

# LGA Corporate Peer Challenge

South Hams District Council

19 – 22 March 2024

Feedback report





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# 1. Introduction

This Corporate Peer Challenge (CPC) was conducted at South Hams District Council (SHDC) and West Devon Borough Council (WDBC) simultaneously, for very practical reasons. The councils share staff and senior management, and therefore have one joint workforce. However, they are both very much sovereign and separate councils, with different governance systems, different councillors, different policies, separate budgets, and the areas have different challenges alongside shared opportunities. As a result, it was agreed with the councils that two reports would be produced, one for each council. It was also agreed that joint recommendations and where appropriate recommendations for each council would be made by the peer challenge team and this approach is reflected within this report.

Corporate Peer Challenge is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending 4 days at South Hams District Council and West Devon Borough Council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, Accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils to meet their Best Value duty with the UK Government draft guidance expecting all local authorities to have a CPC at least every five years. SHDC's last CPC took place in November 2018.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

## 2. Executive Summary

South Hams is a high performing council, which is well led and managed and is delivering consistently well on behalf of its residents and communities.

Following the district elections in May 2023, the political leadership of the council changed; resulting in a Liberal Democrat administration, with a new council leader.

The new administration had a well socialised manifesto ahead of the elections and the officer team supporting the council very wisely used this by quickly and effectively producing a 'risk / RAG rated potential action plan arising from the manifesto, in order to help the new administration to hit the ground running.

The above proactivity has been combined with a clear determination to be as inclusive as possible by drawing on the talent of elected members across all political groups. As one stakeholder told us, which was reflective of other views the peer team heard, 'the new arrangements feel like a breath of fresh air'. This is very much to the credit of the leader, his deputy and indeed the leaders of the other main parties and evidenced by the make-up of the council's Executive.

The council's chief executive and senior officer team should take credit for supporting the new and very different political administration. Their proactivity in preparing for and effectively responding to change in May 2023 is a strong and defining feature of the relationship between the members and senior officers within the council, which has the hallmarks of a pragmatic, trusting and ever maturing leadership team.

That effective preparation and good cross-party engagement has meant that the council already has in place a well-articulated Council Plan covering the period 2024-28. The plan, its priorities and delivery outcomes are likewise reflected in the detail of a three-year rolling financial strategy, which is the norm for the council. The council has an excellent track record of financial management and planning, which is one of its underpinning core strengths.

When we spoke to the respective leaders at SHDC and West Devon Borough Council (WDBC) it was clear to the peer team, that although both authorities have many effective partnerships, it is their councils' joint partnership and senior officer

team which is the most important. It has and continues to deliver significant resilience and strategic capacity, but importantly it also means the 'voice' of both councils is amplified to great effect. As such both councils can look to the future with optimism. That optimism should also exist because the council delivers core services well; the importance of which should not be underestimated, given the current challenges facing the wider sector.

SHDC have a council plan, a matching finance plan and most recently a delivery plan to help ensure the council keeps on track - all of these key building blocks create a positive culture of continuous improvement. That culture of embracing sector led improvement, sharing and seeking out best practice is characterised by the senior members actively engaging in policy development and addressing key challenges e.g. the renewed focus and determination to tackle climate change as well as the senior officer team's achievement of 'Senior Leadership Team of the Year' for 2023 at the Municipal Journal national awards. We saw both SHDC and WDBC positively engaging with the wider sector and maximising opportunities to seek out and add to national best practice. Going forward it will be important that both political and managerial leadership, but the officer senior leadership team especially, keep their 'antennae' on the future of local government and create the opportunities to look out and beyond so that the two councils continue to stay ahead of the curve.

The council's focus on partnerships is key, as reflected in that key partnership with WDBC. With nearly every partner group or representative the peer team spoke with, we heard time and again, how well regarded the political and managerial leadership at SHDC are. That positivity is such a strength to take forwards now as the council seeks out further opportunities to maximise and develop these relationships to help deliver priorities for SHDC, but also to influence and address wider challenges, such as the housing crisis across Devon, or continuing to ensure effective support for all care leavers throughout the county.

