

Corporate Peer Challenge Torbay Council

30 November- 3 December 2015

Feedback Report

1. Executive Summary

Torbay Council embraced the opportunity of its recent Corporate Peer Challenge (CPC) to explore fully the wide range of opportunities as well as significant challenges it faces now and into the future. We thank the political and managerial leadership, staff and stakeholders of the council for their positive efforts in doing so and believe that the CPC should become a key milestone in helping the council map and deliver its on-going improvement plans.

Perhaps the most fundamental question that was addressed during the CPC was the future financial viability of the council. The Peer Challenge team's clear and unequivocal feedback is that the council is viable now and can be in the future if it addresses some of the core issues outlined in this report. Many other councils face similar or greater financial challenges than Torbay, and are finding ways to meet them; Torbay can do so too but it will require strong, determined and purposeful political leadership.

The financial challenges facing the council are clear and pressing now and this will continue into the medium term. They will therefore require prioritised attention and pace to address and then drive to deliver the changes needed. This will require good leadership, an effective application of governance arrangements and an environment where senior officers and partners can raise issues and initiatives without fear, favour or agenda.

Everyone at the council from the Mayor, through to elected members, senior officers and on to staff and partners need a clear medium term direction to be set, a plan to achieve it and effective processes to help implement it. These are core issues of leadership and governance and ones we strongly recommend you address.

There are a range of issues about how the council strategically manages its services and addresses the expectations of its communities and key stakeholders in an increasingly financially challenged environment. For example, there is a need for the council to identify and deliver upon an anticipated funding gap of approximately £32m or 30% over the next 3 years. Aligned to this will be how the council and its partners tackle rising demand in a place where there is a higher than national average of elderly people and equally where there is a significant need to improve upon the outcomes for young people across Torbay, especially those looked after in residential care and the financial imperatives associated with this.

There are also key issues about how the council influences the shape and well-being of Torbay and its residents into the longer term i.e. a vision for the next 10-20 years. It is crucial in terms of attracting investment, garnering confidence and encouraging growth, that stakeholders are

positively engaged in designing and working with the council to develop a compelling narrative into the future of a prosperous and healthy Torbay. This will provide the 'road-map' for future priorities and plans.

The council does have some building blocks in place or developments that should help instil some of the confidence we referred to above. It is a multiple Award Winning council and has already made £50m worth of savings from its budget over the last 5 years. It is also putting in place some of its core plans for the future. There is a Corporate Plan (2015-19) and The Local Plan will be finalised in December 2015. There is an underpinning Economic Strategy and a Draft but soon to be finalised Housing Strategy.

We saw a council putting in place some admirable core values for its managerial leadership and staff and we would encourage something similar for your politicians too.

We met many truly inspiring staff members who are eager to improve life in Torbay for its residents and visitors. Underpinning the core values is an emphasis on integrity and this is reflected in a range of existing progressive and inspiring partnerships, notably your health and social care integration. Indeed we found external partners who understand the council's problems but more importantly want to help. However, currently many partners are very disillusioned by the lack of a clear common purpose and sense of direction and a feeling of being constrained rather than empowered. It is very important that you seek to engage better with partners for now and into the future.

We trust the messages in this report are clear and helpful. The spectre of "non-viability" which we encountered on the first day with the council needs to be exorcised. With that knowledge the urgent work needs to commence to set a strategic vision for Torbay and a sustainable financial plan for the council. To do so the council must tackle some critical issues. Most notable of these is the need to deliver upon its Children's services five year plan. To enable the above to happen the political and managerial leadership of the council must work in harness and with purpose, not just internally but with partners across Torbay and beyond as this is fundamental to making any tangible and sustained improvement. There are core issues to address around capacity in certain key areas, the blurring of roles, the need for clarity of purpose, actions around your governance arrangements and a renewed focus on transformation and pace.

It is the team's opinion that if these issues are owned, addressed and prioritised for action then the council has, with its partners and with on-going critical friend challenge, the wherewithal to address them.

