


Stockport Metropolitan Borough Council

Corporate Peer Challenge Report

1-4 November 2022

Feedback report





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1. Executive summary:

Stockport Metropolitan Borough Council (SMBC) is an impressive organisation that works closely with local partners to enable, commission, and deliver high-performing services that meet the current needs of the local population well. The Council has played a pro-active role in place shaping, convening local organisations to develop an ambitious vision for the future of the borough and continuous improvement. The approach of the council in addressing local needs is underpinned by mature cross-party working in the context of no-overall control, as well as strong and trusting relationships across councillors and officers. There is also evidence of strong financial management within the organisation and good governance which has been important to sustaining the Council's performance as well as addressing challenges. This approach to improvement has served the organisation well, and the opportunity now exists for the Council to consider if a wider strategy for transformation will bring together existing programmes, manage interdependencies, and support the organisation going forward.

This Corporate Peer Challenge (CPC) took place in November 2022, six months following the Liberal Democrats becoming a minority administration at the May 2022 elections. This transition between groups has been smooth and well-managed, with continuity of approaches and processes within this new political dynamic, illustrating the constructive political relationships which exist locally. In this context, the Council was keen for this CPC to support the new administration by offering a 'health check' of the key corporate functions and services of the organisation.

Reflecting this brief, this report highlights the strengths and good practice that the Peer Team found, whilst also identifying further challenge to support continuous improvement. It is apparent that there are clear priorities within the organisation, including addressing inequality, the regeneration of Stockport Town Centre, and progress against Climate Change. These priorities are well articulated in the Borough Plan and feed into the newly developed 2022-2023 Council Plan. The Peer Team would suggest the Council consider the interplay between these priority issues collectively, as well as the potential to bring together their strong work in communities through the Stockport Family model and Team around the Place to support hyper-local approaches to issues of inequality at a neighbourhood level within the framework of a 'One Stockport' approach.

The Council's convening approach to partnership working has been well received locally, and the organisation has developed strong relationships and is well-respected by partners

across the public, private and voluntary sector networks that they engage. This is demonstrated by the recognition and ownership of the Borough Plan across these organisations. The Peer Team appreciate that the strength of these relationships extends beyond strategic plans and includes key changes in several areas. For instance, the Council recently took on the lead organisation role and responsibilities within the new Integrated Care System Structures across Health and Social Care which it is intended will support the joint development and delivery of health and social care services in the borough. This is also shown in areas of regeneration and economic development, including the establishment of the first Mayoral Development Corporation (MDC) in the country and the Council's approach to regeneration particularly in Stockport Town Centre, including the heritage and redevelopment of the under-banks. The Peer Team encourages the Council to build on this positive work to ensure partnership governance and work across organisations reflects the positive relationships that exist between key individuals in the area.

The Peer Team received positive feedback regarding the Leadership of the Council, stemming from the political leadership of the organisation as well as the managerial contribution of officers, including specific positive comments regarding the contribution and style of the Leader and Chief Executive. This is indicative of the respectful relationships which exist across the Council, including member/member, officer/officer, and member/officer dynamics, with staff that the peer team spoke with coming across as open, enthusiastic, and supportive across the organisation. These relationships exist within a well-established governance system, that includes meaningful locality engagement through Area Committees, as well as effective and robust Scrutiny, including pre-decision engagement. The all-out elections of 2023 could potentially bring several new Councillors into the organisation, with several serving councillors standing down, and therefore, SMBC should consider the support required through induction, training, and mentoring to maintain these relationships and systems. In this context, the Council should also consider the constitutional basis which underpins these relationships as a concurrent programme.

The Council has a net revenue budget of approximately £281 million and has an allocated capital budget of £328 million from 2022-2025, with much of this supporting regeneration of Stockport town centre, as well as investment in schools and housing. The Council has shown a history of strong financial management, illustrated by the fact that there has been no historic overspending or use of reserves in setting balanced budgets. The Council has developed a financial plan for 2023-2025 which includes £23 million of savings from the revenue budget through transformation. The Peer Team appreciate that the delivery of

these proposals will be a challenge in the context of increased demand, and the inflationary challenges which are facing the sector. Moreover, the Council has been particularly impacted by the costs associated with the COVID 19 pandemic, due to lost income from leisure services, increased demand for children's social care, and the loss of revenue from commercial investments.

SMBC has a strong track record in delivering financial savings and service improvement. This approach to service transformation has included significant redesign. For instance the use of a restorative approach to family engagement through the Stockport Family model, and award-winning approaches to digital engagement (including the LGC Digital Award, and the Municipal Journal Digital Transformation Award). SMBC should consider if a broader approach to transformation is needed to deliver against the ambitions of the One Borough Plan, bringing together existing programmes, managing interdependencies, and providing a more coherent structure of centralised support. Central to this transformation should be the contribution that the wider workforce can make. By defining this, the Council will naturally maximise the opportunities presented by their newly refurbished Stopford House and continue to make progress to support staff and building on the progress of their People Plan.

