both internally and externally. The Council Plan 2018 to 2022 has been integral to achieving this and it is effectively underpinned by a range of related plans and strategies, including the Council Plan Delivery Plan, the Customer Strategy and the Workforce Plan. The council’s branding is also very strong – it is clear and is applied comprehensively and consistently and the impact of this reflects positively on the organisation.

The council agreed a new Performance and Risk Management Framework a year ago and performance, risk and the council’s budgetary position are reported collectively to Cabinet on a quarterly basis. A dedicated Scrutiny Performance Working Group receives the same information with the same frequency and considers Cabinet’s response to what has been presented to it. The council is now starting to look at adapting the performance and risk management framework to incorporate a geographical dimension to it in order to support the work of Local Committees and aid area-working. We would urge the authority also to extend the framework to cover its work on transformation, in order to ensure key elements, such as digital and promoting independence, are making the necessary progress.

As a council used to operating under No Overall Control, the authority has established a system of governance founded upon collaboration and mutual respect across the political groups. The maturity of the approach is reflected, for example, in the make-up of Cabinet and the allocation of Portfolios and the chairing of the Audit and Assurance Committee, Scrutiny Management Board and some of the Scrutiny Advisory Boards by members of the Opposition. Both the approach and the spirit that has been created are to be applauded and reflect positively on all concerned.

The Overview and Scrutiny function is valued and supported within the organisation and it plays an effective role. During the course of the last couple of years it has dedicated time to looking at a range of pertinent issues within Cumbria, including educational attainment, school exclusions, the Borderlands Inclusive Growth Deal, delayed transfers of care, proposals for changes to mental health services in parts of the county and sickness absence within the council. One thing to be mindful of is the desire on the part of backbench members that we met for what they saw as a greater degree of independence for scrutiny, both around the work programming and the way in which recommendations that are made are progressed to Cabinet.

The council has traditionally enjoyed positive relationships between elected members and officers. Central to this are relationships founded upon trust and mutual respect. This is aided further by officers being seen by elected members to be responsive to the casework issues that they bring forward. The council needs to be mindful though of the issue that we highlighted earlier, under 'Financial planning and viability', of the anecdotal evidence and perception that changes implemented had been challenged in response to issues being brought forward on behalf of residents by elected members and MPs and the effect this has on the morale and motivation of staff as well as the financial position of the authority. The example we cited was around social care but we understand the same issue exists in relation to highways and judgements around the prioritisation of repairs.

4.5 Capacity to deliver

The council can be extremely proud of the passionate, committed and high calibre staff that we met during the course of the peer challenge. Many staff at all levels highlighted to us that they feel both well engaged and valued by the organisation.

The council has a wide range of mechanisms in place both to communicate to staff, thus keeping them informed, and to engage them, through which they can contribute thoughts and ideas. Examples include blogs from the Chief Executive and Executive Directors, drop-in sessions for staff to meet with Executive Directors, the 'Ask Katherine' e-mail mechanism, work shadowing, Leadership Conferences and Management Conferences. The council does need to be mindful, though, of those staff in the parts of the organisation, such as highways and Cumbria Care, where communication is less straightforward given the nature of people's roles and more limited access to IT, which obviously acts as a key communications tool.

In terms of feeling valued, staff highlighted that the council both gives them the tools to do the job and invests in them. Agile and flexible working is enabled both technologically and culturally and people are welcoming of the opportunities this provides both in terms of how they undertake their roles and in facilitating work-life balance. Again, this feeling is not universal, but the approach is working well where it has been rolled out, which is in the vast majority of the organisation. Whilst there is some frustration around people needing to be able to log in in order to be able to use the systems, which presents a challenge where people are on the move and they thus have variable access, the work that has been done with partners to enable staff across different organisations to use any site – ranging from a library to a doctor's surgery or fire station – to be able to log in has proved to have a very positive impact.

The creation of Cumbria House is seen to have been a very positive development, from the perspective of both efficiency and aiding people in their work. The council does need to be mindful, though, of the perception risk around 'two tier office accommodation' given the variability of the quality of buildings across the county. Also, there is a question about a potential missed opportunity around supporting the co-location of local authority staff from both county and district level.

