


LGA Corporate Peer Challenge

Southend-on-Sea City Council

11 – 14 October 2022

Feedback report





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1. Executive summary

Southend-on-Sea City has huge potential. The award of city status in March 2022 is bringing partners and residents together around a vision to guide the future development and direction of the city. There is a strong community ethos and pride amongst all those who met with the peer team. This strong community spirit saw diverse communities come together and support each other during the pandemic and in the aftermath of the tragic death of Sir David Amess MP.

The council is also leading on some major regeneration projects designed to bring prosperity and job opportunities to the city including the Better Queensway Development, Seaway Leisure Project, Victoria Shopping Centre and the Airport Business Park.

However, the approach to leadership, governance and decision making is stifling the council's capacity to progress as a city. Processes have developed over time which mean decisions are often debated on multiple occasions and this is slowing down the pace of decision making. This includes a high number of 'call-ins' to the Overview & Scrutiny function. Considerable energy is, therefore, being expended on the associated business support processes required around these meetings and this places additional pressures on both officers and councillors. This is also impacting on working relationships and trust between councillors and officers. A number of those who met with the peer team, including internal and external stakeholders, described the political decision making at Southend-on-Sea City Council as 'clunky', sometimes 'toxic' and often 'caustic and divisive'. This needs to be addressed.

Early in 2021 the council commenced a review of the constitution, and the Centre for Governance and Scrutiny (CfGS) were engaged to support this work. The council should complete and implement this review as a matter of urgency. As outlined by the CfGS, structural change alone will not improve the member and officer relationships and behaviours that are required. Constitutional change needs to be underpinned by an organisational commitment to behaviour change. It will be important to ensure that the councillor development and leadership development programmes are aligned with the council's agreed values and behaviours, supporting a more effective councillor / officer working relationship.

The recent appointment of a new, permanent chief executive in October 2022 has the potential to be a key turning point for the council as Southend-on-Sea transitions to a city of national and international standing. It presents an opportunity for the political leadership and managerial leadership to come together to address the council's governance and decision-making challenges, modernise council wide systems and processes in support of transformation and build positive culture change.

The council's electoral system involves election of one third of councillors every year for 3 years (with no elections in the 4th year). The council's position statement has highlighted challenges that this electoral cycle can present, particularly in the context a recent history of 'no overall control' (with a coalition administration in place). The peer team heard from a number of officers, councillors and external stakeholders about this challenge and how this is impacting on longer term strategic decision making and direction. It is the view of the peer team that the council should consider changing this election timetable as part of a proposed Boundary Review which is due to be implemented in May 2026.

Southend 2050, developed jointly with partners and residents, sets out the city's ambitions for the place around six key themes, along with a five year 'roadmap' of key projects to support delivery. A new council Corporate Plan (2022 to 2026) has also been agreed which seeks to articulate the council's priorities for the next 4 years in support of Southend 2050.

The council recognises there is still more work to do to communicate and engage, more clearly, on the council's priorities and the city's 2050 ambitions. The council should re-engage stakeholders on the Southend 2050 vision and council priorities. The council needs to be clear on the role of partnerships and collaboration in delivering the ambitions for Southend-on Sea City and the wider region. This will help to build a shared narrative about Southend-on-Sea as a new city and help to strengthen partnership working on agreed shared ambitions.

The council's financial management has been strong with the latest CIPFA Financial Resilience Index for the end of 2020/21 placing Southend-on-Sea City Council as the 13th most financially resilient out of 56 unitary councils.

However, challenges remain in the context of rising inflation, energy price cap rises and increases in the cost-of-living, coupled with rising demand. The council recognise that a number of assumptions used when setting the 2022/23 budget no longer apply. The council's Medium Term Financial Strategy (MTFS), agreed in February 2022, envisaged a budget gap of £24.0m by 2026/27. Month 4 monitoring reports are forecasting an overspend on revenue services of £14.5m for 22/23, with the majority of this linked to adult and children's services.

The council have commissioned specialist financial consulting and advisory support to help address this medium to long term deficit. In developing these plans, effective prioritisation, as outlined above, will be key. Effective governance and decision making will also be critical as the council will need to be clear about and take the difficult political decisions required to deliver a balanced medium term financial position.

Southend-on-Sea City has many assets, but there are issues associated with entrenched inequality and deprivation within some areas of the city. Over 39% of Southend-on-Sea's residents live in areas considered to be in the most deprived 30% in the country. The peer team would encourage the council to develop a consistent plan to address these inequalities and disparities across the city's neighbourhoods.