We saw great opportunities for enhanced local working both with town and parishes, but also through and with them to the very core of the local communities in the district and their key representatives. It was evident that this is a developing area of focus for the council and the Leader has made a very personal commitment to work more effectively through such partnerships. The challenge now is to build upon those ever developing and positive working relationships to help ensure the council's key

priorities, such as its underpinning focus in respect of climate and biodiversity, are firmly embedded across the council area through strong and purposeful community engagement.

We found a district council with a strong corporate core and good organisational leadership. There is robust governance and an effective and established performance culture which is delivering improved outcomes. There are clear collective and individual accountabilities and responsibilities with both officers and members able to articulate how they contribute to the delivery of the council plan.

The single workforce, integrated systems and processes, supporting two councils creates resilience and the peer team found an officer core that has the capacity to deliver the council plan as currently articulated (and indeed the separate one at WDBC). It is this joint working that is at the heart of a highly productive organisation. However, we were clear that the need to remain steadfastly focussed on that and not be diverted elsewhere is key, as there isn't the capacity for anything beyond this.

The above is important context as changes and challenges will inevitably happen during the course of the four years of SHDC's political administration. Indeed, there will be national and county elections in the period of the next 12 months or so. Therefore, ensuring the council is aware of the external political impact that such events can create is important. The council has recent experience of preparing well for political change and the value of this learning should not be understated and it has put the council on the front foot. The peer team felt that almost a year on from that change of political control there is a real opportunity to reinvigorate the strength of the whole membership across the council and encouraged the senior political and managerial team to ensure that all members are: well developed, well engaged and collectively resolute on ensuring the delivery of the council plan, through a changing political landscape.

Both councils are clearly progressing their approaches to equality and diversity as well as their slightly different but complementary approaches to engaging with communities. Having positively embarked on work in these key areas, it is now time for the councils to articulate their individual and collective strategic approach and demonstrate what their expected outcomes in respect of diversity and community engagement really mean for their council, their place and what will be more

effectively achieved through that renewed focus.

We found two councils which had been through significant and fundamental organisational change some 7+ years ago now. Those previous changes were challenging and their legacy impact on the morale and capacity of the councils until recently has been evident.

The appointment of the new chief executive nearly four years ago marked a sea change for the councils. He introduced a pragmatic, evidenced based and more engaged service by service change process, as opposed to a former 'big bang' pan-organisational one. This more sustainable approach is serving SHDC and WDBC well and helping them drive forward improved service design and delivery. Both councils have now put in place far more effective and practical arrangements to manage change. Furthermore, the focus on professionalism, leadership, accountability and delivery are clearly evident. Now that there is a focus on real and meaningful engagement with the workforce and a clear organisational development plan in place, the peer team are confident that we will be able to report strong outcomes from this work when we revisit the councils to gauge progress in 12 months' time.

The peer team found two councils in SHDC and WDBC who really do, as one external stakeholder told us 'punch above their weight.' The strength of their collective partnership is a story of success and the development of new and ambitious council plans in each within a short timeframe, is a testament to their intention to improve outcomes for local people and communities. The peer team would encourage both councils to use the experience of the peer challenge to reflect on the progress they have made, not be shy in telling that story positively, and continue to be an example to the sector of what can be achieved through strong and effective leadership and partnership.

### 3. 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:

### **1. Have a relentless focus on the delivery of the council plan**

Focus your capacity on delivering your plans - recognise anything new will require a review of council plans and activity.

### **2. Create opportunities for your senior leadership team to focus on the key challenges and opportunities ahead**

Consider how senior officers create space to continue their strategic thinking/horizon scanning - you want to be a sector leader and this space is key.

### **3. Agree your desired approach to community development and then create a structured approach to delivery**

This will help you both articulate your plans, creating a clear narrative for communities and partners alike and allow you to focus on developing the social capital within your council areas

### **4. Use the opportunity provided by the new council plan to revisit your stakeholder engagement**

You can maximise your influence and engagement within SHDC and WDBC and across Devon as a whole

### **5. Tell your story louder – which clearly articulates both your vision for place and the impact of your activity.**

By doing this well, you will help the delivery of the other recommendations listed in this report

### **6. Build upon the foundations of your new organisational development plan over the next 2 to 3 years to ensure you can meet new and emerging challenges and opportunities.**

You have set in place a solid plan, it addresses the here and now, and you can and should keep iterating and developing this through time, so it remains purposeful and relevant

