

Corporate Peer Challenge

Trafford Council

21-24 November 2016

Feedback Report

Executive Summary

Trafford is in an enviable position. As a borough it has a wide range of social assets: high educational attainment, relatively low crime rate, high proportion of good quality housing in many parts of the borough, relatively high employment and internationally recognised sporting infrastructure. Many local authorities would be envious of a social base as strong as Trafford's.

The council has strong and credible political and organisational leadership. It is playing a strong role in the wider Greater Manchester work alongside the other nine local authorities. Fundamentally, Trafford Council provides good core services which are good value for money for local people. Services for older people, as well as those relating to environmental services and planning are performing well. Children's services, although it has experienced pressures in the last twelve months, has performed well in the recent past and is moving back towards that previous level of performance. The council and Trafford CCG are making good progress on integrating health and social care services. This work is innovative and progressive and when it is complete in the next 12-18 months will see joined up working by the two largest public agencies in the borough not just for older people, but people across the age range – from the very youngest to the elderly.

Trafford is a financially challenged authority. It has balanced its revenue budget and delivering previous planned savings as Government grant funding has reduced in the last four years. However, the scale of the future financial challenge should not be underestimated. By 2020 the council has identified a cumulative funding gap of £42m. The council has reduced its financial reserves since 2013, using between 4.2% and 12.2% of reserves dependent on the year, to help it cope with reduced Government funding. Difficult decisions will need to be made sooner rather than later to reduce demand (particularly on areas with large calls on demand such as social care), reduce service or generate significant extra income to ensure the medium term financial sustainability of the council.

In the past the council has performed strongly across a wide range of service areas and a significant amount of work has been completed to date. Overall, the borough is relatively affluent, but there are still areas of the borough which are amongst the most relatively deprived and have remained so in recent years. The council and partners have sought to recognise this and focus on future efforts by ensuring 'closing the inequalities gap' is a key measure of their 'proof of concept' future place based locality working model.

The next era of local government will be different. Funding from Government will be much lower and the council must now concentrate on a smaller number of priorities in order to better ensure it can have a strong impact for those local people who really need it.

The council has started work on developing a new vision for Trafford. This work needs a revisit before it progresses further to ensure senior members and partner agencies really buy in to the key areas of focus which will make the most impact for local people. The initial work undertaken is useful but now needs to be grounded in a strong understanding of local people's priorities and a stronger sense of ownership across the council's political leadership. This is fundamental to building an effective vision. Positive relationships exist with other public, private and voluntary sector organisations in the borough and the council can play a strong role in using this to shape this work to ensure a genuine sense of all

organisations being 'in it together' to improve the lives of local people.

Within the council, to gear up the organisation for this transition and different ways of working three key building blocks need to be further worked on - organisational development, communication and culture change in order to release capacity and talent within the council.

Recommendations

The key aspects of the team's findings that we suggest would deliver the greatest benefit if the council were to focus on them are:

1. To determine a smaller number of priorities as you develop the supporting work to underpin the new vision for Trafford, in order to better ensure the council and its partner agencies can target resources on those that need the most.
2. To strengthen ownership of the vision build on the existing work but ensure this is grounded in a strong understanding of local people's priorities and a stronger sense of ownership across the council's political leadership.
3. To use the Trafford Partnership to shape a future vision and priorities to ensure all organisations will work together in a much more collaborative way to improve the lives of local people.
4. To revisit the council's work on organisational development to ensure the council is focused on transforming the culture of the council to empower staff, streamline processes and communicate with staff effectively.
5. To ensure during the transformation towards a different kind of council this yields a reduced revenue budget by bringing forward more ambitious budget reduction proposals for 2017/18 and 2018/19.
6. To reduce demand for some council services, especially social care, by managing risk to vulnerable people in a more appropriate way by working closely with other public agencies in the borough.