Harnessing the opportunities arising from joint work with the Association of South Essex Local Authorities (ASELA) will be key to tackling these inequalities and in supporting growth. It will be important for the council to ensure it continues to exercise sufficient voice and influence on ASELA in relation to the devolution agenda.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council. Many of these recommendations relate to the theme of governance and decision making. This reflects the need to ensure your approach to decision making enables the organisation and city to progress.

2.1. Constitutional Review

Complete and implement your constitutional review as a matter of urgency.

2.2. Organisational commitment to behaviour change

Underpin your constitutional changes with a clear organisational and visible commitment to behaviour change. It will be important to ensure that the councillor development and leadership development programmes are aligned with the council's agreed values and behaviours, supporting a more effective councillor / officer working relationship.

2.3. Election Cycle

Implement your proposed boundary review and, as part of this, consider changing your election cycle to whole council elections every 4 years.

2.4. Partnerships

Re-engage partners across public, private and voluntary sectors on Southend 2050. Establish how you will work in partnership to deliver shared outcomes for the city.

2.5. Prioritisation

Ensure agreed priorities are aligned to resources and capacity. Provide more clarity on the link between strategic priorities and delivery.

2.6. Communication

Communicate and engage with all councillors, officers and residents on agreed priorities to help build a shared understanding. Be clear about the difficult decisions required to deliver a balanced medium term financial position.

2.7. Modernise your council operating model, systems and processes

This will help support the required pace of change and transformation. In addition to modernising governance and decision-making processes (as outlined above), you need to ensure business needs are driving your operating model, for example the digital strategy, and that you have the capacity to deliver this. This includes work to implement your new data strategy and corporate data systems (including Human Resource systems)

2.8. Develop a consistent plan to address inequalities and disparities across the city and its neighbourhoods

The council should challenge itself as to whether the thematic nature of the Corporate Plan and Southend 2050 will address the entrenched inequalities and deprivation within some of Southend-on-Sea's localities and neighbourhoods.

2.9. Strengthen your voice and influence for the benefit of the City and South Essex in the wider regional agenda

It will be important for the council to ensure it continues to exercise sufficient voice and influence on ASELA in relation to the devolution agenda.

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Baroness Taylor of Stevenage, OBE - Leader of Stevenage Borough Council
- Rob Walsh, Chief Executive, Northeast Lincolnshire Council
- Councillor Keith Glazier, Leader of East Sussex County Council
- Sarah Clarke, Service Director, Strategy & Governance, West Berkshire Council
- Ann-Marie McCafferty, Improvement Officer, Welsh LGA (Shadow)
- Cindy Lowthian, Peer Challenge Manager, Local Government Association

3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its

priorities?

2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In considering these questions, the council asked the peer team to provide a particular focus on the governance and culture theme in the context of on-going work to review the council's constitution.

3.3. 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. The team then spent four days onsite at Southend-on-Sea City Council, during which they:

- Gathered information and views from more than 51 meetings, in addition to further research and reading.
- Spoke to more than 160 people including a range of council staff together with councillors and external stakeholders.
- Observed four council meetings (two in person and two on-line)

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and councillors.

4. Feedback

4.1. Local priorities and outcomes

Southend 2050, developed jointly with partners and residents, sets out the city's ambitions around six key themes, along with a five year 'roadmap' of key projects to support delivery. An LGA Corporate Health Check undertaken in April 2021 heard a 'strong and consistent message' concerning the high volume of priorities (within this) and how they are monitored and managed.

The council's position statement shows that work has been undertaken to address this through a review of the Southend 2050, including re-focussed milestones. This includes work to agree a new Corporate Plan (for the council) to better articulate the council's priorities for the next four years in support of Southend 2050.

There are still perceptions, both internally and externally, that there are too many priorities. The peer team heard

"we have done really well to set priorities, but we need to prioritise our priorities" and "goodwill - it will run out" and "we're chasing every rainbow" and "we want to be everything as a place; need to decide what the city wants to be".

Moving forward, the peer team would encourage the council to undertake a further prioritisation exercise to bring focus on fewer priorities – and then to communicate and engage, more clearly, on these and the city's 2050 ambitions. It will also be important to ensure that this work is aligned to resources and capacity to deliver.