### **7. Develop a 4-year member development programme that maximises the input and engagement of your members**



You have a great opportunity a year into the new administration to revisit and engage your membership afresh with the new council plan and make the most of the added value your membership group creates

#### **8. Review the role, function and purpose of advisory panels and working groups**

Members welcomed their close working and engagement but were not sufficiently clear how your current arrangements add the value you want


## **4. Summary of the peer challenge approach**

### **4.1 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 by the LGA on the basis of their relevant expertise. The peers were:

- Cllr James MacCleary, Lewes District Council - Liberal Democrat Member Peer
- Cllr Sarah Rouse, Malvern District Council – Independent Member Peer
- Cllr Sam Chapman-Allen, Breckland District Council – Conservative Member Peer
- Arthur Charvonia, Babergh and Mid Suffolk Councils – Chief Executive Peer
- Chris Hall, Executive Director – Community Services, Somerset Council – Officer Peer
- Sarah Garner, Head of People and OD, Wealden District Council – Officer Peer
- Lydia Rusling, Assistant Director Economic Growth, South & East Lincolnshire Councils Partnership - Officer Peer
- Paul Clarke, Principal Advisor – LGA Peer
- Emily McGuinness, LGA Peer Challenge Manager

### **4.2 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? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
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?

As part of the five core elements outlined above, every Corporate Peer Challenge includes a strong focus on financial sustainability, performance, governance, and assurance.

In addition to these themes, the council asked the peer team to provide feedback on the areas below. These are incorporated into the body of this report:

- A consideration of the council's work over the past 12 months ahead of a potential change of control and managing the transition to the new political administrations in both councils
- Managing and supporting our people – how effective is the council's Organisational Development Plan and our emerging approach to EDI
- Considering the council's approach to future challenges – and are they fit for the future?

### 4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at South Hams and West Devon Councils and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports) and an LG Inform report outlining key performance benchmarking information for the council.

The peer team then spent 4 days on site at both councils during which they:

- Gathered evidence, information, and views from more than 60 meetings, in addition to further research and reading.
- Spoke to more than 100 people including a range of council staff together with 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 members.

## 5. Feedback

### 5.1 Local priorities and outcomes

First and foremost it is impressive, that with a change of political administration at the council in May 2023 (it is now a Liberal Democrat led council) that there is already in place a Council Plan, with four clear priorities for the next four years, specifically: housing, economy & jobs, community services as well as the councils' ambitions around climate and biodiversity being a consideration through everything the council does. Those priorities reflect the key issues from the Liberal Democrat manifesto

prior to the May elections and now with an Executive including both Green and Conservative Party members, it is very clear that these are collectively led and owned right across the political spectrum. The council plan priorities have been subject to partner and public consultation.

The same outcome, a clearly funded Council Plan has been achieved in WDBC and it is a testament to the effectiveness of the respective new political administrations and the senior officer leadership team that this process has been undertaken so smoothly, allowing for distinctive priorities and annual delivery plans. Those delivery plans have been resourced to ensure the council's priorities are translated into practical realities. For example, in respect of climate change and biodiversity, the council has invested a further £500K following a review of earmarked reserves and the capital programme in the autumn of 2023. Therefore, the delivery plans are clearly aligned with existing and future financial and organisational capacity. This is important on two counts, firstly it identifies the key relationship between resource and output, but secondly it shows clearly to all that there is little room for further manoeuvre. The peer teams' message to the council was clear, you have a plan, now focus on delivering against it and do not be distracted from that.

It is important that the council continues to lever the strength and engagement of its partners to deliver both its own plan priorities but also shared objectives. We saw a renewed focus on engaging effectively with town and parish councils across South Hams, coupled with a far greater emphasis, as directed by the new administration, and importantly as felt by local community partners to engage with them too. All the signs are that this is starting to strongly push a community agenda in the council that feels more vibrant and with real intent, than perhaps what had gone on before. Such well engaged grouping along with many more community groups besides, can be key to driving change and enhancing capacity and social capital. Therefore, the peer team felt it would be very useful for a structured plan and proactive approach to community development to be crafted. This should also help to clarify stakeholder engagement and management, so the council prioritises its focus and resources as effectively as possible. This was described as a 'breath of fresh air' by one local partner and this view was echoed time and again by others; it felt like a sea change was happening.