Politically, Stockport has been no-overall control since 2011. The current distribution of seats is Liberal Democrat 28, Labour 24, Conservative four, with Green, Independent, and other groups comprising the remaining seven seats. The political make-up of the Council has historically been decided through electoral thirds, with 21 seats contested in May 2022. Whilst the Council remained no-overall control following these elections, the growth of the Liberal Democrat Group as the largest group resulted in them taking the Leadership of the council through a strong Leader and Cabinet System. Following a boundary review, the council will undergo all-out elections in May 2023 before returning to their electoral thirds model.

The Peer Team hopes that the findings of this report, and the associated recommendations will support SMBC to deliver these priorities. The Peer Team also recognises that the Council, like others, is operating in a challenging context and have included further considerations to support the organisation in navigating issues of finance, organisational development, and governance to safeguard their progress to date.

2. Key recommendations:

The main body of this report contains a range of findings and recommendations relevant to SMBC. Many of these may be easy to implement “quick wins” and practical actions. However, the key recommendations below focus on the issues which will be most critical to the Council’s improvement, and those which should be prioritised going forward include:

- **Recommendation One: Consider the Council’s transformation programme to ensure full alignment to the One Stockport Borough Plan:** The Council has a strong track-record of delivering service improvement and financial savings. The One Stockport Borough Plan presents an opportunity to consider the Council’s approach to transformation to support wider reimagined service offers, and the peer team would encourage the Council to be ‘confident’ and ‘brave’ in their development to build on this track-record, and the potential for it to be applied in other service areas.
- **Recommendation Two: Maximise the benefits of Neighbourhood / Area Working in the Borough:** The Council has a strong history of working at a neighbourhood level through the Team around the Place approach, their Area Committees, and the Stockport Family Model. There is potential to build on these foundations by ensuring that their capacity is aligned to the Council’s priorities and supporting Community input into developing new ways of working. This has the potential to be central to the Council’s approach to addressing inequality and supporting the development of new ways of working across the organisation (and with wider partners) but will require consideration regarding the relationships of these forums and programmes.
- **Recommendation Three: Develop a wider use of dynamic modelling to support increased dialogue on the financial context of the Council post 2025:** The Council should develop their existing modelling to account for changing financial pressures, such as inflation, cost of living, and increased demand. This modelling should support increased dialogue and discussion across Officers and Members regarding the Council’s longer-term financial response. Ultimately, this modelling should be used to support a three-five year Medium Term Financial Plan that captures these assumptions, and provides a framework for their revision, as well as enabling transformation through cross-cutting and organisational wide approaches.
- **Recommendation Four: Develop a comprehensive member development programme for May 2023:** With the Council having their first all-out elections in May 2023, there is potential that there will be a new intake of Councillors. In this context, the Council needs to develop a robust member induction programme to support new and returning members with the appropriate skills and knowledge for their roles.

- **Recommendation Five: Review the Council’s Constitution and working practice to bring in-line with sector norms:** The Council should consider the practice, procedures and processes which are attached to the Council’s constitution to make sure that they reflect standard practice across the sector. This could include ensuring clarity of terms, ease of navigation, and appropriate approaches on member and public questions
- **Recommendation Six: Continue to develop the contribution of Organisational Development towards the Council’s Transformation objectives:** The Council’s People Plan has supported staff well through the pandemic. The Council should build on this progress to consider how OD capacity can be brought together to align workforce practice, including workforce engagement and communication, professional development, and the contribution the workforce can make to the transformation journey, focusing on the priority issues of addressing health inequality, inclusive growth, and creating opportunities for residents.
- **Recommendation Seven: Further develop the Council’s approach to becoming an ‘employer of choice’ in the sub-region:** The Council has an impressive track record in this area (including progress made through digital recruitment, local presence, and OD culture) and to build on this should look to align their response to the findings from their 2022 Staff Survey with the opportunities of new ways of working through the newly redeveloped Stopford House to support the continued recruitment and retention of high-quality staff.
- **Recommendation Eight: Explore future opportunities to work with local partners and build on existing relationships:** The Council should build on the strong relationships and systems that it has with partners. and continue explore what is needed to further these relationships, as well as explore new areas where relationships could bring wider benefits to residents. Partners have encouraged the Council to work ‘confidently’ in this space.
- **Recommendation Nine: Introduce a monthly Statutory Officers Meeting:** The Council would benefit from the ‘golden triangle’ of statutory officers (Chief Executive, Section 151 Officer, and Monitoring Officer) meeting monthly to support shared approaches to risk and increased communication on their management, and formally build on the positive relationships that are in-place.
- **Recommendation 10: Review the length and structure of reports to Councillors:** The Council would benefit from reviewing the length and content of reports presented to Committees, ensuring that they are concise and contain executive summaries. The Council may wish to consider the training implication for staff on this issue.