2. Key recommendations

We have outlined our main recommendations below:

Understanding and Leadership of Place

- Develop a clear long term, high level vision for Torbay that is agreed with key stakeholders
- Develop a clear communication and engagement strategy for the above to embed it with partners and the community
- Develop and understand Torbay's place in the national and regional context

Finance

- Develop a Medium Term Financial Plan which covers the period of your corporate plan and which demonstrates how Torbay will be viable and meet the budget challenges it faces
- Ensure the delivery of the Children's Services 5 Year Plan creates a stable financial platform for the future
- Ensure robust due diligence of the decision and timing of the transfer of Children's Services to the Integrated Care Organisation (ICO)

Leadership and Governance

- Implement more effective working practices in relation to governance and especially in respect of transparency and political decision making
- Engage with an external provider for training on the constitution, and the respective roles of officers and members
- Full Council to reconsider the recommendations and report of the Centre for Public Scrutiny
- Provide peer support and mentoring for chief officers and elected members to support their capacity and provide guidance as the key changes that are required are made
- Develop and deliver an organisational succession plan so that your leadership capability and capacity issues are addressed

Capacity

- The perceived spectre of "non-viability" needs to be exorcised
- Continue to develop and deliver an organisational development and workforce plan
- Review the capacity of your political and managerial leadership to help you meet most effectively the future challenges you are facing

- Review and invest in the training and development needs of senior members and officers
- Invest in or identify through reprioritisation appropriate capacity to deliver organisational and business transformation at pace
- Establish clear plans with key targets and milestones for the delivery of your Corporate Plan

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Torbay Council were:

- Trevor Holden, Chief Executive - Luton Borough Council
- Stuart Drummond, ex-Mayor - Hartlepool Borough Council
- Cllr Alan Jarrett, Leader - Medway Council
- Chris West, Executive Director Resources - Coventry City Council
- Andy Felton, Acting Head of Transformation - Staffordshire County Council
- Sheila Smith, Director of People and Communities – North Somerset Council
- Paul Clarke, LGA Challenge Manager

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. 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?
4. 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?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

As part of the process, Torbay Council specifically asked us to challenge their financial viability, in addition to corporate capacity with an emphasis on workforce, and the effectiveness of leadership and governance arrangements. We have addressed these within the main body of the report.

Additionally we held a very productive session with over 25 of your staff group and they raised a range of issues about the council. They recorded many strengths about working for Torbay Council and we thought it would be useful to capture these as well as a range of suggestions they also made for how the council could improve. We have summarised these very briefly in bullet form in the appendix to this report.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement-focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The 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 4 days onsite at Torbay Council, during which they:

- Spoke to more than 180 people including a range of council staff together with councillors and external partners and stakeholders
- Gathered information and views from more than 45 meetings, a virtual tour and visits to key sites in the area and additional research and reading
- Collectively spent more than 260 hours to determine their findings – the equivalent of one person spending more than 6 weeks in Torbay

This feedback letter provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (30 November – 3 December 2015). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

The council has a good understanding of the challenges for Torbay. The economy is weak and needs growing, there are significant pressures in Children's Services, there is a higher than average and rising elderly population, affordable housing is in short supply and there are significant areas of deprivation and a range of town centre issues.

In response to the above the council is working hard with many of its partners. It has recently adopted a Corporate Plan, up to 2019 which outlines its ambitions for a more prosperous and healthy Torbay. That plan highlights a range of significant successes: the landmark development on Torquay's waterfront, the progress of White Rock Business Park, the near completion of the South Devon Link Road, the restoration of Torquay's promenade and the thriving fishing industry in Brixham.

The council will be adopting its Local Plan in December 2015 which sets in place a development plan up to 2030 with an emphasis on growth through 9,000 extra houses and 6,000 extra jobs. Both the Corporate and Local Plan are underpinned and informed by a range of core strategies and key evidence resources which all demonstrate an understanding of local place, for example the Joint Strategic Needs Assessment and the council's own Economic Strategy.