Summary of the peer challenge approach

The peer team

On behalf of the team, I would like to say how much we enjoyed spending time in Trafford to work with you on the recent corporate peer challenge. The team very much appreciated the welcome we received and the positive way with which people engaged in the process and the support provided in the lead up to, and during the course of, the challenge.

It is testimony to the council's desire for constructive external insight that Trafford commissioned the peer challenge. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

- Rob Walsh, Chief Executive, North East Lincolnshire Council (lead peer)
- Cllr David Renard, Leader, Swindon Borough Council (Con)
- Cllr Jon Collins, Leader, Nottingham City Council (Lab)
- Kim Curry, Director of Adults, Health and Wellbeing, Doncaster MBC
- Neil Shaw, Principal Adviser, Local Government Association

Scope and focus

You asked the peer team to explore the following four issues:

- The place – how the council can make a strong impact on key priorities for Trafford, including an in-depth focus on health and social care integration
- Governance and decision-making – the effectiveness of governance including leadership
- Partnerships – how the council and its partner agencies can have a stronger impact on Trafford priorities in the future
- Reliance – how residents can be supported to be less reliant on council services

The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read. There are a series of guiding questions for all corporate peer challenges which the process usually explores:

- 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?
- Leadership of place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
- 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?

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

The first three of these issues were explored within the context of the first two areas of focus the council selected itself. The latter two issues were explored in parallel to the areas of focus the council selected.

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 focus. 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 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 between 21 and 24 November 2016, during which they:

- Spoke to more than 100 people including council staff together with a number of councillors and external partners/agencies and stakeholders (particularly in relation to the local economy and the health agenda).
- Gathered information and views from meetings, a visit to Altrincham town centre, Trafford Park, Trafford Waters and additional research and reading.
- Collectively spent more than 160 hours to determine their findings – the equivalent of one person spending more than 4 weeks at the authority.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit. 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.

Detailed feedback

The Place

1. The council is keen to explore how it can make a strong impact on key priorities for the borough and was particularly interested within this for an in-depth exploration of the progress it is making on health and social care integration. Trafford is a diverse place. It has a wide range of local communities, from towns like Altrincham and Hale with relatively high incomes and high value properties, to areas like Stretford, Old Trafford and Partington which are more challenging (with higher levels of deprivation, poorer health and lower levels of employment); residents across the household income spectrum and ethnically diverse communities. Collectively, elected members understand these localities and their often, very different, issues within the borough.
2. The Leader has provided a clear steer on how Trafford should be different within the next generation. Currently this vision has been expressed as 'no one held back, no one left behind'. Senior officers have been working in recent months on identifying the specific priorities (and projects) to translate this vision into a deliverable programme based around eight emerging work streams. This 'translation' is a work in progress. Members and some groups of staff have been engaged in the early part of the process to get some initial feedback. Developing a new set of deliverable priorities can be a challenging process. So far, the process has been driven by a very 'data rational' approach. There are some real strengths in using data, performance information and building an evidence base to inform the council's work. However, it is currently unclear how this work is built around what communities need based on research/feedback on key priorities direct from local people. Senior members need to provide a more active steer on this work in order to own the vision, the work which will deliver this and a clearer understanding of which issues the council should focus on. An away day session for senior members might start to shape some of that input in a more active way.
3. The peer team considered how well the council is currently achieving priorities for Trafford within the context of the council's major service areas. The council delivers good services on the whole which are good value for money overall when compared to similar local authorities. On Children's services, the council received a judgement from Ofsted in 2015 that services were 'good' overall (and 'outstanding' in leadership and its work for care leavers). Over the last 12-18 months Children's services has come under increasing pressure through more young people entering the care system. The number of looked after children has increased from 338 in September 2015, to 356 in September 2016. The number of open cases has risen by approximately 1,000 in the last twelve months and the number of children with a child protection plan has increased by 50% (from 216 in September 2015, to 320 in September 2016). The management team recognise that this is the possible result of a number of factors, including the national 25% increase in children in the family welfare system. Staff understandably want to retain their 'good' rating but practitioners also have to feel comfortable in moving to a practice base that takes proportionate and effective action at the right point. The service is clear about what it needs to do to address these issues and an action plan is place. The council must closely monitor this plan, particularly in the context of the significant change agenda,

to be assured that performance is improving.