- **Recommendation 11: Communicate the Council's work and progress more widely:** Recognising the strength of practice that exists locally, SMBC should consider how they can share their practice with the wider sector. The Council should also consider how their aims and progress is communicated to residents and groups. There is support available to the Council through training and reviews which the LGA would be happy to support as appropriate.

3. Summary of the peer challenge approach

Background and Overview:

From 2017-2020, the Local Government Association (LGA) delivered 447 Peer Challenges, including 182 Corporate Peer Challenges. This process involves Officer and Councillor Peers from across the sector reviewing Council services and functions through constructive and respectful challenge. This process enables experience and expertise to be shared across the sector collectively and is a central element of sector-led improvement.

These reviews are designed to be locally led, with Councils requesting that Peer Challenges are completed and volunteering to take part. This includes the LGA working with Councils in advance to jointly develop the scope of the review, and key areas of focus. In this spirit, the findings and recommendations from Peer Challenges are locally owned, with Councils responsible for the development of their own Action Plans in response to these reports, and updating staff, partners, and Councillors as appropriate.

The benefit of Peer Challenges has been independently validated, including an evaluation of the process which was completed in 2020 by Shared Intelligence. The feedback which has been received by Participating Councils has included 93% of respondents saying that this process has helped to provide an external view of the organisation, and 94% stating that the process had contributed a positive impact on their relationship with partners.

The Peer Challenge Team:

Peer Challenges are delivered by experienced Councillor and Officer Peers who are working elsewhere in the local government sector. The make-up of a Peer Team is carefully planned in line with the Council's requirements and the agreed scope. Ahead of this Peer Challenge, the Council supported the development of a scope document by asking for the Peer Team to focus on internal issues and provide a 'health check' of corporate services.

Given the close political composition of Stockport Council, it was requested that there would be both Liberal Democrat and Labour Member Peers included on the team and that they have experience of working in a no-overall control context. Finally, the Council requested

that there was dedicated expertise on issues of Finance and Transformation. Therefore, the LGA is grateful to the following Peers for providing their time and input to support Stockport through this review:

- **Chris Naylor** – Lead Peer (Inner Circle, previously Birmingham City Council).
- **Cllr Richard Kemp** – Liberal Democrat Member Peer (Liverpool City Council).
- **Cllr Simon Henig** – Labour Member Peer (Durham Council).
- **Shaun Darcy** – Director of Finance, Corporate Landlord & Assurance (Walsall Council).
- **Sonia Halliwell** – Director of Customer and Transformation (Wigan Council).
- **Rachel North** – Deputy Chief Executive (Derby City Council).
- **Alison Edwards** – Shadow Peer, Adviser (LGA).
- **Matthew Dodd** – Peer Challenge Manager (LGA).

The Peer Challenge Methodology:

Peer challenges are improvement focused; and 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, proposals, or specific services. Instead, the Peer Team used their experience and knowledge of local government to reflect on the information presented to them by people they met, documents they reviewed, and the culture which they saw.

The Peer Team prepared for this work by reviewing a range of documents and information to ensure that they were familiar with the Council, the Borough, the opportunities that exist, and the challenges that it is facing. This included a position statement that the Council produced specifically for the Peer Challenge, which is designed to encourage self-assessment, reflection, and dialogue across the organisation. Alongside this position statement, the Council also provided reference documents including (but not limited to) copies of key Plans and Strategies, the Medium-Term Financial Strategy, and staff survey results.

Alongside the documents provided by the Council, the Peer Team also undertook an independent assessment of the performance of Council services and wider Council finance using publicly available information through L.G. Inform. The Team also commissioned a dedicated financial review of the Council's financial position. These assessments were shared with the Peer Team in advance of the review and provided to the Council to support discussion and dialogue on these issues.

Prior to arriving with the Council, Peer Team Members contacted their equivalents working at SMBC. These meetings were completed to support the Teams' understanding of the Council, and to the development of appropriate lines of enquiry. Beyond this, the Team also:

- Collectively spent c. **280 hours** to determine our findings (the equivalent of one person spending over seven weeks in Stockport).
- Spoken to over **120** Councillors, Staff, and Partners.
- **Visited some of your regeneration sites** to better understand your ambitions.
- Reviewed the **press** and watched **online meetings**.
- Attended your **all staff briefing event**.

Immediate feedback was delivered to the Council on the afternoon of Friday 4 November, at a session which was attended by the Council's Senior Leadership Team, the Council Leader, and other Cabinet representatives. A copy of these slides was immediately provided to the Council to support communication with those who took part in the process. This final report was produced shortly after time onsite, with agreement that the Peer Team will engage with the Council approximately six-months following publication to discuss progress against their Action Plan.