This core understanding is translated into clear priorities for action for the council and its partners and the successes that have been achieved through health and social care integration and community safety with a focus on addressing anti-social behaviour are testament to what can be achieved.

In our view Torbay would benefit from the creation and promotion of a longer term and sustainable vision for Torbay and a compelling narrative which articulates the council's and its partner's ambitions for the place. Many of the building blocks to inform this are in place and therefore now is an ideal time to really focus upon what Torbay will look like in 2030, what the environment and growth prospects are, how you will build and diversify your economy and tell a story which encourages investment and describes the ambitions that all community leaders have for 'The Bay'.

This vision and subsequent plan to deliver is important if Torbay Council is to play its full part in regional and national initiatives. For example, it should shape Torbay's engagement in its LEP and inform

what it is looking to achieve from discussions about a devolution deal with Government. It is our view that neither of these are sufficiently clear at present.

We advise that such a core task as outlined above should be created, owned and promoted by the political and managerial leadership of the council and its key partners. It would be a great advantage for the place to have one, clear and joined up plan with key stakeholders across Torbay signed up. This would provide a clear statement of intent. Such a plan should be underpinned by a robust evidence base and community/business buy-in. The Peer Review team felt that such an approach would be both inclusive and communicate a leadership style whereby all stakeholder contributions are welcomed and valued.

At present the need for purposeful political engagement with partners is not always evident and as a consequence many of your partners are frustrated. In our view the absence of the above is significantly holding the council and Torbay back. We also found inconsistent messages about priorities both within the council and across partners. Essentially what is missing is a clear and unequivocal 'read across' of priorities and as such some had greater weight depending upon who you spoke to and where they were from. We think that the consequences of this are a lack of focus, pace and impact.

There is a clear frustration among many key partners about the lack of an overall strategic plan, but at the same time a real commitment to 'the Bay', an understanding of the problems it faces, and a real desire to work with the council to improve things. This is a major strength that can be tapped into and we would urge you to rekindle your engagement from the Mayor downwards with your partners.

Our advice is to begin this work at the first opportunity. Based upon a clear strategic direction for the future you will collectively more readily grow the economy of Torbay in order to sustain services to your community. You have a core focus on tourism but as you know it will be crucial to ensure there is a broad and sustainable range of industries and services that will require encouragement to ensure a sustainable future for Torbay. As outlined already those demographic pressures are clear and growing and many of the challenges must be addressed now. Key to this is the recognition that fundamental decisions about doing things differently with less resources is a given and although this presents challenges it also provides now this real opportunity to reframe Torbay's future.

4.2 Leadership of Place

We have highlighted your wide range of partnership working and this is a real strength and if developed further can support your capacity and effective leadership of place. You have demonstrated some very effective outcomes, notably the way you, in partnership have dealt with anti-social behaviour across Torbay. This is an area of good practice that we are all taking away from the peer challenge.

Some of your leading internal stakeholders were especially commended by your partners, notably your Executive Director and senior officer team. The evidence for the impact of these relationships and effective place shaping we saw or heard about in examples of regeneration evident right across Torbay which had been led or enabled by the council: the Torquay Harbour development, Brixham Fish market, Innovation Centres, Paignton Library etc.

The council has also worked purposefully in several areas towards 'system leadership'. The shining example we heard and saw at first hand was the successful integration of adult health and social care, which dates back several years now and again, is an exemplar of good practice which is recognised nationally. Likewise your influence and responsibility for place leadership goes beyond Torbay and you are an important contributor to Plymouth's City Deal and the developing devolution ambitions across Devon and Somerset.

Our challenge to you in this section is now about taking those solid attributes and building upon them. You do have ambitions for jobs and growth and we advise you to now align these to match the bold new plan we referred to in section 4.1. We saw this as that core 'golden thread' and evidence base where you have a narrative of what Torbay will be like in 20 years, you describe what you will do to enact that and then have clear plans to deliver against them. Once that vision is in place you can readily wrap your Corporate Plan, Local Plan and key strategies for Housing and Economy around this and then set in place realistic delivery plans with key targets outlined and a performance culture that will see this through.