4. Adult's social care services are maintaining performance across most indicators but need to focus on increasing the number of people receiving a direct payment and on reducing the level of delayed transfer of care. Performance has been maintained despite the need to reduce budgets as part of the council's overall spending reduction plans. Good progress is being made in reshaping the adult care agenda. Conversion rates are reducing which indicates that the council is improving its ability to manage demand for social care. The council wished the peer team to explore the approach to health and social care integration in depth and this is examined in more detail later.
5. In the last twelve months the council has refocused its waste collection, street cleansing, highways and property services through a large-scale contract with Amey. Trafford has the highest level of waste recycling of any Metropolitan local authority in the country – they recycle 62% of their waste. It is too early to judge the effectiveness of the contract overall and it will be important to ensure a strong contract management approach to ensure this is delivering effective outcomes for local people, compliance to service standards and unintended financial consequences.
6. The performance of the planning service has improved over the last year or so. 100% of major planning applications and 80% of minor applications are now processed within timescale. This performance has improved over the last twelve months. The council has placed significant emphasis on building new homes. It has set a challenging annual target of the number of housing units with full planning consent (700); number started on site (300) and number of completions (250). It is currently exceeding this target. However, the council does not have a robust five-year housing land supply and this should be a keen priority to help better control its housing building objectives. Trafford's economic development and housing objectives sit within a wider Greater Manchester Spatial Strategy. This is currently out to consultation and members should be aware of the critical importance of the successful adoption of the framework and the required political leadership to ensure that is the case. Some authorities take a more interventionist strategic approach to making things happen in terms of economic growth and development. A strategy for economic growth across the borough will be consulted on in January. There are good examples of specific projects, for example, the development of Altrincham town centre.
7. The borough has some very good schools. Educational attainment in Trafford is well above the national average, with 70.8% of young people attaining 5 GCSEs A*-C (including English and Maths). This attainment level is one of the borough's biggest assets.
8. The council's leisure services are undergoing significant change. In 2015 the council formally recognised that previous arrangements with the outsourced service provider were not working effectively and the function was moved into a community interest company. The council has recently decided to use significant prudential borrowing to fund a £24m investment in the service. Given the challenging financial position, the council needs to ensure this project is backed by a clear plan to service the debt and manage the financial risks.

9. In summary, Trafford is a borough with significant attributes on which it can build. For example, it has the lowest overall crime rate of all the ten Greater Manchester boroughs. The borough has a significant number of good schools and educational attainment is higher than the national average. However, it has struggled to improve social outcomes for key parts of the borough over the last generation. There are significant health inequalities within the borough, with relatively high levels of obesity, smoking, alcohol and substance abuse in places like Old Trafford and Stretford. Therefore, although the borough overall is doing well, it still faces challenges in ensuring all local people can take advantage of some of the great local opportunities to attain a well-paid job and good quality housing.