The Peer Challenge Scope: The Peer Team considered the following five themes which form the core components looked at by all Corporate Peer Challenges that the LGA undertake. These are the areas that 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 and achieving improved outcomes for all its communities?
- 2. Organizational 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 respect, 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 clear 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?

4. Feedback:

4.1 Understanding the local place and priority setting:

As context, SMBC was created in 1974 following the Local Government Act and is one of 36 Metropolitan Authorities in the UK. The borough is part of the Greater Manchester Combined Authority (GMCA) alongside nine other authorities and has worked closely with neighbouring Councils through the devolved arrangements that are in-place across the city region and alongside the elected Mayor for Greater Manchester. Geographically, Stockport is located approximately 10 miles south of the neighbouring Manchester City Council, and borders Cheshire East and High Peak to the South and East. The borough benefits from strong transport links that enable good travel across the wider region, with the borough bisected by the M60 motorway and A6 across each axis. There is also strong rail connectivity, with it taking 10 minutes to travel from Stockport to Manchester by train.

The borough itself is approximately 49 square miles, and according to the 2021 Census serves a population of 294,800, with the largest conurbations in Stockport Town in the centre of the borough, as well as Cheadle Hulme and Reddish in the South and North of the borough respectively. The prosperity of the borough is illustrated through median house prices (£270,000) and wages (£30,700) which are both above the North West average. However, it is important to note that SMBC is in the top ten most polarised boroughs in England when comparing instances of multiple deprivation, with these issues most concentrated in the wards in the Town Centre and Brinnington areas. The Council has a clear political vision to address these inequalities as set out in the One Stockport Borough Plan. In the IMD (2019) 17% of the Stockport's areas ranked in the most deprived national quintile, with these areas clustered around the centre and north of the borough.

The Peer Team met with Councillors and Officers who demonstrated extensive knowledge about both the history of the borough, but also the communities and neighbourhoods that they serve. Prior to conducting this CPC, the Team was also provided with access to a range of key documents which demonstrate a clear and strong evidence base regarding the characteristics of the borough, and the needs of the local population. This information helped the Team to better understand the local area and social issues:

- The economy of Stockport is one of the fastest growing in the North West (and is in the top 20 nationally for growth and productivity) supporting over 13,000 businesses.
- Despite this economic success there is forecast to be a growth in youth unemployment

from 5% to 11% for residents aged 16-24.

- Health inequalities in the borough are illustrated by differences of life expectancy between the most affluent and most deprived wards of 8.5 years for men and 8.8 years for women.
- Stockport was less ethnically diverse than the national average with 92% of the population identifying themselves as white in the 2011 Census compared to 86% nationally
- There are approximately 35,000 residents of Stockport who are affected by income deprivation. This includes 9,400 older people in relative poverty and over 8,000 children living in low-income families.

This information is collected and well-used to inform the Council's priority setting through strategic documents. There is a clear strategic framework that brings these documents together and shows their relationships, including the One Stockport Borough Plan which sets out the longer-term vision across organisations in the area, and the more focused Council Plan which sets out the contribution of the Council to these goals. There are also several more specific strategic plans for issues such as community safety, health and social care integration and the Mayoral Development Corporation which are also set out within this framework.

The priorities included within these Plans, addressing inequality, tackling climate change, and supporting inclusive growth as well as the role of the Council on these topics is consistent. The Peer Team recognise that the Council are on a journey to fully define their ambition in each of these areas, and the activity and milestones that sits underneath them. In this respect, the team encourage the Council to consider the relationships and interdependencies that exist on these issues. This will support the Council to continue to overcome silos to addressing issues in the round building on the Council's recent success in this area through all age neighbourhoods and working as one of 12 Family Hubs models which is being taken forward nationally.

There is strong cross-party engagement and support for each of the priority issues in-turn, as illustrated in the all-party support for the Mayoral Development Corporation which leads on regeneration in the west of Stockport Town Centre. Given the foundations that exist of political support, strategic framework, and strong relationships with partners, there is a continued need for the Council to be purposeful in addressing these issues.

Finally, there is clear use of performance management information within the Council to

illustrate progress against these priorities. Through the CPC process the Peer Team were presented with instances of how this information was triaged and used to support decision making at executive, management, and operational levels. This information is used on a quarterly basis and includes clear information regarding performance against targets as well as direction of travel. It is also positive that this information is reported publicly through the “big Stockport picture” website which provides transparency on these issues and supports increased accountability to residents. When reflecting on this information, the Peer Team would challenge the Council to ensure that they are maximising the benefits from this approach, including the links between performance reports and Scrutiny work programmes, as well as using information to support service improvement or turn-around in a structured manner.

