

# LGA Corporate Peer Challenge

Warrington Borough Council

5<sup>th</sup> to 8<sup>th</sup> March 2024

Feedback report





# Contents

- 1. Executive summary ..... 3
- 2. Key recommendations ..... 9
- 3. Summary of the peer challenge approach ..... 11
- 4. Feedback ..... 13
- 5. Next steps..... 32

# 1. Executive summary

Warrington is an economically successful area but also faces significant socio-economic inequalities. Elected members and officers emphasise the council's commitment to addressing these and protecting the vulnerable in Warrington's communities. The council has been integral to the delivery of a wide range of initiatives across the town and wider borough aimed at enhancing the quality of life and has sought also to maintain and enhance the public service offer. Within all of this, it has demonstrated an impressive track record of securing external investment and bidding successfully for funds. Essentially, this is a council that is driven to improve the lives of its residents. There is good work going on in Warrington and there are good stories to tell.

The council's level of financial borrowing, at around £1.8bn, is amongst the most significant in local government nationally. The reliance on investment returns means the council has a very different risk profile to many other local authorities. It is vital for there to be clarity over the council's overall risk threshold in relation to borrowing and finance more generally. This threshold needs to be politically determined and fully understood by elected members, informed by statutory officer advice and the national context. The complexity and specialist nature of elements of the commercial and investment portfolio made it difficult to identify how the overall risk profile in Warrington is understood and who owns it. How the council manages, across the medium term, the financial risk that it already holds in terms of its investments will be crucial to the authority's financial sustainability.

We see benefit in the council's commitment and drive to improving the lives of its residents being reflected in a consistent and compelling narrative. This should capture the nature and scale of the issues to be addressed in the borough and the difference the council is seeking to make in the lives of local people. The development of the new Corporate Strategy provides the opportunity to establish that narrative. It is important that the Strategy comes to reflect the political ambitions of, and is owned by, the Administration. Also, the current version of the strategy is very much a document for the council and we see a useful shift that could be made to

having more of a plan for the borough. This would entail it being developed in conjunction with communities and partners and providing a vision for the future of Warrington as a place. The new Strategy would usefully be based upon a set of outcomes to be achieved across the borough and reflect a clear set of focused priorities, underpinned by clear targets and deliverables. Establishing clear priorities will be integral to the council addressing the financial gap that it faces across the medium-term.

There is significant change being experienced across Warrington's communities, both in terms of population growth and increasing levels of diversity. We found it difficult to see how this was being reflected in understanding, thinking and planning at the strategic level in the organisation. It is important for the council to have the necessary insight to the changes and to have the mechanisms to enable effective engagement across communities. This forms part of a picture of staff we met speaking passionately about issues of equalities, diversity and inclusion and wanting to see more demonstrable leadership from the Senior Leadership Team level to ensure colleagues across the organisation feel supported and enabled both as employees and in their delivery of services for local people.

The council is seen as a trusted partner that has established positive relationships in many spheres. The Chief Executive has been integral to this and has established a high profile for the council and the borough across the region and sub-region. He is very well connected with key individuals and bodies at those levels, as well as locally, and has helped the borough come to be seen to be influential. There is obviously a link here to the 'devolution' agenda and ongoing discussions around this. The landscape for this is complex but the relationships the Chief Executive has enabled the council to form positions it well to capitalise upon what represents significant opportunity for Warrington.

Local partners from within the borough reflected a desire for the council to evolve its approach by playing an increasing role as an enabler and co-ordinator. With the complexity of agendas being faced, they would welcome the council facilitating more in the way of strategic partnership dialogue, planning and endeavour focused on securing better outcomes. This more holistic approach would also support the further

development of the prevention, early intervention and ‘strengths-based’ approaches seen to be becoming increasingly established in communities and across partnerships.

During the course of the peer challenge, we had the privilege of meeting many proud, passionate and committed staff. They outlined a number of tremendously positive elements of the organisational culture in Warrington. They felt valued and invested in and were encouraged and enabled to contribute ideas and draw in learning. The development of the council offices in Time Square has contributed to the sense of being valued for those who work there. There is, though, a risk of a ‘two tier’ scenario developing across the workforce between those who have a security pass that enables them to access that building and what it provides and those who believe they can’t access it. The return of the council’s Staff Awards last year has also enhanced people’s sense of being valued. Also, it was impressive to learn how many of the staff we met had been enabled to develop and progress through the organisation. In a geography where there are many alternative places to pursue a local government career, it was telling how many had made a very conscious choice to do so in Warrington and how invested they were in the place that they serve.

A lot of people we spoke to, from a range of tiers in the organisation and from across the elected membership, reflected a different political dynamic in the council since the elections in 2021. The intervening period has seen things become much more politically contested and adversarial. There is a change that has been witnessed in relationships and behaviours across the elected membership and in the interface between some councillors and some council officers at a more senior level.

The council’s Position Statement highlights that “scrutiny, accountability and transparency are paramount”. However, as a peer team, we have significant concerns about the way in which these are being undermined by a culture that has been allowed to develop in the organisation. The cause of our concern is two-fold – the breadth of people, internally and externally and across both officers and elected members, who emphasised governance matters during their conversations with us and what the council highlighted as a significant rise in the number of Freedom of

Information requests it has been receiving in recent months and years.