Health and social care integration

10. Partnership working with NHS colleagues at Trafford Clinical Commissioning Group (CCG) and Pennine NHS Foundation Trust is mature and performing well and progress on health and social care integration is further developed than many other authorities across the country. The development of the locality plan, which is ambitious and bold, is a direct result of the strength of the relationships. There is a history of partnership working in Trafford between the CCG, council and the provider trusts. The partnership began in Children's services 10 years ago and experiences and lessons of that work have usefully informed the development of the 'all age provider' service. Difficulties in relationships with the CCG appear to have been resolved in the last 8-12 months and staff at all managerial levels report the current relationship as being significantly better, much more productive and one in which there are no organisational boundaries with solutions to issues sought in the interest of citizens.
11. This has been galvanised by the work on the Greater Manchester Transformation Fund bid which is due to be submitted at the end of January 2017. The pace of change in the council is widely recognised to be significant and challenging for some. This has had a beneficial effect on NHS partners as they have changed their pace to keep up with the council and progress the integration agenda. The 'Trafford Pound' is often mentioned and there is a very real sense of people working together to deliver good and better outcomes.
12. Staff feel supported within their team structures and feel proud to work for Trafford Council. Social work staff say that they feel social work as a profession is valued and important. As a result retention rates are good and staff genuinely appear to enjoy working for the council despite increasing caseloads and increasing complexity of the cases that they work with. The DASS/DCS is well thought of and staff say she is visible and approachable. This style is replicated throughout the management team with staff saying that they have no hesitation in talking about issues and raising concerns in the knowledge that managers will do their best to resolve things both for and with them. This is a very sound basis to work from and the council should seek to confirm a Corporate Director of Children, Families and Wellbeing (CFW) appointment as soon as possible to bring the stability required for the next stage of transformation.
13. The children's and adults' service agendas are owned by the council's corporate management team and the CFW Corporate Director and her team acknowledge and

feel that support. For example, the Deputy Chief Executive is leading on the delivery of the premises element of the locality plan which will see new models of care and GP services delivered in locality bases such as Timperley library.

14. The delivery of integrated services through the all age health and social care integration plan and what the officers describe as the 'butterfly model' is ambitious and challenging. The focus of this model is the Trafford Care Co-ordination Centre. The Centre went live in January 2016 and provides critical commissioning information and makes sure that resources are effectively targeted. This represents a significant investment for the CCG of £12.57m over five years. The Centre model appears to be working well at present with the limited number of conditions that are referred through it. The council will need to make sure that once all referrals are flowing through the Centre that it has the capacity and resources to make sure that the volume of activity can be managed effectively and that the information that the Centre provides is timely and accurate so that commissioning activity can be flexed to changing need and seasonal variations.
15. The next stage of integrated commissioning - the purpose, function and form - requires further development. The locality plan identifies integrated commissioning as one of its five 'pillars' with a target date for implementation of April 2017. There is good progress on joint commissioning in individual areas of activity such as sexual health, early help, carers and developing market understanding. This is undertaken with the CCG and also with other councils in Greater Manchester and officers work well together in delivering joint commissioning specifications and solutions. Plans are being developed for the next stage of joint commissioning. The development of the next stage of the plan which is to build upon the good operational work happening between commissioning staff within the CCG and council is important to provide a focus and shared sense of understanding about the future and to agree the governance and financial arrangements for integrated commissioning. This should be expedited as soon as possible of the deadline of April 2017 is to be met.
16. Plans for integrated provision with Pennine NHS Foundation Trust are well developed and highly ambitious. The model of professional and line management accountability retains the integrity of social work whilst acknowledging its importance in a multi-disciplinary context. It is clear that the council has learned lessons from the progress in children's services. The management appointments to the structure have progressed well. What is less clear are the timescales for the integration of adult social care into the locality model and what this means for staff working in locality teams. Some adult social care staff are aware of the very high level ambition to move to an all age, multi-disciplinary locality model but on the whole they are less aware than staff working in children's social care of what this will look like and what it will mean for their working practice. Some staff reported that they were not familiar with the integration plans, the 'three conversation' model or how the locality model would work.
17. Given the high level of staff commitment it is imperative that the council engages more widely, with adults' staff in particular, on the integration plans to make sure that the enviable levels of commitment and pride are maintained and staff continue to feel valued and involved. Sickness absence levels will need to be monitored during the implementation of the integration model as this could be an indicator that staff are not

feeling engaged and communicated with well and regularly and in ways which they find most accessible.