Overall, the partners we spoke with were clear about both the council's vision and

clarity of purpose, and importantly stated how it was helping them deliver their own objectives, for example in respect of the Devon wide housing challenges. Overall, they view the council as a positive and responsive partner. Indeed, the same is true of WDBC and frequently we were told that the chief executive has personal credibility in the partnership arena and has made a real difference. The leaders of both councils are equally well respected.

That same acknowledgement of respect and value is clear right across the council membership. We heard that councillors are valued community advocates and effective conduits for the voice of the community into both councils. The peer team did feel that although the councils have different but complementary plans there is further synergy and learning that can be done across the joint membership both within and across the councils but just as importantly outwardly too, to draw learning from the sector as a whole. This speaks to the desire from members we spoke with, to learn and develop and share, which is a very healthy mindset.

Building upon the learning point above, a year into the new council administration it was evident that the leader has made a clear and unequivocal commitment from the council to its partners to work hand in glove with them. This really does shine through in the way the council is now emphasising that renewed focus on community and place, for example its developing plans to ensure the council works in its localities with partners to safeguard community assets for the future.

The peer team felt that there is now a great opportunity for the council to further sell and deliver the strength of that collaborative political approach, which is so important to enabling the delivery of the council plan. We felt that SHDC should now create a compelling narrative for use internally and externally which sets out not only what it is planning or doing but also the impact this is having or will have within the community and with its businesses.

In terms of delivery against council priorities, the peer team found a strong and improving framework for corporate governance and performance management at SHDC. This is reflected in very positive external audit findings and seen in the council's integrated performance management reporting process, which is reported

through to and overseen by the Executive<sup>1</sup> at SHDC and the Hub at WDBC.

The peer team also found strong internal audit arrangements, with clear reporting and oversight at the council's Audit and Governance Committee. For example, we saw an audit recommendations tracker which ensures key audit findings are delivered and reviewed. We also saw a clear plan of audits going forward, focusing on key risk areas e.g. cyber security, financial stability and new systems. Within all of this, there is a clear line of sight of members and their ownership, engagement and review is evident, for example, through the development of new council plans, as well as the annual report of performance from previous year.

SHDC has learnt a lot from both service reviews e.g. revenue and benefits, where cost savings have been made and improved response times and customer satisfaction gained, but also the lessons from real service failures, including some significant challenges in the last couple of years with the delivery of its externally contracted waste service. That ultimately led to the council bringing the service back in-house in October 2022, against a backdrop of significant resident dissatisfaction because of poor performance. The council has, in a relatively short period of time, turned that service around and that is a great testament to those who led that change. Key to the future will be how the council uses that learning to safeguard against similar issues, as one member told us 'prevention is better than cure', when it comes to the delivering of effective front-line services.

Therefore maintaining a strong focus on performance is key and the council is showing improvement in a number of areas, beyond its waste services. For example, the planning service was an area that required improvement and through a review and action plan that service is beginning to show tangible improvements and is on a positive trajectory in both councils e.g. SHDC performance in terms of major planning application determined in 13 weeks was at 100% and non-major applications determined in 8 weeks was 96% as at January 2024, both well above the national targets. A copy of the councils Headline performance report is here [LGA Inform - South Hams Headline Report](#)

The peers saw an effective performance reporting culture at SHDC, incorporating a

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<sup>1</sup> [Committee details - South Hams Executive :: South Hams and West Devon - Working together \(swdevon.gov.uk\)](#)

focus on the importance of customer feedback. This has helped inform service redesign e.g. changes in contact centre arrangements to secure improvements and more direct client engagement.

Overall we found a very clear and evident 'golden thread' running through the council's performance management – from the council plan and strategies, through to delivery and service plans, right through to staff appraisals. This is a significant strength the council should be proud of.

Given the above strengths the peer team had just a few reflections to offer to encourage the council to improve even further:

- The council might build on customer feedback and encourage that more, in line with its plans for more effective community engagement, so real insights are captured, analysed and built upon.
- Could SHDC use more/better/different comparisons on a national basis, essentially seeking out best in class and learning from that
- Could the council build upon its performance model by using an evidence-based approach, including qualitative measures – insights, surveys, thematic check-ins with communities and members - stronger feedback loops?

Overall, though the peer team's final reflection is that both councils should be rightly proud of the current performance managements arrangements and should continue to welcome further external critical friend review, such as the peer challenge.