The council maximising the amount of information entering the public domain and providing for increased scrutiny by the public and elected members would contribute to it being perceived more positively in relation to openness and transparency. Currently, a climate exists internally and externally in which the actions of the council increasingly risk being called into question or being viewed sceptically. Greater clarity being established in the respective roles and responsibilities across the senior managerial leadership and the Cabinet would also be beneficial.

A concerted effort is required by the council to ensure it has the most effective governance arrangements possible and is viewed in the most positive light feasible. Our perception as a peer team is of an organisation that is retrenching in the face of a desire for greater scrutiny from a range of sources. We would encourage the council to ensure the exact opposite is the case.

There is a recognition on the part of senior political leaders, across all parties, for improved approaches by the council to key aspects of governance. Immediate changes would be beneficial and we recommend an urgent review of the council's Constitution and Procedures to facilitate this and deliver greater elected member and public involvement and maximise the transparency of decision-making. Elected members, across all parties, must be supported by the organisation to develop the capacity and skills to provide the necessary clear political leadership and checks and balances that the council requires.


We see a crucial role for sector-led support to play in helping the council re-set its key governance approaches and enhance scrutiny, accountability and transparency. Linked to this, our reflection as a peer team is that the council establishing a voluntary and independently chaired 'Assurance and Development Group', similar in nature to what has been seen in some other councils, would both indicate clear intent on the part of the organisation and secure support and assistance as it seeks to respond to the situation that has developed.

At Quarter 3 this year, the council was projecting an £18m in-year overspend on its net revenue budget of £194m. This represents an increase from £11m at the end of the previous Quarter. The budget that was recently set for 2024/25 sees the organisation's reserves continuing to be used in a way that the council recognises is unsustainable. Useable revenue reserves have reduced from £123m in 2021/22 to £70m now – in a context of the council having a budget gap across the three years from 2024/25 to 2026/27 of £64m.

Work needs to start in earnest to determine the approach to addressing the council's financial revenue position. There is a strong sense of an organisation that feels a situation of having to drive savings and efficiencies harder can be averted. We see the organisation needing to adopt a much more realistic and proactive approach to the financial situation and to deliver it at pace.

At the time of the corporate peer challenge, the council was in possession of a draft report by the Chartered Institute of Public Finance and Accountancy (CIPFA), commissioned by Government. As it was not published at the time, the peer team did not see a copy. However, the council indicated that it supported and accepted the recommendations it contained. The council has drafted an action plan in response and is keen for the report to enter the public domain. In this context of the council supporting and accepting the CIPFA recommendations, we are clear that the council should deliver on them and do so at pace, especially any relating to enhanced governance, oversight and value for money, in order to enhance trust and confidence across its range of stakeholders. The whole agenda around borrowing and investments is of such significance that real pace needs to be demonstrated by all the stakeholders concerned in order to protect the interests of the citizens of Warrington.

We would emphasise the crucial requirement for the council to understand fully the financial sustainability risks it faces. The risks are a cumulative impact of the council's borrowing and investments plus the revenue position over the medium-term. The level of commercial activity, and its impact on the revenue budget, is such that a transparent and robust reporting and governance structure is critical for the council to understand and articulate the risks and opportunities to all stakeholders.



The council prides itself on being a stable organisation at the senior managerial leadership level. Undoubtedly this brings advantages. It has also not prevented new ideas and learning being introduced to the organisation. The level of stability does, however, pose considerations around succession planning – with this becoming increasingly pressing in a context of the ageing workforce profile. The council's current HR strategy covers the period from 2021-24. This expiring, combined with the development of the next Corporate Strategy, provides a timely opportunity to devise a workforce strategy that guides the development of the capacity, skills, succession planning and ways of working that the organisation requires over the coming years as it evolves in the way that it operates.

There are a number of good areas of council performance, including the OFSTED judgements of 'Good' in all areas during the children's social care services inspection in 2019 and a focused visit looking at 'front door' arrangements in 2021. There are others, such as the percentage of child protection cases reviewed within required timescales and the percentage of non-domestic rates not collected, that the council will want to continue to drive forward. Performance monitoring and management within teams and Directorates is seen by those managers we met to play a valuable role in the organisation. There is a contrast here though with corporate performance reporting, which they feel absorbs significant time and effort across the organisation but with little discernible benefit seen to emerge. In a similar vein, risk reporting and the related system of internal control would benefit from greater join-up and corporate oversight. This forms part of a wider theme of the senior managerial leadership needing to demonstrate a much greater focus in a range of areas.



## 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:

### Recommendation 1

- Develop the new Corporate Strategy in a way that it reflects the political ambitions of the Administration, outlines a clear set of priorities, focuses on outcomes and becomes a plan for the borough

### Recommendation 2

- Establish the necessary insight and mechanisms to support enhanced understanding of, and engagement with, local communities

### Recommendation 3

- Invite sector led support in response to our fundamental concerns about approaches to scrutiny, accountability and transparency – including establishing a voluntary and independently chaired 'Assurance and Development Group'

### Recommendation 4

- Urgently review the Constitution and Procedures to enable greater elected member and public involvement and increase transparency of decision-making – including a standing Budget Scrutiny Committee, participation in meetings and access to information

### Recommendation 5

- Secure the necessary support for elected members to develop the capacity and skills to provide the required clear political leadership and checks and balances

### **Recommendation 6**

- Start in earnest the work necessary to address the medium-term financial position, including establishing a cross-organisational plan for savings

### **Recommendation 7**

- Deliver on the recommendations from the CIPFA report, especially any relating to enhanced governance, oversight and value for money to protect the interests of the citizens of Warrington and enhance trust and confidence