A key challenge for the council is to ensure they have the right governance processes and capacity in place to progress from strategy and prioritisation to delivery. An example includes the Climate Resilience and Urban Greening Strategy. Peers heard from a number of stakeholders how more needs to be done to embed climate change considerations across all policies and decision-making and to build climate change leadership, capacity, ownership and delivery across all levels of the

organisation.

The council needs to ensure that governance, decision making and scrutiny (discussed later in this report) is enabling the council to deliver projects and programmes in support of its strategic priorities at pace, that decision making is evidence led and allows strategic transformation to happen.

The council's performance management framework involves the production of a monthly performance dashboard aligned to the Southend 2050 outcomes. This is circulated to Corporate Management Team and reviewed by senior leaders and cabinet councillors. The performance framework also includes a quarterly health-check to provide a snapshot of the overall health of the council, a bi-monthly 'outcomes success measures' report to Cabinet and an annual 'community insights' report.

The performance framework shared with the peer team is not yet aligned to the new Corporate Plan; the council recognise that it needs to be and have been working on this, with a revised framework due to be adopted imminently. The development of this, as outlined in the LGA's Corporate Health Check last year, provides an opportunity to bring a renewed focus on measuring 'outcomes' in addition to outputs, and to work with officers, councillors and partners on what is meant by an outcomes-based approach.

Key to this will be ensuring that all staff have a performance appraisal. Peers heard that there have been challenges with the Human Resources system and associated data recording. However, the latest recorded data seen by the peer team indicates that there is still more work to do in this regard with 55% of staff having had an appraisal.

A copy of the council's latest [Corporate Performance Dashboard July 2022](#) was shared with the peer team. Peers found the dashboard clear and user-friendly, including a clear RAG rating against the council's 45 key performance targets, eight of which are 'data only'. Of the remaining ones, the majority (21) are on course to achieve target (green). There are four that are rated as 'amber' and a further 12 are identified as being at risk of missing the target. The peer team were pleased to see how the dashboard includes narrative on the proposed actions being taken to address those areas which are at risk of missing the target.

The peer team also considered performance information drawn from the latest [LG Inform](#) data which is the Local Government Association's benchmarking tool for the sector. This shows how the council compares to their Chartered Institute of Public Finance and Accountancy (CIPFA) nearest neighbours.

In relation to children's services, the looked after children rate per 10,000 under 18 population is 71 which is lower than the average of CIPFA nearest neighbours at 85 (2020/21 figures). However, the council's performance monitoring report shows that this is increasing, with the rate for July 2022 standing at 78.52 and this has increased 12.64% compared to the same period in the previous month. Similar to other councils, there have been challenges associated with increased demand in children's services and increased costs of residential care placements for those with complex needs. The council is self-aware of these challenges and seeking to address them through building and sustaining capacity within the inhouse foster carer provision and engaging regionally in relation to the costs of the care market.

The latest Ofsted inspection in July 2019 rated children's services as 'Requires Improvement'. A focused visit in March 2022 looked at the arrangements for children in care and in unregulated or unregistered provision. Again, it found there was a self-awareness of the areas which need to improve and that recently appointed senior officers "*were making arrangements to oversee the progress of all children in care*". It highlighted challenges faced by the council in identifying suitable long-term homes and the work the council is doing to enhance capacity in this area.

Within Adult Social Care, the overall satisfaction of people who use services with their care and support was 71.1% and this is higher than CIPFA nearest neighbours (2021/2022). The council's latest monitoring report shows performance against 12 performance indicators for adult social care and health integration. Most of these are 'on target' with the exception of five areas.

Similar to other councils, increased demand, complexity and market forces are particular challenges faced. Peers learned how health and social care reform places Southend-on-Sea City Council within an Integrated Care System (ICS) covering Mid and South Essex. The council will need to ensure it has the capacity to engage within the new system. It is important that the council uses the proposed changes to governance and decision making (outlined later in this report) as an opportunity to

strengthen health scrutiny within the new health and social care landscape.

Peers were pleased to see that the council's performance is better than the average of their CIPFA nearest neighbours in relation to 'average 8 attainment score' (educational attainment for pupils at the end of key stage 4 in 2021/2022), time taken to process housing benefit claims (2022/23 Q1), processing of planning applications within target timescales (2022/2023, Q1) and recycling rates (2020/2021).