4.2 Organisational and place leadership:

The Council is clear and consistent in its role working as a local convenor in the borough. This role, articulated in the One Stockport Plan is recognised by partner organisations across the public, private, and voluntary networks. During our conversations with external partners, the Peer Team were often told of a “Stockport way” or “Stockport approach” that was characterised by putting the needs of residents ahead of organisations, being proactive, and working with respect. These positive relationships also exist closer to the organisation, with the Council being recognised by Trade Unions for their willingness to engage them on strategic topics and support the resolution of practical issues and disputes. Central to all these relationships was a sense that the Council ‘welcomes honest feedback’ and constructive challenge.

Importantly, the Peer Team were also struck by the strength of the partner organisations that the Council is working with, and the opportunity that this presents for exciting new approaches to be taken to public service reform which build on these relationships and the progress to-date. This is illustrated with the Council taking on a place leadership role within the emerging Integrated Care System across health and social care, as well as established partnerships and policy networks such as the One Stockport Safer Partnership and Economic Alliance. The team recognise this important asset, and the opportunities that it presents, including improved service delivery, effectiveness, and efficiency. The Council has embedded this partnership working with shared service delivery and integrated building use at several locations (including co-location with CAMHS services and job centre plus), and the peer team would advise they consider how they could build on this further, including instances of joint investment and the use of pooled budgets in health and social care.

Through their response to COVID 19, the Council has strengthened their relationships with a range of Voluntary, Community, and Faith Sector organisations. Like other areas, the Council's response to COVID-19 is worthy of both pride and praise. This included responding to a rapidly changing national context, establishing new services at short notice, maintaining the provision of core offers, and supporting the successful rollout of the vaccine. These relationships have been maintained through a cross-sector forum which is jointly chaired by the Council with Sector 3 (charity infrastructure across voluntary, community and faith groups). However, the Peer Team heard strong feedback from representatives that they were eager to do more and build on this. It is also a positive that Stockport representatives on several Greater Manchester equality groups link in to local networks, to support the sharing of information locally, and ensure that the benefits of the wider Greater Manchester infrastructure are also felt by partner organisations, and that Stockport's needs are well represented in these wider forums. Recently, this has supported the Council to engage on issues regarding the cost-of-living crisis, to develop a response to these challenges that cut across organisational boundaries.

The contribution of SMBC to the Greater Manchester Combined Authority was also recognised through this process. This included praise for the progress that has been made to town-centre regeneration and the leadership of the Council in establishing the Mayoral Development Corporation (MDC) the first of its kind in the country. This MDC brings together the Mayor of Greater Manchester, with the local leadership of the Council and Homes England to support a long-term vision for Stockport Town Centre. This approach has enabled the Council to better engage with landowners and developers, bringing forward initiatives that are in-line with this vision. This has included demonstrable progress through the regeneration surrounding Stockport Train Station.

Beyond the MDC, the Council has contributed to the wider GMCA community by acting as the political and managerial leadership on issues regarding Children's Services. This contribution over a larger footprint recognises the strength of these services as reflected in them being rated "good" by OFSTED. The Peer Team also appreciates that there have been instances when SMBC has taken a different position to that of GMCA, most notably through the Council's decision to withdraw from the Greater Manchester Spatial Framework. Whilst it is not the Peer Team's remit to comment on the merits of this decision, there was recognition of the understandable decision that the Council took, with Cabinet Members recognising the sovereign vote of Full Council to vote against the Spatial Framework, whilst maintaining positive relations with the GMCA. In recognition of the Council's stance on this issue, it is essential that their development of a bespoke Stockport Local Plan is well managed and tailored to the needs of the borough.

Finally, there was recognition both internal and external to the organisation for the political and managerial leadership that was present at SMBC. This included praise for the continuity which partners had felt following the change of administration in 2022, with organisations saying that they had been ‘unable to see the joins’ between administration. Whilst there will be a natural political difference under the new administration, it is to the Council’s credit that this has been well managed to partners to support priority issues. There was also recognition for the managerial grip which was in-place at the Council and a belief that the organisation invested meaningful time and capacity into these issues and relationships.

4.3 Organisational Governance and Culture:

With the Council being in no-overall control since 2011, it has been successful in maintaining a collaborative approach to governance and culture which exists at SMBC. This cuts across how information is shared with political groups and wider members, as well as the approaches to decision making through Scrutiny and Neighbourhood working. The Council’s regard for governance is illustrated by the Monitoring Officer and Constitution Working Group reviewing the Council’s Constitution on an annual basis, with the most recent review incorporating the LGA’s Model Code of Conduct.

The Council’s approach to Scrutiny is structured around five Committees, with voting members drawn from outside Cabinet. These Committees operate in-line with good-practice guidance, with each being chaired by a member of the opposition and there being clear autonomy over their work programmes. There is meaningful engagement from Cabinet with these forums, with Cabinet Members attending to respond to questions and queries. Given the recent change of administration, the Peer team appreciated that the previous Cabinet Members had become Scrutiny Chairs for their previous portfolios, supporting some continuity of knowledge.