### **Recommendation 8**

- Establish clarity over the council's overall risk threshold in relation to borrowing and finance more generally – with this needing to be politically determined

### **Recommendation 9**

- Provide the more demonstrable leadership from the Senior Leadership Team level that is desired around equalities, diversity and inclusion, in order to ensure colleagues across the organisation feel supported and enabled both as employees and in their delivery of services for local people

### **Recommendation 10**

- Demonstrate greater senior managerial leadership focus across a range of key corporate processes and systems including budget management, performance management and risk management

## 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:

- Dave Perry, Chief Executive, South Gloucestershire Council
- Councillor Pete Marland, Leader, Milton Keynes City Council and Chair of the LGA's Economy and Resources Board (Labour)
- Sarah McClinton, Director of Health and Adult Services and Deputy Chief Executive, Royal Borough of Greenwich
- Joseph Holmes, Executive Director (Resources) and Chief Financial Officer, West Berkshire Council
- Nik Hardy, Assistant Chief Executive, Cumberland Council
- Amie Marshall, National Graduate Development Programme, Rotherham Metropolitan Borough Council (shadowing)
- Chris Bowron, 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?

Within this, it was agreed that the focus on finance would be tailored in order to add value rather than duplicate the work undertaken by CIPFA in recent months. Also, the council requested that additional emphasis be placed upon partnership working, including around health and social care integration – with this being picked up within the ‘Organisational and Place Leadership’ theme.

### 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 its context, challenges and opportunities. The team then spent three and a half days onsite in Warrington, during which they:

- Gathered information and views from 30 meetings, in addition to further research and reading
- Spoke to more than 120 people, including a range of council staff, elected members and external stakeholders

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

## 4. Feedback

### 4.1 Local priorities and outcomes

Warrington is an economically successful area, with the Centre for Cities Outlook Report for 2024 ranking it in the top 10 places nationally for the highest employment rate, the highest number of new and innovative businesses and the lowest jobless claimant rate. The borough’s location and connectivity are important factors in this success, with more than six million people within a 45-minute drive-time of Warrington. The Gross Value Added (GVA) per head of population is, at £36,937, significantly higher than both the North-West (£25,629) and UK (£29,599) averages.

Warrington is home to the European and UK headquarters of a number of major companies, including United Utilities, Sellafield Ltd and New Balance. Energy (nuclear in particular), engineering, logistics and software are major growth sectors in the borough. The Position Statement that the council prepared for our work indicated that year-on-year economic growth outstrips many other UK towns and cities and depicts Warrington as “one of the key engines of growth in the Northern Powerhouse”.

At the same time, the borough faces significant socio-economic inequalities. In relation to health, the starkest inequality is around life expectancy, with males and females living in the most deprived areas in Warrington having an average life expectancy ten and eight years shorter, respectively, than those in the least deprived. There are also inequalities across a range of other areas, including income, educational attainment, employment, the experience and fear of crime, lifestyle, general health and mental wellbeing.

The 'Warrington Town Deal' saw £22m of funding drawn into the borough in 2022, with the delivery of the related plans and ambitions overseen by the Town Deal Board comprising business, leisure, culture, education, community and local government partners. The council has been integral to the delivery of a wide range of initiatives across the town and wider borough aimed at enhancing the quality of life. This includes the Time Square development in the town centre, providing a broad leisure and retail offer and being home to part of the University of Chester; an award-winning indoor market; and new council offices. A new bus depot has recently opened and £16m of Government funding has been secured for the Bus Service Improvement Plan. The council is also investing £20m in 105 new electric buses for 'Warrington's Own Buses', which is a wholly council-owned company, to replace the entire existing diesel-powered fleet.

The council has supported, both financially and in kind, the creation of a 'Health and Social Care Academy'. This development has been supported also with Town Deal funding and is based at Warrington & Royal Vale College. It aims "to support long-term workforce strategies in health and adult and children's social care, focusing especially on integrated care services". The council has been integral to the establishment of a partnership-based Skills Commission aimed at identifying the skills requirements in the borough, across a range of sectors, over the coming years. Hundreds of new houses have been delivered through Incrementum Housing, which is a company wholly owned by the council.

The council has sought also to contribute to maintaining and enhancing the public service offer. It has supported the creation of the 'Living Well Hub' which recently opened in the town centre as a one-stop shop funded by a range of partners and the Town Deal. It features teams from across the council; voluntary and community sector; Warrington and Halton Teaching Hospitals NHS Foundation Trust; Bridgewater Community Healthcare NHS Foundation Trust; and Mersey Care NHS Foundation Trust. The 'Living Well' programme is focused upon connecting people, communities and services, with part of the offer including a number of 'Talking Points' which provide a "safe space for residents to visit and have a conversation about the issues that matter to them".

The council's Cabinet has approved plans in principle for the development, with partners, of a new £26m intermediate care facility in the town centre, providing around 80 beds – both replacing and extending existing provision. A special educational needs and disabilities (SEND) facility is also being developed for both post 16 years and those aged 19 to 25. A new Youth Zone has been established in the town, funded through the council and a range of partners, and the council has continued to invest in the public realm, including the borough's parks and gardens.

Through all of this delivery and these commitments, the council has demonstrated an impressive track record of securing external investment and bidding successfully for funds. This is positive but, going forward, it will be important to ensure effort and resource for such bidding is aligned with strategic objectives for the borough given the demands that developing the submissions, managing the implementation of successful bids and meeting on-going revenue funding requirements places upon a council.