We encouraged you to help develop just one overarching Torbay Plan supported by an effective strategic partnership forum so that as one external stakeholder told us 'You have all the key players in the tent at the same time.' You can then build upon your partnerships strengths and work with purpose on your approaches to amongst other things: social housing, Business Improvement District plans, health and well-being and being engaged with the Local Enterprise Partnership with a clear mandate.

The council's Corporate Plan and the Mayor's manifesto promises which are contained within it give you a good opportunity to present that increasingly needed system leadership in a shrinking public

sector environment across Torbay. Those promises such as being a place where town centres are revitalised and thrive to build economic prosperity, where inequalities of health, wealth and opportunity are addressed and where you celebrate and champion the diversity of your population and every individual, organisation, business and community is encouraged to play an active role in the life of Torbay are all or should be deliverable through effective partnerships.

We believe you need to work hard and relentlessly now to demonstrate that your political leadership is genuinely engaging with partners and that the council is not seeking to micro manage or take control. In our short time with you we saw some strong partnerships but equally issues of real concern. We and some of your partners saw you as somewhat introspective and demonstrating to some extent as one of your external stakeholders said a 'victim culture of a cash strapped council' where things were done to you. As we have outlined at the start of this report you can be financially viable, you do have a good partnership foundation and you do have ambitions for place. Our challenge is be more bold and put Torbay on the map on a regional and national stage.

4.3 Financial planning and viability

Torbay Council has in recent years chosen to freeze council tax and take the grant on offer from central government. In the last five years the council has also made savings of over £50m. The council has done well to make the savings required and balance its budget but the next 5 year period will test it significantly as its financial resilience has been steadily reduced.

As a place Torbay faces significant financial challenges, some of which are specific to its geography, size and local economy but some have also been exacerbated by a significant increase in the number of and spend on looked after children for whom the council is responsible. As such the council has been overspending against its set budget in this area in particular and that is not sustainable.

Additionally, challenges around demography, deprivation and service performance are not unique to Torbay and many other unitary and metropolitan authorities around the country are equally grappling with such issues. You need a clear focus on your service and finance issues in children's but beyond that we all saw a council with very similar challenges to the ones our Peer Challenge team encounter all the time. Our clear message is that you should be able to tackle these matters.

We spent time during the CPC with the council's external auditors. They reported no major concerns to us. Furthermore the Mayor and the Executive Director have confidence in the s151 officer. Additionally, during our four days with the council, where we spent some considerable in depth time considering the council's finances we have no concerns about the technical skills and capability of the finance team.

It is important to report here that despite the issues above the council has always balanced its overall budgets to date and is out to consultation on a balanced budget for 2016/17. As such our considered view is that the council should be financially viable over the short to medium term. This is a key and resounding message from this peer challenge and one that the council really needs to galvanise itself to first acknowledge, accept and act upon with renewed purpose to make sure it remains viable into the longer term. This does not diminish the significant challenges that will be required to remain financially viable but those challenges are about setting a clear political direction and enabling your officer team to deliver against it.

In our short time we provided the s151 Officer and the Executive Director with suggestions on a range of ways that they might achieve savings in the medium term. Our strongest advice is now reserved for the Mayor, his Executive Leads, council members and senior officers and it is that they now need to consider a wider range of options to secure their financial future. These would include how the council deals with asset sales and associated developments, how it prioritises, commissions, procures and delivers services and how it works with partners. We believe the council should be both strategic and forensic in its approach and as one internal stakeholder said 'Everything should be on the table'.