The council's willingness to invest in people is also a major contributor to staff feeling valued. Talking with staff, many offered very positive reflections on why they had chosen to come and work for the council, the way their progression has been enabled by the

authority and the opportunities for personal and professional development offered to them. We met people who had joined as an apprentice and moved on through the organisation, people studying for leadership or management qualifications up to and including Masters level and staff who had graduated from the council's own Social Work Academy. A lot of people referred to the importance attached by the council to 'growing our own'.

The council has recently revised the appraisal process and this has been welcomed by the staff that we met. They see what is now in place being less burdensome and bureaucratic and centred on the principle of it being more of an on-going dialogue than an annual event.

All of this has led to what people see as a significant change of culture in the organisation. The Workforce Plan has been central to the progress made, with its three strands around improving employee engagement, building on skills and behaviours and promoting employee well-being, and the Chief Executive is also seen to have been absolutely integral to what has been achieved.

Challenges remain, however, with the council being very aware of the issues it faces in relation to sickness absence and managing performance. Over the last three years sickness has reduced slightly from 13.21 days to 12.49 days but the level of sickness remains comparatively high for the sector. It is absolutely clear that the council is committed to the health and well-being, including the mental health, of its staff. It continues to apply a range of activities and initiatives to reduce sickness absence but it remains an intractable problem.

Stress was cited by staff at different levels as a key contributor to sickness absence and 'Reshaping' activity appears to be a factor here. The perception seems to be that the approach is one of revising the organisation on a tier-by-tier basis and therefore people are waiting for it to be applied at their level but without any clarity on timescale. Whilst a tiered approach was taken in restructuring at Executive Leadership Team level, we understand that a different approach has been adopted for the wider organisation, based on customer and service needs. This means different parts of the organisation will be impacted upon to different degrees and at different points. We would therefore encourage the council to strengthen communication with staff about the purpose and scope of 'Reshaping' to reduce levels of anxiety – all in a context of change being inevitable if the council is to continue to meet citizens' expectations and address the on-going financial challenges.

It is also imperative for the council to ensure managers are confident and supported when it comes to managing sickness absence and performance issues. The organisation acknowledges there is variability across the management cohort around people's willingness and ability to manage such issues and that this needs to be addressed.

Something that the council needs to be mindful of when it comes to developing people is a sense that emerged from our discussions with staff of the same people being asked to lead new pieces of work and projects. This risks simultaneously overloading them whilst limiting opportunity for others. The council recognises the issue and is committed to looking at ways in which to open up opportunities more and broaden involvement.

With the recently announced departure of the Executive Director - People to take up another role within local government and the temporary arrangements put in place with the

Director of Economy and Infrastructure role, there will be a degree of change at Executive Leadership Team level during the course of this year. This change needs to be managed effectively in order to ensure the council has the necessary capacity at that level to address the delivery challenges being faced by the authority, particularly in People Services, whilst also having sufficient leadership capacity to support the council in its place leadership role at both a county and regional level.

The relationship between the council's management and the trade unions that we met is seen, from both sides, to be very fraught. There is a stated commitment on the part of both to working constructively together for the benefit of the authority and its employees but, at present, this has not come to fruition. Such is the nature of the situation that we see external facilitation being necessary if the potentially highly valuable role that effective industrial relations can play in the strategic direction of the authority is to be established.

The council, with its NHS partners, has ambitions for the digital agenda – indeed it is seen as a key contributor both to the addressing of the financial challenge and improving customer service – and it has a very motivated team in place who are enthusiastic to deliver. Some progress has been made, for example the creation of a new council website and the re-design of some services. However, the council recognises there is much more it can do and, in line with this, we would encourage the authority to scope and cost its ambitions and then move on to formulate a new programme for delivery. In doing so, the council needs to be mindful of the risks around being able to secure the necessary expert capacity to support it.

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. Claire Hogan (Principal Adviser) is the main point of contact between the authority and the Local Government Association (LGA). Her e-mail address is claire.hogan@local.gov.uk

Follow-up visit

We are keen to continue the relationship we have formed with the council through the course of the peer challenge.

The LGA corporate peer challenge process includes a follow-up visit. The purpose of this 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 usually involves

some, rather than 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 Cumbria will commission its next peer challenge by 2024.