Both elected members and officers that we spoke to emphasised the council's commitment to addressing the inequalities across the borough and protecting the vulnerable in Warrington's communities. This, along with the nature and extent of the types of projects and initiatives outlined above, reflects a council that is driven to improve the lives of its residents. We see benefit in this commitment and drive being reflected in a consistent and compelling narrative that can be conveyed to a range of audiences. This should capture the nature and scale of the issues to be addressed in the borough and the difference the council is seeking to make in the lives of local people. The council is committed to developing a new Corporate Strategy following the May elections and this provides the opportunity to establish that narrative.

In developing the new Corporate Strategy, it is important that it reflects the political ambitions of, and is owned by, the Administration. Whilst officers have a key role to play in supporting its development and informing the thinking and decision-making around it, it must be politically led. Also, the current version of the strategy is very much a document for the council and we see a useful shift that could be made to having more of a plan for the borough. This would entail it being developed in conjunction with communities and partners and providing a vision for the future of

Warrington as a place. Such a vision needs to reflect the council's ambitions for Warrington 'as a whole', including the aims of supporting the areas and communities experiencing the greatest disadvantage and inequalities.

There is good work going on in Warrington and there are good stories to tell. Ensuring the council's communications activity conveys the difference the authority is already making and further seeking to make in communities through its endeavours, initiatives and investments will be important, in addition to the role that the new Corporate Strategy can play in getting the council's messages across.

People within the council and from partner organisations reflected the breadth and complexity of the challenges that the borough is facing – which aren't unique to Warrington – including the socio-economic inequalities outlined earlier, the 'cost of living' crisis, pressures on housing and climate change. In this context, the new Corporate Strategy would usefully be based upon a set of outcomes to be achieved for the communities of Warrington. A focus on outcomes would help draw together the interwoven nature of the challenges being faced and the approaches to addressing them. The new Corporate Strategy also needs to reflect a clear set of focused priorities, underpinned by clear targets and deliverables.

The current strategy, updated for 2023-24, reflects a series of commitments which are relevant and admirable but read more as pledges than specific outcomes or priorities. Examples include:

- Work with our communities and partner organisations to recover people's health and wellbeing and public health services post-Covid
- Plan ahead carefully, investing where we will get clear results and impacts, whilst exploring new approaches and reducing waste

Establishing clear priorities will be integral to the council addressing the financial gap that it faces across the medium-term. Also, outlining the targets and deliverables to



be achieved will enable progress to be tracked and profiled as steps are taken towards achieving longer-term objectives and outcomes.

There is significant change being experienced across Warrington's communities, both in terms of population growth and increasing levels of diversity. The officers we met during the course of staff focus groups highlighted the changing and new communities that they were seeing through their work. This includes an increasing black and minority ethnic (BAME) population; the arrival of Ukrainian refugees; and a significant influx of people from Hong Kong. We found it difficult to see how this was being reflected in understanding, thinking and planning at the strategic level in the organisation. It is important for the council to have the necessary insight to this and to have the mechanisms to enable effective engagement across communities. This forms part of a picture of staff we met speaking passionately about issues of equalities, diversity and inclusion and wanting to see more demonstrable leadership from the Senior Leadership Team level to ensure colleagues across the organisation feel supported and enabled both as employees and in their delivery of services for local people.

There are a number of good areas of council performance, including the OFSTED judgements of 'Good' in all areas during the children's social care services inspection in 2019 and a focused visit looking at 'front door' arrangements in 2021 which highlighted an "effective and well co-ordinated multi-agency response". Other examples of good performance relate to the proportion of 16 and 17 year olds not in education, employment or training (NEET); overall satisfaction of people who use the council's adult social care services for their care and support; vacant dwellings as a percentage of all dwellings in the area; and the number of affordable homes delivered. There are others that the council will want to continue to drive forward. Drawing on the 'LG Inform' data and performance information system which the Local Government Association hosts on behalf of the sector, it is feasible to see the following for Warrington when compared to the fifteen other councils in its CIPFA 'family' grouping of similar authorities, using the most recently available data:

Where Warrington is amongst the better performers:

- Average Attainment 8 score
- Proportion of 16 and 17 year olds who were not in education, employment or training (NEET) or their activity was not known
- Proportion of population aged 16-64 qualified to at least Level 2
- Care leavers in education, employment or training
- Overall satisfaction of people who use adult social care services for their care and support
- Vacant dwellings as a percentage of all dwellings in the area
- Number of affordable homes delivered
- Non-principal roads where maintenance should be considered
- Percentage of adults aged 16+ who are active (150+ minutes a week)

Where Warrington is less high performing:

- Non-domestic rates not collected as a percentage of non-domestic rates due
- Percentage of child protection cases which were reviewed within required timescales
- Percentage of children becoming the subject of a child protection plan for a second or subsequent time
- Time taken to process housing benefit new claims and change events
- Processing of planning applications – major
- Percentage of adults (18+) classified as overweight or obese
- Percentage of people that received an NHS Health Check of those offered

Where performance in Warrington is around the average:

- Council tax not collected as a percentage of council tax due
- Children looked after rate, per 10,000 children aged under 18
- Care leavers in suitable accommodation
- Social care-related quality of life
- Total households on the housing waiting list
- Number of households living in temporary accommodation per 1,000 households