There are deep rooted and long standing issues in the financing of children services in Torbay. A number of key stakeholders reported to us that they were not convinced that the financial objectives in the Children's Services 5 year plan are achievable. It is our considered view that stabilising Children's spend at a lower but sustainable level is critical and this must be urgently addressed and thereafter be kept under the closest of scrutiny. This would, of necessity include monitoring of thresholds, gatekeeping, care planning and levels of risk. Furthermore, we know there are medium term plans to move children services into the Integrated Care Organisation. In our view there are significant financial and operational risks associated in doing this prematurely and we would advise that this should only be done when it is clear the plan will be delivered and spend stabilised at manageable levels, i.e. it has passed those key due diligence tests.

Given the intention to make this move within the next 2 years it is self-evident that this is a key recommendation.

We spent some time looking at your financial capacity and despite the good level of technical understanding within the finance team and especially the expertise of the relatively new s151 officer we do have some concerns about the structures for financial management in Torbay. As we have described the medium term strategic financing of the council will require significant input from the Executive Lead of Finance and the Chief Financial Officer. In our view the political portfolio for finance is going to occupy a lot more time going forward, requiring greater focus and capacity, and therefore its future positioning is a critical consideration.

For historical reasons finance staff in Children's services have been managed separately to the remainder of the council's finance team but we seriously question the validity of this going forward when the delivery of the Children's 5 year plan is mission critical to the future of the council overall. Furthermore, as you develop into more of a commissioning organisation and your services are delivered via a range of delivery mechanisms we would also advise you have finance expertise on behalf of the council represented on you key partnership and commissioning bodies.

We read a 200 page document which gave detail of the delivery of savings and changes around financing for the forthcoming period. However, there was no one place where this was summarised into a clear and straightforward document that everyone either at a senior political and very few at officer level in the council could understand and most importantly take responsibility for. The complexity of detail within the budget papers virtually makes it inaccessible to the community, partners and staff. We would advise that you produce such a summary and use that to begin to dispel the myth that you are not financially viable, because you are or more importantly with clear political and managerial will you should be.

It is crucial you now have a sustained focus on the council's finances and we believe you would benefit from a single transformation programme to deliver the savings and change initiatives. This does not need to be a new or separate change programme of itself, it can and should be mainstreamed and in our view the Senior Leadership Team for the council should be the Programme Board and the Children's Services 5 year plan should be one key element of that corporate Transformation plan. Torbay's overall financial health is inextricably linked to reducing costs for Children's Services.

In the long term, Torbay needs to plan to become financially self-sustaining. You should start as a bare basic with a 3-5 year medium

term financial plan. However, we would also draw your attention again to developing that longer term vision for the place underpinned with a coherent economic plan that will drive business rate growth and reduce dependency on services. Aligned to this is the need for a Housing Strategy that will deliver homes, council tax growth and for the present at least New Homes Bonus. Finally we would also encourage you to look afresh at how you might best enhance your commercially driven Tourism strategy as this is a prime opportunity for you to drive further revenues for the Torbay and the Council too and as part of that consider a range of trading options. This advice is absolutely consistent with our view on the need for one long term plan for Torquay

4.4 Organisational leadership and governance

You had local elections in May 2015 and therefore very recently elected a Mayor for the next four years. As already outlined the Mayor highlighted in the Council's Corporate Plan for 2015-19 a range of manifesto promises. These promises and the Mayors mandate are clear.

We saw examples of some positive member-officer relationships within the council and we would strongly encourage you to build upon these where and whenever you can. Furthermore, we heard time and again about your good and personal relationships within and beyond the council and again we would encourage you to build upon that strength and the real potential there is in being as one internal stakeholder called the council a 'nimble unitary authority.'

We were very impressed with the purposeful way you are embedding core values into and across your staff group. You are developing a mantra of being adaptable, forward thinking, people orientated and working with integrity. It will be important to hold true to these values, test their application and reinforce them through the actions of your senior officers and indeed members too as we would strongly encourage them from the Mayor downwards to demonstrate those same values and behaviours.

You were keen to take on the opportunity of the Corporate Peer Challenge and you specifically asked us to comment upon your financial viability, leadership and governance and capacity. As such it it's clear that you are opening yourself to external challenge and if you act upon that it is clearly the sign of a developing 'Learning Organisation'.