18. The workforce implications of the all age integrated management structure require more scoping. The blending of different professional cultures and building of relationships takes time and dedicated space to make sure that new teams understand their respective roles and responsibilities and are able to explore how their skills and experience can complement each other and improve outcomes for local people in Trafford. Some early work has started at Ascot House to bring together the grade 3 support staff and band 3 therapy staff into a single new role which can take on more complex tasks and a starting point for a career structure and pathway that provides a practitioner as well as management route. There is also work going on between the council and Pennine Trust to look at joint appraisal mechanisms for staff and developing value statements and principles for the new organisation along with branding. This, along with good communication, will be critical in helping staff to feel part of the new organisation.
19. A significant challenge for CFW and the partnership agenda in Trafford is the alignment, balancing and management of the expectations of Greater Manchester against the best use of the 'Trafford Pound' for local people. Greater Manchester work takes up a significant proportion of officer time and targets set for Trafford by the Greater Manchester authorities, delayed transfers of care being an example, have resulted in cost pressures for the council and its partner agencies. The locality plan for Trafford is the borough's contribution to the Greater Manchester Sustainability and Transformation Plan and the Greater Manchester plan for 2020 to deliver the Greater Manchester-wide budget gap in health and social care. The requirements of Greater Manchester are over and above the work that is happening in the borough with partners although it is all aligned. Because Trafford has a challenging demographic profile in Greater Manchester the pressure is that Trafford has to over perform for the Greater Manchester ambition to be realised. The council is clear that it will deliver for Greater Manchester but also do what is right for Trafford. Stating its difference there will be a need for persistence to make sure that its needs are not overlooked.
20. Trafford has very different issues to many of the other Greater Manchester members particularly in relation to the provider market and its needs to work in Trafford specific solutions. The number of self-funders in Trafford and the ability of providers to charge very high weekly rates and choose who uses their services is a significant source of inequity. The council and its partner agencies are limited in their ability to influence the price that providers charge and so are seeking different solutions to the problem which could include the development of new facilities wholly or partly owned by the public estate. The council and its partners should continue to work with providers to influence the situation as far as it is able and to make sure that the inequality that exists does not increase further.
21. Performance in children's services has been declining in recent months, most significantly looked after children and children subject to a child protection plan. Caseloads for social workers are increasing and there is an overspend on the looked after children budget currently. In adults services delayed transfers of care has been a persistent problem for some time and remains an issue. The Q2 data for 2016 indicates that 46 older people have a delay in their transfer of care from hospital to

social care. A target has been set by the Greater Manchester Health and Social Care Chief Officer to bring the level of delays down. Performance is mid table on most other indicators. Staff feel that caseloads are increasing in both numbers and complexity and that more time is now being spent on safeguarding than was previously the case. Deprivation of liberty safeguards and best interest assessor work has increased as a result. There are plans in place to address all of these issues and the council is well aware of what it needs to do with the DASS/DCS having regular assurance meetings and taking a very active role in tackling performance issues. What the council will need to make sure is that, given the very significant change that the all age integration plan brings, performance is maintained and improved where necessary to give assurance that the plans are improving outcomes for citizens. Where functions are being delegated to Pennine Care, the improvement of social care performance, particularly in relation to safeguarding both adults and children, must be assured and the existing robust governance maintained to do that.

22. The Children and Families Directorate propose to save £9.9m in 2017/18. This includes a £946k efficiency saving through improved reablement. The total is largely made up of the full year effect of savings started in 2016/17. Given the increasing costs being incurred in CFW on children's placements and the cost of care for adults, plus the Greater Manchester requirement to tackle delayed transfers of care, it is very difficult to see how the savings target will be achieved in one year. The savings total could helpfully be, if it is not already, profiled across the 'care ladder' to give a better understanding of what this means for numbers of people in different services, service changes, attrition and activity. This can then be translated into targets for teams and individuals through appraisals and supervisions sessions. Staff need to have an understanding not only of the budget but of the impact of their decisions on that budget and what this means in terms of outcomes for individuals and service performance. Similarly the interdependencies of various programmes of work, such as the further development of the Centre and the introduction of the 'three conversation' model will have an impact on the ability to deliver such an ambitious target. These interdependencies need to be clearly understood and mapped.
23. The current growth in demand for children's and adult's social care has financial implications (and risks) for the council. The council needs to be clear on how it intends to manage overall demand for services and to decide if reducing demand is a truly realistic aspiration. The overall financial implications are explored in more detail later in the report.