Committees each meet six-times a year, and all undertake pre-decision Scrutiny. The effectiveness of this system is illustrated by the small number of ‘call-ins’ with only two decisions being called in over the previous four years. Impressively, this approach to pre-decision Scrutiny extends to issues of budget development, further supporting cross-party engagement on key issues. The Council’s approach to Scrutiny is a real asset, and consideration should be given to how this can be appropriately shared with the wider sector, particularly other areas which operate in no-overall-control. As part of the next annual review of the Constitution, the Peer Team would encourage SMBC to ‘stress test’ and ‘future proof’ their constitution as much as possible. This could include ensuring clarity of terms, ease of navigation, and appropriate approaches on member and public questions.

This work, with support from across groups, would help to embed the constructive relations that exist into the operating procedures of the Council.

There are good relationships across the organisation and a good understanding of the respective roles of officers and members. However, the Peer Team believe that the Council would benefit from further close working between statutory officers of the organisation to management of live issues and risk. With this in-mind, the team would recommend that to build on the positive working relationships a monthly meeting of statutory officers is implemented to support the 'golden triangle' in sharing information and issues in real time.

SMBC also has seven Area Committees, comprising Councillors from local wards which are designed to provide an opportunity for local people to contribute to open forums. The Committees are a unique and longstanding feature of locality working in the borough and are attended and supported by partners at a local level.

Given the established nature of these forums any changes in these areas needs to be carefully considered and engaged upon. However, the Peer Team would suggest that the Council consider:

- The relationship between Area Committees and the Council's approach to addressing hyper-local issues (such as inequality) and how to maximize their impact and contribution to borough wide priorities.
- The potential to better align Area Committees to wider geographies of practice, including work with Team Around the School, ICS Locality models and service delivery footprints.
- Supporting officers with the production of reports and summaries that are presented to Area Committees to avoid the risk of papers becoming too long and difficult to navigate.

The all-out elections of 2023 areas likely to bring a significant cohort of new Councillors to SMBC due to several Councillors standing down. It will be essential that the Council supports new Members with a comprehensive induction programme, both on the knowledge of local government, but also on the practicalities of being a Councillor at SMBC. This programme needs to reflect the council's approach to working collaboratively, explaining member officer relations as well as the Council's approach in convening local services. There also needs to be consideration for role specific training (e.g., Chaining skills) to make sure that this plan reflects 're-induction' and changes in roles, rather than just supporting 'new' members.

Within the Council's wider workforce culture, the Peer Team enjoyed attending the all-staff

event that was held during our time on site and gave an indicator into the Council's approach to engagement. These events, as well as the all-staff survey which was conducted in June 2022 demonstrate organisational commitment to ongoing engagement. The Council received over 1,700 responses to this survey (58% of the workforce). Whilst these results illustrate several positive findings including 94% of staff understanding how their work benefits Stockport residents and 90% knowing the Council's values, there were further findings which the Council should consider alongside their approach to Organisational Development going forward. This includes building on the 62% of staff who feel 'proud' to tell others they work for the Council, as well as the 23% of respondents who felt that they did not feel able to challenge how things are done, and the 24% of staff who did not feel employees were supported during periods of change. It was also recognised that results were consistently lower in the Adult Social Care Directorate than other areas of the Council, and consideration should be given to targeted support in this area.

The Peer Team appreciate that the staff survey is only one elements of the Council's approach to engagement with staff, and that there are strong foundations in place including regular all colleague briefings, an effective network of employee engagement groups, and regular "Let's Talk" engagement sessions. However, the Peer Team believe that the Council would benefit by incorporating the following elements into this work:

- Ensuring that internal communications are in-place to support transformation and change programmes, with resources better aligned on issues of staff engagement.
- "Extending the practice, which has brought positive results in Children's Services, to Health and Social Care, whilst also being mindful that this not over-stretch capacity or dilute key messages.
- Continue to use a "Story Telling" approaches to capture good practice and support staff communications, making sure that this captures voices from across tiers of the organisation.
- Taking the opportunity to capture the wellbeing offer to staff as part of a wider cohesive package of support. Bringing together the breadth of services and offers into one place, and better supporting staff to navigate them.
- Providing more structure around the 'non mandatory' elements of staff training and supporting staff to better navigate this offer.
- The Council is mindful of the importance of how recognition is used in the organisation, including for instances of 'high performance' as well as long-service, introducing awards, a thank you 'app', but needs to consider feedback from staff on these new measures to support their refinement and future improvement moving forward.

Finally, the Council is facing external challenges of recruitment and retention which are exacerbated by the competitive market which they are working, and illustrative of wider challenges facing the sector. As a result of this, the Peer Team were told of examples of officers reluctantly leaving to work elsewhere and the impact that this was having on teams. Central to addressing this issue is a need for SMBC to be seen as an 'employer of choice' in the sub-region, recognising the benefits and strengths of working in Stockport. The Council is taking in active role in addressing these issues, including engagement through job fairs and promotion through the targeted use of social media. However, there is still more work to do with staff on capturing and communicating these positives and building on the opportunities presented by the opening of the new 'wing' of Fred Perry House. The thought, planning, and engagement that has gone into the arrangements on this new wing is clear to see, and the opportunity exists for the Council to build on this momentum as part of their wider approach to Organisational Development.