You underpin your progressive values with some key processes. You have monthly member cross party briefings and we saw that you are

developing positive approaches to encouraging more staff engagement and better internal communication. Indeed we are very happy to report that we saw real staff engagement and met people who had pride in working for the council.

Importantly, we spent time before and during the peer challenge reviewing your constitution, which is based on the model one. We are happy to report that in our view you have a very workable constitution. As such it is doubly important that both members and officers understand the constitution and work within it.

There are issues that will have a direct impact upon your leadership and governance in the short term. Specifically, in May 2016 there will be a referendum about your future governance model from 2019 and beyond, essentially a choice between a mayor or a leader and cabinet. Increasingly this will take time to plan and prepare for and then respond to once the outcome is known. You need a clear plan to manage this.

Although we reported that we saw some positive member and officer relationships we also saw member and officer roles and responsibilities which in our view were blurred in practice and this needs addressing.

We highlighted three core areas in our feedback to you which we strongly encourage you to focus on going forward:

- Members should focus on policy and strategy
- Officers should provide advice and manage services
- The 3 statutory officers have a clear responsibility to advise members, enforce standards and maintain boundaries

We found different levels of understanding around how to maximize the benefits of your constitution and governance to drive improvement. There were some very basic misunderstandings and to an extent myths around process. You also have a range of new members and executive leads just beginning to establish themselves and they will obviously benefit from support. The role of the Chairman as you review your arrangements will have a significant influence and that will benefit from being reset and thereafter maintained. It is important that you revisit your constitutional processes and ensure everyone is crystal clear how it should operate in practice and who has or should have delegated powers both politically and managerially.

As part of the above we would strongly encourage officers to present issues without fear, favour or agenda and for members to endorse this. Furthermore we would also suggest you spend time reviewing a

range of issues that were reported to us, for example, how you were managing perceived conflicts of interests amongst all councilors, from the Mayor downwards or how you ensured effective reporting back to full council from members who were on representative boards etc. It is very important that all councilors are clear about their responsibilities and decision making powers. This will only serve to improve your decision making and transparency.

We heard that you had commissioned with external funding an external review of your Overview and Scrutiny arrangements and indeed we read, what on the surface appeared to be a very coherent report with specific recommendations. We understand that this was reported to full council and we would advise you to revisit the recommendations, especially in the light of our comments on governance and decision making, and consider how such changes might improve the working practice of your constitution.

You have understandably undergone a number of changes and restructuring of your senior management in the last year or so. In truth you have managed to reduce your senior leadership team from 28 to just 9. This has been necessary and we completely understand the reasons why you undertook those changes. The milestone of this peer challenge would be a good time to reflect upon the outcomes you have achieved through these changes and consider whether you have capacity issues in any critical areas going forward, essentially in the areas which we have identified as recommendations in this report and particularly in relation to leadership and governance.

Overall you have seen a significant shrinking in your workforce in the last 2-3 years. In our view you people management policies and practices have not kept pace and this has sucked capacity from your transformation plans. We are clear that you are addressing this now and are putting in place more rigorous approaches to people and performance management but this really does need a focus and a strong 'golden thread' tie in to your corporate plan and new core values.

Earlier in this report we referred to you as somewhat introspective. Frequently we heard from a range of stakeholders you were small, unique and very different. Our team hailed from very different places across Local Government but in truth we recognised many of the challenges you face as ones we do too. As such we would also advise you to look beyond Torbay as you build your capacity. As part of this we believe you would benefit from some extended critical friend challenge and support to help you with your leadership and partnership opportunities.

4.5 Capacity to deliver

We have highlighted very favourably your developing approach to employee engagement. We have raised several times in this report the very strong sense of pride your staff have in the council and Torbay and how dedicated they are to improving outcomes for citizens.

You also have a good track record for gaining external funding and partnership buy-in. Two great examples we will take away with us from the challenge are the Integrated Care Organisation and the excellent opportunities you have engineered and benefited from through the Children's Innovation Fund work on SWIFT.