Partnerships

24. Beyond health and social care the peer team explored the effectiveness of the council's wider partnerships. The council works extensively with a range of public, private and voluntary sector organisations. Strategically many of these agencies work together through the Trafford Partnership. This body co-ordinates the strategic activity of the larger partner agencies. This is a work in progress and the Partnership has significant potential to make a stronger collective impact on outcomes for local people by buying into a vision and this shaping their collective work more effectively. More needs to be done on shaping the vision for Trafford in practical terms for all the agencies and to strengthen the ownership of the vision.
25. The council have a strong current working relationship with Trafford CCG at a strategic and operational level. This is a good example of this closer collective working based on issues affecting the local population. The CCG gave the peer team very positive feedback on the nature of the current working relationship, which they described as 'working extremely well'. This is beginning to bear fruit in practical terms in the closer working explored earlier in this report.
26. The peer team found good examples of how the council works with local businesses. The work on the Altrincham BID is just one example of this. At a more strategic level could the Trafford Partnership have a stronger role to play? One of the council's biggest pieces of collaborative working is with the other Greater Manchester authorities through the Combined Authority. The GMCA is well-established and progressive. Trafford plays a full and active part in this work which is high profile. The Leader and Chief Executive have prominent roles and provide strong leadership in this area. The recent Greater Manchester reforms around health and social care, should in time, see significant changes to the public sector landscape. Much of this work is at an early stage. The peer team's brief was not to explore the Greater Manchester-wide work, but it is useful for the council to keep an eye on how well the Greater Manchester work delivers on Trafford's priorities. The work around employment/skills and improved performance in the health sector (through the two local hospitals local people predominately use) will be particularly significant.
27. The project to share human resource service provision with Greater Manchester Police is interesting and challenging. This is a good practical example of wider partnership working. Operationally, the council received really good feedback from the police on joint partnership working on policing operations and the Safer Trafford Partnership appears to be strong. In summary, the council has a range of strong partnerships particularly with other public sector agencies. The overall challenge will be to ensure these are delivering outcomes for local people.

Reliance

28. The nature of local government is changing and the council recognises that individual residents and groups will play a significant role in delivering positive outcomes. The reducing level of revenue support grant from central Government has strong implications for Trafford as outlined later in this report. The council is keen to explore ways communities can do more for themselves thereby reducing the requirement for a call on council services. The council's work on developing the ability of residents

to do more for themselves is in progress. With the exception of isolated examples within some service areas, the council has potential to do much more to build community resilience. Strengthening vulnerable individuals and communities in particular will play a key element in building community resilience.

29. To deliver on improving community resilience there needs to be a clear understanding of what key pieces of work will drive this agenda. Getting people into paid employment is probably the strongest single way of improving someone's resilience. There is already a strong local and regional economy. There are opportunities to work in a more joined up way with organisations like JobCentre Plus to provide employment support, better signposting to training and individual support for long-term unemployed people. The approach which authorities like Newham have taken to their Workplace service provides a more targeted and personalised approach to supporting people into work. A 'Trafford Workplace' scheme shaped to the local context may have a real impact.
30. The council could play a wider influencing role on the housing agenda with larger registered social landlords. This might include, for example, seeking to influence housing allocation policy for applicants who have done more to help themselves. Reducing demand for council services should play a more important role in the council's work on improving resilience. There are some good but isolated examples of some services looking to get residents to do more for themselves and be less dependent on public services. To strengthen this the council might give individual services a 'Resilience Challenge', asking them to seek specific ways of reducing calls on service.