Housing affordability presents a difficult local context for the council and as a result, an area where council compares less favourably than the CIPFA average relates to the numbers of households in temporary accommodation (2021/2022, Q4). The rate is also slightly above the national average for all unitary authorities. Documents relating to the development of a new Local Plan show how Southend-on-Sea (and South Essex) experiences challenges associated with affordability, overcrowding and homelessness when compared to the national average. Peers were pleased to learn how the council has identified the delivery of affordable housing as a corporate priority. The council are also using the development of the new Local Plan, to be submitted before the end of 2024, to facilitate a conversation on future housing delivery for the city.

The peer team were impressed with the council's commitment to strengthen equality and diversity. They particularly enjoyed meeting with the council's Corporate Equalities Steering Group to learn more about the council's on-going work to support equality, diversity and inclusion. A number of equality staff forums are in place including the BAME forum, Disability and Carers forum, Outreach (LGBT) and Multi-faith and belief forums.

4.2. Organisational and place leadership

As outlined above, Southend-on-Sea City has huge potential including the award of city status in March 2022. Work to develop a City Centre Strategy and Investment Plan has involved over 438 people through interviews and thousands engaged in libraries and community spaces. This sets out the vision for the new city which is built around using Southend's independent spirit to shape a different kind of city, with an emphasis on the role of arts, culture and the creative industries.

The council is leading on a number of impressive regeneration initiatives including the Better Queensway Development, Seaway Leisure Project, Victoria Shopping Centre and the Airport Business Park. Peers heard how a successful round one bid to the Levelling Up Fund of £19.9m aims to deliver visitor economy improvements focussed on Leigh Port, the Cliffs Pavilion and wider seafront. A second round saw two Levelling Up Fund bids, to support culture-led city centre regeneration and highways improvements, submitted over the summer.

Southend-on-Sea City has many assets including its geographical location within the Thames Estuary, a strong tourism offer, growing creative sector, blue-flag beaches, enviable transport links and almost 600 hectares of parks and green space.

Similar to many other coastal areas, there are issues associated with inequality and deprivation. Over 39% of Southend-on-Sea's residents live in areas considered to be in the most deprived 30% in the country. There are 9 neighbourhoods (out of 107) in Southend-on-Sea falling into the 10% most deprived in the country. 14% of Southend-on-Sea's children live in low-income households and there is health inequality between wards, with a life expectancy gap of 9 years for males and 10 years for females between the most deprived and least deprived wards.

Peers also heard that there are challenges associated with community safety and perceptions of safety. LG Inform data shows that in 2022 Q2 (12 months ending) the city was ranked 48 out of 59 of English unitary authorities for victim-based offences (one being the lowest). The council's latest resident survey shows that most residents feel safe during the day (81%) but fewer than half (43%) feel safe at night, significantly lower than the LGA benchmark at 79%. There are also disparities in these perceptions across the city.

The peer team would encourage the council to challenge itself as to whether the thematic nature of key strategies, including Southend 2050 and the Corporate Plan, will address these disparities and inequalities. Does the council need to develop a different approach to the way it works across localities to address inequalities and disparities across the city and within neighbourhoods?

The council is the accountable body for the Association of South Essex Local Authorities (ASELA) which facilitates joint working and collaboration with neighbouring authorities. A Growth and Recovery Prospectus for the region sets out

a number of joined up proposals and projects to drive change for people and businesses. It will be important for the council to ensure it continues to exercise sufficient voice and influence on ASELA in relation to the devolution agenda

The peer team found that there is a strong enthusiasm and willingness from public, private and voluntary sector partners to engage and collaborate with the council. This saw councillors, officers, partners and residents come together during the pandemic to support each other whilst still keeping day to day services going and delivering on key programmes of work. It also saw everyone come together and support each other following the tragic death of Sir David Amess MP.

As the council and city look to move forward from the pandemic and shape the new city, the council has an opportunity to re-engage partners on vision 2050 and communicate, more clearly, on a set of priorities which are shared and understood by all. The new communications strategy (under development) provides an opportunity to re-engage and build a shared narrative for Southend-on-Sea as a new city, the type of city it wants to be and bring officers, councillors, partners and residents together around this.

Peers heard about the council's on-going commitment to engage Southend-on-Sea City's diverse communities. This includes work with the voluntary and community sector including investment in a community investment fund, examples of co-production in both adult and children's social care, a pro-active Youth Council and an on-line engagement platform. A Residents Perception Survey is carried out every 18 months and a Community Insight report is produced each year to support decision makers.