- Principal roads where maintenance should be considered
- Access to employment by public transport
- Processing of planning applications – minor
- Residual household waste per household
- Percentage of household waste sent for reuse, recycling and composting
- Percentage of children in year 6 who are obese
- Percentage of children in reception year who are obese

The following is a link to the 'Headline Report' for Warrington in the LG Inform system:

[https://lginform.local.gov.uk/reports/view/lga-research/lga-research-report-headline-report-bar-charts?mod-area=E06000007&mod-group=CIPFA\\_Near\\_Neighbours&mod-type=comparisonGroupType](https://lginform.local.gov.uk/reports/view/lga-research/lga-research-report-headline-report-bar-charts?mod-area=E06000007&mod-group=CIPFA_Near_Neighbours&mod-type=comparisonGroupType)

## 4.2 Organisational and place leadership

The council is seen by other organisations we spoke to locally and at the regional level as a trusted partner that has established positive relationships in many spheres. Local partners from within the borough reflected a desire for the council to build on this by playing an increasing role as an enabler and co-ordinator. With the complexity of agendas being faced, they would welcome the council facilitating more in the way of strategic partnership dialogue, planning and endeavour focused on securing better outcomes.

Partners indicated that currently they experience plans and strategies tending to be produced more in response to individual issues and being asked to participate in a lot of meetings on specific projects or subjects. They would welcome more of a holistic approach which would see plans, strategies and forums centred around broader themes and outcomes. This is consistent with what we outlined earlier in relation to the potential future direction of the new Corporate Strategy and would also build on

the 'Warrington Means Business' economic growth and regeneration programme which first emerged in 2013 and is clearly valued both internally and externally.

This more holistic approach being advocated by partners would change the council's role slightly, although not move it away from being a deliverer of services too. It would also offer the potential for the borough to capitalise more upon what other sectors can contribute, including the voluntary, community and social enterprise (VCSE) sector and Town and Parish Councils. The indications are that the former are keen to be engaged more to see if further capacity and potential could be realised to help deliver on the ambitions for Warrington.

This revised approach would also support the further development of the prevention, early intervention and 'strengths-based' approaches seen to be becoming increasingly established in communities and across partnerships. A crucial part of this will be seeking to develop closer synergy between the recently agreed 'Living Well in Warrington' Health and Well Being Strategy and the ambitions of the Integrated Care Board. This strategy has a strong vision of Warrington being a "place where we work together to create stronger neighbourhoods, healthier people and greater equality across our communities". It has helped to re-invigorate the Health and Wellbeing Board with renewed purpose.

The Local Care Partnership Board is co-chaired by the Director of Adult Social Services and the Integrated Care Board (ICB) Place Lead and there are some established integrated roles that have helped to build trust and relationships. There has been intense focus on acute activity and discharge, although the partnership is working to build more proactive and preventative services in the community across health and care. There are examples of good voluntary and community sector services, including work on men's mental health with Warrington Wolves Rugby League Club. To meet current and future challenges, it will be important to increase the scale and pace of the shift required from acute to the community agenda, with equal focus on mental and physical health.

The council's Chief Executive has established good relationships and a high profile for the council and the borough across the region and sub-region. He has been a

strong advocate for local government at the ICB table and councils that he represents there feel he has done a good job in this, engaging them effectively on the issues being considered. The Chief Executive is very well connected with key individuals and bodies at the regional and sub-regional level generally, as well as locally, and has helped the borough come to be seen to be influential in those spheres. There is obviously a link here to the 'devolution' agenda and ongoing discussions around this. The landscape for this is complex, with Warrington located between the areas served by the Combined Authorities for Liverpool and Manchester whilst also clearly being part of Cheshire. The relationships the Chief Executive has enabled the council to form positions it well to capitalise upon what represents significant opportunity for Warrington. Within this, the council needs to be clear on its objectives at the regional and sub-regional level to enable it to secure maximum benefit from the opportunities offered by different geographical partnerships and, in doing so, drive forward its strategic aims for the borough.

### **4.3 Governance and culture**

During the course of the peer challenge, we had the privilege of meeting many proud, passionate and committed staff who are invested heavily in both the borough and the organisation. Whilst the significant majority of the staff that we came into contact with were from within adults and children's social care, rather than there being more even representation from across the whole of the organisation, those that we met outlined a number of tremendously positive elements of the organisational culture in Warrington.

They indicated they felt valued and invested in and were encouraged and enabled to contribute ideas and draw in learning through participation in forums and networks locally, regionally and nationally. Also, it was impressive to learn how many of those we met had been enabled to develop and progress through the organisation, for example commencing in the contact centre and moving on to other roles in the council or starting out as a social work graduate and forging a career in Warrington. In a geography where there are many alternative places to pursue a local government career, it was telling how many had made a very conscious choice to do

so in Warrington and how invested they were in the place that they serve.

A lot of people we spoke to, from a range of tiers in the organisation and from across the elected membership, reflected a different political dynamic in the council since the elections in 2021. Those elections saw a significant change (around 50 per cent) in the elected membership and people indicated the intervening period has seen things become much more politically contested and adversarial. There is a change that has been witnessed in relationships and behaviours across the elected membership and in the interface between some councillors and some council officers at a more senior level.

The council's Position Statement highlights that "scrutiny, accountability and transparency are paramount". However, as a peer team, we have significant concerns about the way in which these are being undermined by a culture that has been allowed to develop in the organisation. The cause of our concern is two-fold – the breadth of people, internally and externally and across both officers and elected members, who emphasised governance matters during their conversations with us and what the council highlighted as a significant rise in the number of Freedom of Information requests it has been receiving in recent months and years.