Leadership, governance and decision-making

31. The council is ambitious for Trafford and wants to see the whole borough as a place of choice to live and for investors to set up businesses. This is a council which is performing well overall. It delivers many very good services, has coped with the reductions in Government grant funding and is seen by some of its peer local authorities as innovative. These are achievements of which the council and its partner agencies should be rightly proud. The Leader has a clear set of political priorities which are shared across the majority party. The priorities are owned and being shaped by the council's managerial leadership in terms of their practical delivery.
32. The Leader is engaging, clear and a strong advocate for Trafford. The Leader is highly regarded by members and officers. This is borne out in his role not just within the borough, but in the wider working of the Greater Manchester Combined Authority. There is a strong and supportive relationship between the corporate leadership team and the Executive (and senior managers and the political leadership more generally). The Chief Executive is very positively regarded by the council's commercial partners, other partner agencies and many frontline council staff for providing strong and direct managerial leadership. The Chief Executive also plays a strong role in leading the GMCAs work on jobs and skills, which is a demanding role in terms of time and capacity.

33. In many local authorities management capacity will often be a challenge. Senior management capacity has reduced over recent years. There is a need to ensure the effective deployment of senior management capacity to enable and deliver future change. The growing demands of the work of GMCA means the council must ensure there is effective management of the council's transformation work, large-scale contracted services and ensuring effective performance of core council services. The new work on leisure, the Amey contract, integration of health and social care and managing effective children's services in particular has very high expectations of savings, service re-engineering/redesign built in. It is vital the council focuses its senior management capacity in delivering all of these.
34. The managerial style of senior managers has served the council well up to this point in dealing with the challenges it faced around ensuring strong core service performance and strong engagement with the business community. However, the future challenges facing Trafford – around working more effectively in partnership and focusing on culture change – will necessitate an evolution in this management and organisational leadership style.
35. Members are passionate and enthusiastic. Executive members are involved in decision-making and are well briefed by senior officers. However, to enable greater clarity of governance and constructive challenge now might be the time to review the council's scheme of delegation and the approach to allocating chairs of Scrutiny. For example, it would be beneficial for the authority to be clearer on where and by whom decisions are taken.

Financial planning and viability

36. The council has a net revenue budget of £147.3m in 2016/17 and a projected net revenue budget in 2017/18 of £143.1m - a reduction of £4.2m or 2.9%. Since the beginning of austerity in 2010/11 Trafford Borough Council has had to bridge a cumulative budget gap, due largely to reduced government funding and cost pressures of £112.82m. Between 2010/11 and 2015/16 the council froze Council Tax rates and the authority currently levies the 16th lowest Council Tax in the country.
37. Over the next three years the council has identified further budget gaps of £22.17m, £10.69m and £9.24m. A cumulative gap of £42.09m comprising £26.23m of additional cost pressures and £15.86m of reduced funding. This is largely due to reductions in Revenue Support Grant (RSG) which will fall from £22.99m in 2016/17 to £5.30m in 2019/20 before being replaced by 100% Business Rate retention from 2020/21. Last year the council raised and earmarked a 2% increase in Council Tax to meet growing social care costs. For the next three years the Medium Term Financial Plan assumes council tax increases of 4% per annum.
38. The council has a record of setting balanced budgets and meeting savings targets. In 2013/14 the budget included £18.5m savings (£18.2m delivered) and in 2014/15, £13.7m (£12.6m delivered). The projected 2017/18 budget gap of £22.17m is anticipated to be met by income generation and savings amounting to £14m and additional funding and use of reserves of £6.15m. There currently remains an outstanding budget gap of £2.02m. Since 2013/14 total usable reserves and provisions were £106.4m (including £56m of reserves relating to schools, capital

grants and NNDR safety net reserve) – so the actual reduction is £50m to £42.16m projected to 2019/20. At the start of 2017/18, ‘usable reserves’ are anticipated to be £34.9m, of which at least £17.6m is committed to specific projects, service or school budgets. Of the remaining £17.3m of reserves, £4.4m is capital related, £3.7m earmarked to support the revenue budget leaving just £6m as a general reserve. The continued use of reserves to support aspects of revenue expenditure will be untenable. Difficult decisions will need to be made sooner rather than later to reduce demand, reduce service or generate significant extra income to ensure the medium term financial sustainability of the council. The council is beginning to develop strategies to boost income in the long-term, it needs to grasp the nettle and take some tough financial short term decisions to address the challenges of the medium term financial plan.