A consistent message shared with the peer team is a need to ensure that this pro-active engagement and consultation is meaningful, and that feedback is given on outcomes. This was articulated by a number of external stakeholders who told the peer team that they want the council to "*please make sure something positive happens or people will feel fatigued* (in reference to the new City Centre Strategy) and "*we have heard it all before, do you really mean it?*"

As outlined throughout this report, governance, decision making and scrutiny at the council (discussed in more detail below) will stifle the council's place leadership role and the ability to progress as a city if not addressed. Some external partners were

frustrated about how some of the politics were playing out and the implications in terms of strategic decision making, delivery and the city's image.

4.3. Governance and culture

A strong and consistent message from this Corporate Peer Challenge is that the council needs to improve leadership, governance and decision-making processes and behaviours. There is a need to implement changes arising from a review of the constitution as a matter of urgency as the current approach is stifling the capacity to progress as a city.

Working practices and processes, developed over time, mean decisions are often debated on multiple occasions and this slows down the pace of decision making. A recent example includes the decision to change the council's corporate branding and logo which has taken over eight months to implement. The process has involved a cross-party working group and five council meetings (two scrutiny meetings and three cabinet meetings).

The council has a high number of scrutiny 'call-ins' and/or referrals to scrutiny committees. The Annual Governance Statement for 2021/22 shows five reports were called-in from the Cabinet or referred directly for scrutiny by the People Scrutiny Committee, twenty reports were called-in or referred to the Place Scrutiny Committee for review and sixteen reports were called-in or referred directly to the Policy and Resources Scrutiny Committee. A recent benchmarking exercise, undertaken by the council, showed how the council called in more decisions in one month (July 2022), than 21 authorities did in a whole municipal year.

The council's decision-making process involves the referral of minutes of all committees to the full council which can stimulate further debate and discussion. Again, this duplicates business which has already been debated in other meetings.

Considerable energy and capacity are expended on the associated business support processes required around these meetings and this places additional pressures on both officers and councillors in terms of duplication, time, administrative demands and timeliness of some reports. The peer team found that this is impacting on working relationships and trust between councillors and councillors and officers.

A number of those who met with the peer team, including internal and external

stakeholders, described the political decision making at Southend-on-Sea City Council as 'clunky', sometimes 'toxic' and often 'caustic and divisive'.

The peer team heard how 16 formal standards complaints have been received so far this year and at the time of the peer review, 11 of these were still live and at some stage of the process. The council's position statement indicates that the number of formal complaints relating to councillors has increased from an average of 4 per year for 2012-18 to 35 a year for 2020-21.

The council is self-aware and has sought to take a number of actions to improve governance, decision making and culture. This work is detailed in the council's position statement and includes a review of the councillor and officer protocol, completed in November 2020. It also includes support to both officers and councillors through training and development. A new councillor development programme – co-designed with councillors – has been put in place. A dedicated Councillors Support Office is being created as part of a Business Support review and will support all 51 councillors with a specific offer to Cabinet, opposition, and back-bencher councillors. It will also be the first point of contact for councillors to help resolve councillor enquiries and casework. The Councillors Support Officer will oversee the councillor development programme.

Early in 2021 the council commenced a review of the constitution, and the Centre for Governance and Scrutiny (CfGS) supported this work. Recommendations arising from this work, shared at the meeting of the General Purposes Committee in October, are aimed at bringing about change to the attitude and approach for transacting effective and timely business at the meetings of Cabinet, Scrutiny, Council and also informally.

The CfGS report makes a number of recommendations relating to the strengthening of the overview and scrutiny function through stronger oversight, forward work planning and pre-decision scrutiny, proposed call-in changes (so that this focusses on fewer, but more fundamental issues), strengthening cross-party approaches, clarity on public involvement (at meetings) and the scheme of delegation. The council should complete and implement this review and associated recommendations as a matter of urgency.

As outlined by the CfGS, structural change alone will not improve the member and

officer relationships and behaviours that are required. Constitutional change needs to be underpinned with a clear organisational and visible commitment to behaviour change. It will be important to ensure that the councillor development and leadership development programmes are aligned with the council's agreed values and behaviours, supporting a more effective councillor / officer working relationship.