As examples, we came to understand the extent to which items in forums such as Cabinet and Scrutiny Committee are being considered in Part 2 of agendas, meaning they are not able to be observed by the public. Linked to this, we heard from a number of councillors, on a cross party basis, about the difficulties they have in accessing such papers which, in some councils, would be available to a wider elected membership. In any council, it is important that the extent to which items feature in Part 2 is kept to an absolute minimum. We also noted that in Warrington there is no opportunity for the public to ask questions at Cabinet and the time available for public questions at Full Council is limited.

Greater clarity being established in the respective roles and responsibilities across the senior managerial leadership and the Cabinet would also be beneficial. As an example, the council's appetite for financial borrowing and commercial activity is significant. The complexity and specialist nature of elements of the commercial and

investment portfolio made it difficult to identify how the overall risk profile is understood and who owns it. Ultimately, it is elected members who are accountable but we were unclear on how they have been enabled to determine what the overall acceptable risk threshold is for the council in this area, relative to being invited to approve individual initiatives on a case-by-case basis.

We outlined earlier that relationships and behaviours in the interface between some elected members and some officers at the more senior level are seen now to be less positive than has traditionally been the case in Warrington. There have been some 'exchanges' that have taken place in certain forums that have been damaging in a number of respects – although 'exchanges' may not be the most apt word here given officers do not easily have the right of reply to councillors in public forums. We feel that what is being seen and experienced in this regard links strongly to the types of issue we outlined in this section around scrutiny, accountability and transparency.

We understand that the council is seeking to refresh its Officer/Member Protocol, with a focus on values, behaviours and communications. This will be important in seeking to enhance understanding, practice and behaviour. As examples, it is important for all elected members to take part in training around such a Protocol and for all council officers to ensure they demonstrate political impartiality at all times in their roles.

The council maximising the amount of information entering the public domain and providing for increased scrutiny by the public and elected members would contribute to it being perceived more positively in relation to openness and transparency. Currently, a climate exists internally and externally in which the actions of the council increasingly risk being called into question or being viewed sceptically.

An example would be what we understand to have been a decision at the Senior Leadership Team level for the council not to recognise the findings of the Residents' Survey that it undertook in 2022. Our understanding is that the results were deemed not to be statistically valid and thus discounted. This inevitably raises questions in people's minds, whether that be in regard to the council's approach to transparency or its effectiveness in commissioning a significant piece of work important to the

council's future direction and priorities.

A concerted effort is required by the council to ensure it has the most effective governance arrangements possible and is viewed in the most positive light feasible. The increase in the number of Freedom of Information requests made to the council, and that these are being received from elected members as well as the public, is a situation that demands an urgent and significant response. Our perception as a peer team is of an organisation that is retrenching in the face of a desire for greater scrutiny from a range of sources, including social media and a more active Opposition. We would encourage the council to ensure the exact opposite is the case.

There is a recognition on the part of senior political leaders, across all parties, for improved approaches by the council to key aspects of governance. Immediate changes would be beneficial and we recommend an urgent review of the council's Constitution and Procedures to facilitate this and deliver greater elected member and public involvement and maximise the transparency of decision-making. This should cover participation in meetings and access to information and consider the establishment of a standing Budget Scrutiny Committee.

Elected members, across all parties, must be supported by the organisation to develop the capacity and skills to provide the necessary clear political leadership and checks and balances that the council requires. There also needs to be a better understanding across the organisation of what it means to work in a political environment and the role of elected members.

The council's governance arrangements include one Scrutiny Committee and four Policy Committees. The latter cover Building Stronger Communities; Protecting the Most Vulnerable; Supporting the Local Economy; and Organisational Improvement and Development. The split that has been established between the Scrutiny Committee and Policy Committees is clear in theory – that the former will scrutinise decisions of the Executive whilst the others will contribute to policy development. In reality, the policy development remit does not seem to have been fulfilled to any



great extent; the effectiveness of the scrutiny of key corporate issues and decisions appears limited; and there is a lack of clarity and join-up around the approach to work programming across the different committees.

What has emerged from the Scrutiny and Policy Committee structure, however, is something that officers at middle manager level reflected they found beneficial – that of the Policy Committees providing the means for them to brief elected members on important issues on a cross-party basis and receive feedback on them. Whilst this has emerged by default rather than design, it reflects the appetite that exists on the part of councillors to be helped to be more aware of issues and the desire on the part of officers at that key level in the organisation to aid them in this.

Health Scrutiny Committee is seen internally and externally to be engaging with important issues for Warrington's communities. This includes NHS dentistry provision and oral health plus access to mental health services and support in the borough. There is positive engagement from health partners and joint planning of the work programme. The Chair of the Committee is well engaged at partnership level, including participation in the Joint Health Scrutiny Committee for Cheshire and Merseyside linked to the ICB.

We see a crucial role for sector-led support to play in helping the council re-set its key governance approaches and enhance scrutiny, accountability and transparency. Linked to this, our reflection as a peer team is that the council establishing a voluntary and independently chaired 'Assurance and Development Group' would both indicate clear intent on the part of the organisation and secure support and assistance as it seeks to implement its action plan relating to the corporate peer challenge. Other councils have established similar arrangements. In Warrington, we would envisage the focus of such an arrangement being primarily around the governance issues in this section of the report, linking also to issues of financial governance. It would usefully have an overview of the council's response to the corporate peer challenge findings, delivered through its related action plan, and support continuous improvement in the organisation.