We have also reported on a range of good examples of transformation delivering efficiencies through procurement and commissioning, notably adult social care and how you have created both enhanced capacity and capability to deliver a range of key strategies through more flexible delivery models.

There are areas that we believe you now also need to build upon which will enhance further your capacity to deliver. First and foremost is the need, of which you are both aware and acting upon to develop clear delivery plans arising from your corporate plan. These delivery plans need to be established in the short-term.

We saw and it was reported to us many times that you are using a disproportionate amount of your own leadership, management and partner capacity on governance and relationship issues. This time is being absorbed in part due to the misinterpretation of the existing governance framework. This, as already highlighted is an area that will require significant attention and will be an acid test for you.

We do believe there are capacity issues within your political and managerial leadership that will be important to address. We have made reference to the credibility of the Executive Director and his senior managers with partners. Equally we have referred to the Mayor's mandate and the appointment of a range of new Executive Leads. However, alongside this we have also highlighted a range of issues that will require significant attention: vision, economy, financial viability, transformation, core areas such as adults and children's services etc. You have made conscious decisions to reduce your headcount, the nature of posts within your senior team and also whether they are full or part time. Your Constitution also lays out the roles and responsibilities for the Mayor and his executive leads. Given the range of issues we have referred to we would suggest you review your existing arrangements in respect of these and question yourself

afresh as to whether you have sufficient capacity in the core areas politically and managerially that we have highlighted in this report.

We fully endorse the message that transformation is everyone's business and should be mainstreamed. However, we did feel that you were underestimating the extent to which that transformation requires both capacity and specialist capabilities to successfully deliver at pace. We heard from more than one stakeholder that "change is an 'add on' to peoples roles".

Your existing HR system and processes are "off the pace" and perceived as a barrier to transforming. We know you recognise this and work is in progress to address it and we would encourage you to expect 100% reporting on some key elements of effective people management, for example that everyone in the council from the Executive Director down has an appraisal and that people are held to account if this is not the case.

It was reported to us that some officers and members often take an introspective view of Torbay, with only limited evidence of using wider peer networks and support to expand knowledge and ideas. This is an area that we feel you could more readily engage in.

Finally, you do undertake member training and that is positive but this now needs to evolve rapidly into effective Member development, i.e. an emphasis on practice as well as learning. You have a range of new or less experienced Members and they need to be given good opportunities to learn and grow into their roles.

5. Next steps

Immediate next steps

We appreciate you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the Council 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. Andy Bates, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Andy's contact details are: Tel 07919 562849 andy.bates@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this letter to help inform your ongoing consideration.

Follow up visit

You have already asked if members of the peer challenge team would revisit the council in January 2016 and work with you to: present the findings of the report to a wide range of stakeholders and work with the council and them to initiate an action plan to help you begin to implement the recommendations from the peer challenge. This is very positive.

Likewise the LGA is committed to supporting your improvement plans for the longer term and will work with you as a critical friend and challenge to help you review progress against that plan over the next 12 to 18 months.

Appendix

Staff feedback and recommendations

As part of our workshop we asked the staff members present to highlight the areas which the council did well. Some of the suggestions we have listed below

- Partnership working
- You are an adaptive and resourceful council
- You are good at problem solving and being creative
- You have good internal communications
- Your core focus is on customers and clients
- You pride yourself on taking care of staff within financial constraints

Likewise we also asked for suggestions that the council could do differently or better to improve and again some of the suggestions we have listed below

- Quicker decisions
- Set a 3 year budget
- More effective use of technology
- Be more commercial
- Improve member and officer relationships (demarcation)
- Be clear about priorities and non-priorities
- Members facing up to the real challenges of Torbay
- Learn more from other places
- Develop a unified purpose
- Improve our public perception
- Be 'one' council
- Improve some of our processes
- Core focus as a commissioning council
- Empower staff to 'just do'
- Need to focus on growing Torbay