The council's electoral system involves election of one third of councillors every year for 3 years (with no elections in the 4th year). The council's position statement has highlighted challenges that this electoral cycle can present, particularly in the context of close political numbers and a recent history of 'no overall control' (with a ruling coalition). The peer team heard from a number of officers and councillors that this can impact on longer term strategic decision making and direction. It is the view of the peer team that the council should consider changing this election timetable to full elections every 4 years, as part of a proposed boundary review which is due to be implemented in May 2026.

The recent appointment of a new, permanent chief executive in October 2022 has the potential to be a key turning point for the council as Southend-on-Sea transitions to a city of national and international standing. It presents an opportunity for the political leadership and managerial leadership to come together to address the council's governance and decision-making challenges, modernise council wide systems and processes in support of transformation and build positive culture change.

4.4. Financial planning and management

Over the past 2 years (2020/21 and 21/2022) the council's financial management has been strong. The latest CIPFA Financial Resilience Index for the end of 2020/21 placed Southend-on-Sea City Council as the 13th most financially resilient out of 56 unitary councils. Both the Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) budget made a surplus.

The council has a structured approach to developing its financial strategy which includes a 10-year Financial Sustainability Strategy, a 5-year Medium Term Financial Strategy and a Capital Investment Strategy aligned to the Southend 2050 outcomes.

The peer team found that the finance team are respected and capable and that the council has demonstrated a sound approach to the management of its finances over the past 10 years.

The council recognise that the current economic context (rising inflation, energy price cap rises and increases in cost of living) coupled with rising demand, will mean there will be difficult decisions ahead. This includes a recognition that a number of assumptions used when setting the 2022/23 budget no longer apply. The council's MTFs, agreed in February 2022, envisaged a budget gap of £24.0m by 2026/27. In the context of current year pressures this gap is likely to increase. The council's month 4 monitoring reports are forecasting an overspend on revenue services of £14.5m, with the majority of this linked to adult and children's services. This includes a rise in children in care numbers and pressures in learning disability and mental health services within adult social care.

The council's total revenue earmarked and unearmarked reserves (including general fund, school balances and Housing Revenue Account) were £149m and capital reserves £54.3m in March 2022. The council's position statement describes the reserves position as strong but recognises that whilst providing protection against pressures being experienced, they cannot be relied upon indefinitely.

Peers heard how the council is implementing a number of approaches – through a budget and service transformation programme - to help address the medium to long term deficit including a review of third-party contracts, a proposed organisational structure review and a review of the capital investment programme. The council has also put into place, at the start of this financial year, a set of 12 budget planning principles for the organisation to follow. The peer team also heard how the council have commissioned specialist financial consulting and advisory support to help shape the council's budget and service transformation programme.

There are opportunities, through this budget and service transformation programme, to develop a wider strategic approach to budget setting which is outcome focussed. This should involve continuing work (already started) to build wider ownership and understanding amongst senior leaders, councillors and officers of the significant budget challenges ahead including the national context and rising demand.

Peers heard how a 'Getting to Know Your Business' programme for service

managers is designed to support managers to improve productivity and efficiency. The peer team found mixed levels of understanding on this. There is more work to do to provide clarity on the approach and embed this across all service areas. The council have recognised this as this forms part of the 12 budget planning principles agreed.

Moving forward, the council needs to maintain focus on fewer priorities, ensure these are aligned to resources and communicate and engage on these, and the city's 2050 ambitions. As outlined throughout this report, effective governance and decision making will be critical as the council will need to be clear about and take the difficult, longer term political decisions required to deliver a balanced medium term financial position.

In relation to the capital budget, while some capital schemes were delayed due to the impact of COVID-19 in 2020/21, others, such as refurbishment schemes, could progress. Levels of slippage were still relatively low in 2021/22 and 88% of programmed spend incurred within year. The capital programme budget for 2022/23 was set at £99.1m with some mid-year adjustments. Similar to other councils, the programme has been impacted by supply chain issues and high construction cost inflation.

The peer team were impressed with the council's current approach to the management and review of its capital programme. The council is undertaking a capital programme review process to consider what schemes should stop, pause or defer and this work is being aligned to Southend 2050. An Investment Board has a particular focus on capital expenditure and reviews and challenges business cases

The council's external auditors have not yet completed the 2020/21 or 2021/22 audit of accounts. An update to the Audit Committee in July 2022 shows how this is as a result of resourcing issues faced by the external auditors. The external auditor has indicated that they anticipate both audits would be completed by the end of 2022.