39. If income generation is to play a significant role in bridging the financial gap a more coherent overall commercial plan is needed. Commercialisation appears to be relative underdeveloped compared to other authorities leading in this area and whilst the peer team were on-site they shared a number of examples of commercial approaches other authorities are taking.

Capacity to deliver

40. The council is a much smaller organisation than it was five years ago, reduced down to around 2,300 full time staff. Staff morale is positive overall with a strong feeling of team spirit. Staff sickness absence is higher than the council would like (around 8.9 days per employee). Like most councils, Trafford is seeking to free up capacity by increasing ‘digitisation’ of services. Although many core IT systems seem fit for purpose the council needs to ensure systems and processes keep up with the pace and complexity of change. The peer team gathered consistent feedback from staff that although the number of staff in services had been made leaner, the underpinning processes had lagged behind.
41. Trafford has a well-established approach to programme management overall. It has a clear process and rigour in designing, delivering and tracking the performance of major projects focused mainly through the Transformation Team. The council has a well-established Transformation Board which is used to manage the governance of all the large projects. The council has a core transformation team of 13 FTE which flexes as business cases are established on an ‘invest to save’ basis. This capacity can enable the council to dedicate notable resource to managing projects and can provide clear evidence of projects which are clearly scoped, managed and deliver outcomes. The peer team saw examples of transformation projects which have delivered financial benefits. The investment in transformation resource has enabled the council to deliver £113m of savings to date. The council needs to continuously satisfy itself that this is delivering cashable savings as well as organisational change.
42. There is a consistent perception across all levels of the council that the organisation is very lean. The overall headcount of the council has reduced in recent years but this has often not been accompanied by the same reduction in either workload or streamlining of processes (in all but a few specific service areas). This has led to some staff feeling uncomfortably pressurised. Some of the planned improvements to making processes leaner over the coming months are likely to improve the

situation. However, more fundamentally the council needs to get to grips with focusing on a smaller set of key priorities/projects to make more effective use of its capacity. The Task Force work should help deliver these key priorities. Capacity in some other local authorities is even leaner and service performance is being maintained at a satisfactory level. Further reductions in funding are very likely to see a further reduction in the council's workforce. 'Leanness' only works effectively if the underlying processes are made leaner, not just the staffing.

43. The council is in the midst of a significant period of change and that will continue. It is important that the council's overall approach to and style of communication, engagement and organisational development reflects what the council is seeking to achieve internally. For example, is it clear about its target operating model? And what implications does this have for the workforce? Communication about transformation and strategic change needs to be corporate, consistent and frequent. External communications should play a fundamental part in how the council and Trafford gets its messages across to external audiences. The council may wish to reflect on the current role, presence and effectiveness of the communications function to ensure it is able to deliver these messages effectively.

Finally, we would like to thank colleagues and members at Trafford, especially Dianne Geary, for their support in the lead up to the peer challenge and during the challenge itself.

Further on-going support is available through the Local Government Association's Principal Advisers, Gill Taylor (email: gill.taylor@local.gov.uk, tel: 0778 9512173) and Neil Shaw (email: neil.shaw@local.gov.uk, tel: 07876 688987). Gill will liaise with the authority in the coming months to explore specific issues the council may wish to be supported on.

Report contact

Neil Shaw
Principal Adviser
Local Government Association
email: neil.shaw@local.gov.uk