4.4 Financial planning and management:

The net revenue budget of SMBC is £281 million and has shown a history of strong financial management, with a surplus budget position of £720,000 for 2019/2020 and £1m for 2020/21 and no historic patterns of overspending or drawing on resources to address the non-delivery of savings. However, like many others, the Council is working within a context of wider financial challenges facing the sector. This is reflected in a cumulative savings requirement of £17 million for 2023/24, rising to £33.3 million by 2024/25, prior to any Council Tax increase assumptions. These figures are well developed and tested and have been built using appropriate assumptions (prior to the 2022 Autumn Statement). This is a favourable position to many other organisations, both in-terms of clarity and quantum.

Whilst it is not the role of the CPC to test or review budget proposals and assumptions in depth, it was felt that the plans for 2023-2025 looked both prudent and robust. However, the Council is facing financial instability due to inflationary pressures, increased demand due to the cost-of-living crisis, pay settlement and social care reforms. With this in-mind, the Council may require a 'gear change' to address the pressures that they face beyond 2025 due to increased demand and austerity.

Furthermore, it is important that the Council balances financial capacity in focusing on the delivery of proposals for the period of 2023-2025, and the refinement of longer-term assumptions and proposals. The Team appreciates that there has been little dialogue and discussion on post-2025 issues due to the uncertainty that would underpin planning assumptions. Recognising the validity of this position the Team believe that the Council would benefit from increased dialogue on this matter, to support planning and the potential

need to revisit priorities within the Council's capital and revenue budgets. This dialogue will support increased transparency, political interface, and distributed ownership of this challenge. Importantly, this will also provide more time for engaging with residents and partners on potentially difficult decisions.

The Council's Senior Finance Officers were viewed across the organisation as trusted, capable, and credible. This is a real asset to the organisation and will be central to addressing emerging challenges. It is important that responsibility for the Council's financial position is seen as 'everyone's responsibility', and the Council should be mindful of the risk that it is seen as the responsibility of finance colleagues to grip, manage, and address these challenges.

Throughout the Peer Challenge, the Team received positive feedback for the Council's approach to financial planning. This approach is built on regular reviews of the assumptions in the Council's Medium Term Financial Plan (MTFP), with this strategy working over several years to support medium-term budget management and with clear links between the MTFP and Council priorities. The budget process of the Council also maximises the contribution and benefit of pre-decision Scrutiny, with the MTFP and budget proposals going through two rounds of Scrutiny and consideration prior to Cabinet and Full Council Meetings. This use of Scrutiny is a key strength to SMBC and supports political engagement on proposals and the use of internal challenge before savings 'meet the public or press'.

The Council has set a balanced budget for 2022-2023 using a mixture of recurrent and non-recurrent resources, this includes the delivery of £10.3 million through transformation. There is a requirement for this figure to rise cumulatively to £17.2million and £23 million in the coming two-years. The largest contribution to these savings is through the management of demand at £2 million per year. The Council will need to take a considered approach to benefits realisation to ensure that these savings are realised, tracked across the organisation to ensure that they are 'cashable'.

The Council has a constructive relationship with external audit, who were complementary to the processes in place and have not identified any issues with regards to statement of accounts or value for money judgements. This is mirrored through a pro-active approach to risk management through internal audit, which is used to support the planning, testing, and challenge to delivery plans within the organisation. This model is well respected within the Council, and their contribution valued as part of a wider approach to risk-management.

SMBC currently hold £15.2 million in General Fund Reserves, as well as £118.6 million in

earmarked reserves (not including Housing Revenue or School Reserves). This is slightly above statistical neighbours. Included in this was the creation of a £36 million financial scarring reserve to act as a contingency for the longer-term impact of COVID on their financial position, mitigating the loss of income from commercial investments, reduced income from leisure services, and increased demand for Children's Social Care which has been applied over the period to smooth the negative impacts still being felt. The Council is also showing a deficit of £5.3 million due to a loss of the dividend from Manchester airport. The Council has used £10.1 million from these reserves in 2021-2022 to support 'smoothing' their financial position but is aware that this it is not a sustainable position long-term.

The Council has a significant Capital Budget with £328 million identified over the coming three years (2022-2025). The Council has shown good delivery against this budget, including £99.7 million against a budget of £114 million for the last year, with slippage being rephased into the next year. Given the inflationary pressures facing the Council, further work may be needed to consider the affordability of some proposals, and to support prioritisation and decision making based on benefits and returns in this changing context.