4.5. Capacity for improvement

Officers and councillors who met with the peer team are passionate and committed to Southend City, its people and to making a difference. As outlined in the LGA's Corporate Health Check in April 2021, everyone had pulled together towards an

emergency response during the pandemic whilst keeping day to day service delivery going. At the same time, the council advanced significant programmes of work. Both councillors and officers are rightly proud of this response.

Officers who met with the peer team described Southend-on-Sea City Council as “close knit”, “resilient”, “friendly” and “exciting, with lots of opportunities”. Similar to the findings of the Corporate Health Check in 2021, officers are clearly proud of the work they do. There was a particular pride in the council’s work to attract external funding and of the re-generation programmes underway to help shape the new city.


Discussions with both councillors and officers show that there is still a consistent message around prioritisation – perceptions about a large number of priorities and a mixed level of understanding about how priorities within Southend 2050 and the new Corporate Strategy align.

Officers and councillors need to strengthen and build this clarity of understanding which will help link strategic priorities to delivery. This on-going engagement of both officers and councillors will also be important in the context of the council’s budget and service transformation programme (as outlined above).

As referenced earlier in this report, there is also more to do to embed performance appraisals across all directorates. Peers heard that there have been challenges with the Human Resources system and associated data recording, but if these figures are accurate, this is not adequate. The figures shared with the peer team indicate a mixed picture for the number of appraisals completed across each directorate, from 73% of staff within Finance and Resources to 34% in children and public health. Just over half of all staff have had their performance appraisal. The development of the new performance management framework, aligned to the corporate plan, will provide an opportunity to help address this.

Over the past few years, the council has undertaken work to modernise and transform through the Future Ways of Working (FWoW) programme. This involved a programme of work aimed at modernising the workforce, systems and processes in 2021/2022 and beyond. This framework was built around delivery of Southend 2050 outcomes and included themes around governance, decision making, ways of working, financial sustainability, skills, the green agenda and more.

Peers heard how this framework has recently been replaced by a refocussed



transformation programme and people vision aligned to the new corporate plan. Key elements include creating visionary leadership, staff wellbeing, learning and development, diversity, recruitment, hybrid working and empowerment with detailed plans setting how of these elements will be developed over the next 4 years.

This on-going work should address a number of organisational development (OD) challenges highlighted to the peer team. These include perceptions of silo working within some service areas and a need to modernise the Human Resources (HR) software system to facilitate the production of accurate and timely data in relation to the establishment and makeup of the workforce. The current system is being upgraded but there is some frustration about the length of time that this is taking.

Other HR challenges are associated with workforce planning, recruitment and retention. The council's performance report outlines particular challenges within children's services where the percentage of agency social workers is above both the England average and that of the council's statistical neighbour. The new People Vision provides an opportunity to promote the benefits of working at Southend-on-Sea City Council, to grow talent and review approaches to succession planning.

Critical to this work will be the need to ensure that Southend-on-Sea City Council is seen as one of the employers of choice in the region and that both officers and councillors continue to be proud to work at the council. Reputation is key.

Addressing the governance and decision-making challenges highlighted throughout this report will be fundamental to this.

Those who met with the peer team saw appointment of the new chief executive as a key turning point for the council. The new Chief Executive will have a key role to play, working with the political leadership and Corporate Management Team (CMT), in helping to build the council's visionary leadership ambition. In doing this, it will be important for the new chief executive to bring stability to the Corporate Management Team. At the time of the Corporate Peer Challenge, a number of posts on CMT were interim.

The council's position statement shows how the council has invested in both member development and officer leadership development programmes. Moving forward, it will be important to review these to ensure they are aligned to proposed changes in governance and decision making, agreed corporate values and behaviours and

support positive culture change

The council's SMART strategy for Digital and Technology (2021-2024) presents the overall strategic direction for digitalisation and use of technology with the aim of supporting Southend's journey to becoming a Smart City. It highlights a number of challenges that need to be addressed including a vast legacy estate and duplicate data bases. Whilst COVID-19 has accelerated progress in relation to agile working, there is still more work to do. The council needs to ensure business needs are driving delivery of this strategy and that there is organisational capacity to deliver this.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Rachel.Litherland@local.gov.uk. Principal Adviser for East of England, is the main contact between your authority and the Local Government Association. Rachel Litherland is available to discuss any further support the council requires.