#### 4.4 Financial planning and management

At Quarter 3 this year, the council was projecting an £18m in-year overspend on its net revenue budget of £194m. This represents an increase from £11m at the end of the previous Quarter. The context is one of the demands being faced by the council and its funding situation seeming to be consistent with wider local government.

The budget that was recently set for 2024/25 sees the organisation's reserves continuing to be used in a way that the council recognises is unsustainable. Useable revenue reserves have reduced from £123m in 2021/22 to £70m now and clearly that will reduce further given the budget agreed for the financial year just about to start. Again, context is important here, with the council having a budget gap across the three years from 2024/25 to 2026/27 of £64m.

Work needs to start in earnest to determine the approach to addressing the revenue position. The financial year of 2025/6 is recognised by the council as a particularly challenging one. We see a council that is not accustomed to the types of changes and levels of savings that have been required across much of wider local government. The organisation deserves credit for this in many respects, including its prudent building up of reserves over a number of years; the generation of additional revenue; and the use of capital funding – all of which has enabled it to adopt more of an 'invest to save' approach than a 'cuts' based one. Arguably, however, this increases the challenge now being faced, with Warrington perhaps less accustomed than other councils to the ways of working or organisational mindset integral to operating in line with a truly 'balanced budget'.

There is a strong sense of an organisation, both managerially and politically, that feels a situation of having to drive savings and efficiencies harder can be averted. This is reflected in an organisational narrative around a better national funding regime emerging or being able to rely upon further non-traditional income (such as continuing revenue return on its investments) and 'corporate solutions' developed by the council's finance function. We see, instead, the organisation needing to drive a much more realistic and proactive approach to the financial situation and to do so at pace. This links to a wider theme running through our report of the senior managerial

leadership needing to demonstrate a much greater focus across a range of key corporate spheres. The council is aware that, as part of this, it needs to move on from the 'outcomes-based budgeting' approach that it has sought to pursue in recent years.

From our discussions with managers at different levels across the organisation, we gleaned that they would welcome the council's financial challenge being considered across more of a medium-term horizon, as opposed to the year-by-year approach that has traditionally been the case. They are also keen to have the opportunity to contribute more to addressing the financial challenge. This lends itself to the creation of a cross-organisational plan for savings running across three to four years. This would enable more strategic, cross-cutting and creative solutions to be developed than can perhaps be achieved through a focus on a single year. It would also enable the resource necessary to achieving them to be mapped out and planned to best effect. The council highlights in its Position Statement the need for it to review services in 2024 to ensure they deliver "efficient and effective outcomes as part of our financial planning process" and this can usefully form part of the cross-organisational plan. It is likely to identify a combination of 'quick wins' and more complex initiatives and, in undertaking it, the council can capitalise upon the desire managers demonstrated to be part of the solution.

Linked to this, and whilst there are examples of 'transformation' taking place in pockets across the organisation, developing a programme of transformation at a corporate level would enable a more holistic approach to achieving major change. Initiatives in this sphere, with the necessary resource provided to deliver them, could have the potential to contribute significantly to addressing the council's financial challenge. Areas to explore here might include the use of the council's assets and its office accommodation in particular – in a context of the council last producing an asset management plan in 2010 – and the digital agenda.

The council's level of financial borrowing, at around £1.8bn, is amongst the most significant in local government nationally. As the council's Position Statement highlights, "investments generate £23m/year additional revenue to keep many of our

essential services going”. This is clearly a logical argument but we see benefit in the council being able to communicate a more detailed narrative around what this has meant in practical terms, in relation to the specific services that have been able to be sustained and the benefits and impacts derived for local communities. We also wonder the extent to which the pressures – including the level of risk the council is holding, the cost of the expert external legal and financial advice that has been procured, the effort and attention that has been absorbed within the organisation and the profile and scrutiny that has been generated for the council – means the return has been worth it.

The reliance on investment returns means the council has a very different risk profile to many other local authorities. We have already touched on the issue of how the overall level of financial risk is understood and issues of accountability around it. There is also an issue in relation to how the council secures the necessary assurance via external audit. Clearly the external audit market nationally is currently very challenged and this, compounded by the complexity of Warrington’s commercial portfolio, means the external audit sign off of the council’s accounts is lagging. We recognise this situation is not unique to Warrington. However, its financial risk profile necessitates the council securing as much assurance as possible and external audit has a crucial role to play here.

How the council manages, across the medium term, the financial risk that it already holds in terms of its investments will be crucial to the authority’s financial sustainability. We welcome that the council will undertake focussed scenario planning in 2024-25 in relation to the Medium-Term Financial Plan (MTFP). This needs to be completed urgently given what the council highlights in its Risk and Insurance Update for Quarter 3, considered at the Senior Leadership Team meeting in early February, regarding “measures reportedly under consideration by DLUHC to encourage councils to dispose of investment assets and use the proceeds to meet budget pressures”.

Other bodies and stakeholders with the requisite capacity and expertise have probed the council’s borrowing, investment and commercial agenda in recent years and we have not sought to replicate their analysis and work. Rather, we have sought to ‘add


value' through largely focusing our efforts on the council's approach to managing its revenue budget and the risks this presents to the council's financial sustainability.