The Peer Team recognise that Stockport has the 'ingredients' that are required to deliver on the vision for the borough, including good governance, financial rigour, positive leadership, and constructive relationships with partner organisations. The importance of these building blocks cannot be overstated and should be built upon through the Council's improvement. However, it is also important that these are not taken for granted, and that they are protected and safeguarded so that they are not lost.

The Peer Team felt that the Council's current approach to improvement was focused on service improvement and would therefore encourage a more 'thematic' approach in some key areas. This would enable the Council to apply project management tools and methodologies on issues such as inclusive growth, bringing more clarity on proposed next steps. This will also support the sharing of information and knowledge within the organisation to develop a 'team around the issue' approach that will further unblock inefficiency and create space for innovation and peer to peer support. For instance, this could include more rounded responses to issues of inclusive growth, and the wider benefits that this could bring to wider services.

These corporate foundations have been central to the Council delivering effective services, as reflected in Children's Services at the Council, with a strong approach to restorative practice which is has been rated "Good" by Ofsted. The Council is looking to build on these strengths by extending this practice ("the Stockport Family") into adult social care services. This is a natural progression that builds on local good practice. Through this approach the Council will need to be mindful of issues in which there may be a need for fidelity or variation

within this model, as well as the consequential risk that it becomes stretched with individuals working across a broader remit. With this in-mind, the Peer Team believe that the Council may benefit from targeted and specific transformation capacity both to support this extension, as well as other corporate priorities such as addressing inequality, delivering inclusive growth, and addressing financial pressures and service demand. This work would be best brought together through a three-five-year medium-term financial plan that creates the space for considering these significant issues, and the development of a programmatic and cross-cutting approach, helping the Council to move beyond the continuous improvement approach which they have adopted to date.

The Council's current approach to improvement has been effective, delivering financial savings, service improvement, and regeneration through the Mayoral Development Corporation. SMBC would benefit from further work that brings together these strands of improvement into a broader collective, managing the relationships between these issues and working to deliver secondary benefits through marginal outcomes.

The Council has an innovative approach to sharing data with partners through open access and underpinned by a strong Data Strategy. This use of information and intelligence will support the Council and partners over the coming years. As the financial context for the Council becomes a bigger challenge over the coming years, it will be important for this data and insight to be more closely linked to Council decision making as resources will be more stretched.

The Peer Team was impressed by the Councils' approach to digital services, which was recognised externally in the 2022 Local Government Chronicle Awards for using data to support digital transformation. This work, alongside the proactive approach to supporting 9,000 residents at risk of digital isolation are well regarded across the sector. To build on this, the Council has recently launched their Radically Digital Stockport that brings together work across the Council on areas of the digital economy, prevention, and technical architecture. Therefore, the Council needs to ensure that it maximises the potential of these tools, and ensures that they are fully aligned to borough, organisational, and financial priorities.

One of SMBC's key partners for continued improvement is the Greater Manchester Combined Authority. Therefore, it is important that the Council works to maximise the opportunities for public service reform which are presented through the Combined Authority. This could include opportunities to address social issues at scale (such as more muscular intervention in Children's Social Care Markets to address issues of agency spend and residential placements). The Council should also remain alert to opportunities to adopt and adapt good practice that other partners have implemented and maximise the learning opportunities from this network.

Moving forward, it is important that SMBC place staff and their wider workforce at the centre of their transformation goals. The opening of the redeveloped Stopford House will provide a base to embed new ways of working and build on changes introduced during the pandemic. This work needs to be aligned to ongoing conversations with staff across the organisations, so that the Council's approach to improvement is co-produced and underpinned by a more robust approach to organisational development. This approach also needs to ensure that all staff recognise this new approach, rather than just those based in new offices. Progress in this area will support the delivery of improvement but will also enable staff to feel more 'pride' in working for the Council and the brand of Stockport, therefore bringing benefits of retention and recruitment to support workforce planning.

Finally, the Peer Team would encourage the Council to be bolder in communicating the work and progress to external audiences. Within the borough, this should include increased engagement with residents on the Council's aims, ambition, and progress. Moreover, the Council should consider how this exciting and award-winning practice can be shared with the wider local government sector. Whilst this communication can be seen as an additional task, it would build momentum for progress, and if appropriately structured will act as a visible recognition for staff and support pride in their work.

5. Next steps:

It is recognised that senior political and managerial leadership will want to consider, discuss, and reflect on these findings over the coming weeks. To support transparency, the Council is expected to publish this report within six weeks of receiving a final draft. There is also an expectation that an action plan is publicly available within eight weeks of the report's publication.

Both the peer team and LGA are keen to build on the relationships formed through the Corporate Peer Challenge Revisit. This process includes a six-month check-in holding a structured conversation across Peers and the Council to consider progress made against these recommendations.

In the meantime, Claire Hogan, Principal Advisor for the North West, 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 contacted by email

Claire.Hogan@local.gov.uk .