At the time of the corporate peer challenge, the council was in possession of a draft report by CIPFA, commissioned by Government. As it was not published at the time, the peer team did not see a copy. However, the council indicated that it supported and accepted the recommendations it contained. The council has drafted an action plan in response and is keen for the report to enter the public domain. In this context of the council supporting and accepting the CIPFA recommendations, we are clear that it should deliver on the recommendations and do so at pace, especially any relating to enhanced governance, oversight and value for money, in order to enhance trust and confidence across its range of stakeholders. The whole agenda around borrowing and investments is of such significance that real pace needs to be demonstrated by all the stakeholders concerned in order to protect the interests of the citizens of Warrington.

We would emphasise the crucial requirement for the council to understand fully the financial sustainability risks it faces. The risks are a cumulative impact of the council's borrowing and investments plus the revenue position over the medium-term. The level of commercial activity, and its impact on the revenue budget, is such that a transparent and robust reporting and governance structure is critical for the council to understand and articulate the risks and opportunities to all stakeholders. It is also vital for there to be clarity over the council's overall risk threshold in relation to borrowing and finance more generally. This threshold needs to be politically determined and fully understood by elected members, informed by statutory officer advice and the national context.

#### **4.5 Capacity for improvement**

We outlined earlier meeting cohorts of staff at different tiers in the organisation who spoke passionately about issues of equalities, diversity and inclusion and them wanting to see more demonstrable leadership around this from the SLT level. This



applies to them being supported and enabled both as employees and in their delivery of services for local people. There is a desire to see the council's stated commitment to "treating people fairly and equally – respecting our customers and each other, challenging discrimination and inequality" being fully 'lived and breathed' across the SLT level.

The council prides itself on being a stable organisation at the senior managerial leadership level. Undoubtedly this brings advantages. It has also not prevented new ideas and learning being introduced to the organisation. Officers at a range of levels outlined the way they are encouraged to participate in networks, forums and learning opportunities regionally and nationally. The level of stability does, however, pose considerations around succession planning – with this becoming increasingly pressing in a context of the ageing workforce profile.

The council's current HR strategy covers the period from 2021-24. This expiring, combined with the development of the next Corporate Strategy, provides a timely opportunity to devise a workforce strategy that guides the development of the capacity, skills, succession planning and ways of working that the organisation requires over the coming years as it evolves in the way that it operates.

A corporate leadership programme is about to launch in the organisation, supplementing what already exists in some Directorates such as Adults' Social Care and Children's Social Care. This can, over time, play an important role both in relation to the organisation developing the skills and approaches required for the future and aiding succession planning.

The council has good relationships with those trade unions that we met. They highlighted a valued and effective consultative framework and a good approach to engagement that sees them having contact on the right issues, at the appropriate points in time, with the relevant level on the Employers' side. The trade unions will have an important role to play going forward as the council seeks to adapt and shape the way that it functions in line with the new Corporate Strategy and the demands of the financial challenges facing the organisation. It is hoped that they will approach

this role pragmatically and constructively.

Performance monitoring and management within teams and Directorates is seen by those managers we met to play a valuable role in the organisation. There is a contrast here though with corporate performance reporting, which they feel absorbs significant time and effort across the organisation but with little discernible benefit seen to emerge from the information being considered by the senior leadership politically and managerially. In a similar vein, risk reporting and the related system of internal control would benefit from greater join-up and corporate oversight. We noted, for example, that the Strategic Risk Register does not reflect risks relating to the council's financial revenue position – and indeed that a separate finance risk register has been developed. The approach to corporate performance monitoring and management and risk management forms part of that wider theme of the senior managerial leadership needing to demonstrate a much greater focus in a range of areas.

Hybrid working arrangements post the pandemic are seen to be working well. There is good understanding of the corporate expectations around time spent together in the office but with flexibility given to teams and managers around how to meet this. The development of the council offices in Time Square has contributed to the sense of being valued for those who work there. There is, though, a risk of a 'two tier' scenario developing across the workforce, between those whose access badge allows them into that building and what it provides, including access to certain elements of the council's employee wellbeing offer, and those who believe they can't. We think there is a simple misunderstanding here, with the council's managerial leadership indicating that all staff are entitled to access Time Square but that they need to undertake the appropriate building awareness course and then have their ID badge activated to enable access. Our understanding is that a similar situation exists in relation to elected members, whose access appears to be limited just to the Town Hall.

The return of the council's Staff Awards last year has also enhanced people's sense of being valued and reflects a council that believes in celebrating success. This forms part of the council's internal communications and engagement strategy and

approach. This is seen to be effective and includes the creation of the 'Top Lines' bulletin produced for managers to enable them to communicate key operational messages and updates to their teams. The 'Staff Spaces' events also provide valuable opportunities to people both to learn and to input to council policy and objectives, with sessions so far focusing on the council's budget situation; the approach to the 'cost of living' crisis; the growth agenda in Warrington; carbon literacy; and adapting to parenthood as an employee.

## 5. Next steps

It is recognised that the council's 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 corporate peer challenge process includes a Progress Review, the findings from which need to be publicly reported within twelve months of the corporate peer challenge. The Progress Review provides space for the council's senior leadership to update peers on the authority's progress against the action plan and discuss next steps.

In the meantime, Claire Hogan, Principal Adviser for the North-West region, is the main contact between your authority and the Local Government Association. Claire is available to discuss any further support the council requires and can be reached via [claire.hogan@local.gov.uk](mailto:claire.hogan@local.gov.uk)