## **4.2 Organisational and place leadership**

The new political administration at SHDC was 'planning for power', well in advance of the local elections. The Liberal Democrat party had a well-developed manifesto which has become the cornerstone of the new Council Plan and as such the new administration really has 'hit the ground running'. However, the new administration has assumed political control in a very mature way and inclusive way. The first 12 months of this new council has seen a utilisation of the best of talents across the political spectrum to really focus on driving change for the residents of South Hams. This speaks volumes to the desire of the council leader to map out a new way to lead

SHDC.

We saw effective engagement both with parish and town councils and community groups within South Hams but also with key partners such as Devon County, Plymouth City and Torbay councils and the same is true of WDBC. This places SHDC in a stronger position of influence but also as a partner of choice and one that is valued and respected.

As highlighted, housing is a key priority for both SHDC and WDBC and the peer team found strong leadership in housing across both councils and within the officer leadership and housing team specifically, with a granular focus on the delivery of affordable housing. The peer team felt that this was an area where South Hams was really leading the way and that strong leadership is showing signs of being translated into tangible outcomes through the way the housing team operate as they utilise to the full the levers available to them to deliver housing improvement in a complex housing picture. Like so many rural areas, housing stock is limited and costs are increasing at the same time as incomes have flattened. This burden on affordability has the potential to increase pressure on the council in managing homelessness cases. The council is maximising the use of the Local Authority Housing Fund (LAHF) to increase council controlled stock and prevent runaway placement costs for temporary accommodation.

The jointly owned and operated Seamoor Lettings provides an opportunity to connect tenants and landlords with the support of the council to help maintain that relationship. Whilst not a unique solution this remains rare and shows leadership in meeting statutory homelessness demand head on in an environment of nationally increasing costs. Strong relationships have been built with private sector landlords and additional support is provided to the tenant and landlord in this relationship, reducing the breakdown of tenancies and supporting tenants to build a reference enabling them to move on more easily when they choose to do so. This shows a willingness and capability to meet the challenge head on.

That strength of partnership and place leadership is clearly evident in the Joint Local Plan (JLP), with Plymouth, one of just a handful nationally. This enables the built and economic assets that are evident across the urban areas, the protected landscapes of the moors and the host of thriving towns and villages, right across West Devon,



South Hams and Plymouth to have a strong joint planning policy framework. Over the lifetime of the JLP, housing delivery has exceeded the national target of housing required annually, i.e. nearly 1,500 per year and there has always been a surplus position for 5-year land supply.

The council has maintained its momentum on the strategic opportunities of the Plymouth and South Devon Freeport, where good progress is being made and strong partnerships have been formed. One of those partners, specially identified the strength and speed of progress as being a direct result of the dedication and professionalism of officers and the drive of the lead member. It is especially important to identify the successes in South Hams given the national picture where Freeports has been a much more challenging picture.

The Council is responding well to meeting the needs of the community and businesses not only in areas of its direct responsibility but also areas where this may have traditionally been a county council responsibility such as LCWIP, active travel and establishing thematic groups to support UKSPF (United Kingdom Shared Prosperity Fund) project.

Similarly the council, along with WDBC and the other districts are working collaboratively with the county council to support and promote a better future for the children of Devon by making a clear commitment to care experienced young people in Devon, for example by scraping council tax for those young people up to the age of 25 and stepping up to the plate as a corporate parent<sup>2</sup>. The county council is likely to be due a reinspection of their children services within 12 months and such commitments will hopefully be reflected in an improved rating from that inspection.

As shown above, SHDC and WDBC are effective and trusted partners who work in collaboration with others to lead, convene and deliver meaningful change. The peer team would encourage the councils to reflect upon how they can further exploit their collective influence politically as well as managerially, now they are twelve months into the lives of both new administrations, so that the sovereign but joint views of South Hams and West Devon and their communities are championed.

The council has a clearly articulated commitment to biodiversity and tackling climate change, and through innovative matrix management approaches, has ensured that

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<sup>2</sup> [Council helping care leavers into employment | West Devon Borough Council](#)

there is officer capacity to support their ambitions as currently stated in the Council Plan. Both councils declared a climate emergency in 2019 and are signatories to the Devon Climate Emergency Response. Looking to lead by example, a key aim is to reduce both councils' organisational carbon emissions to net-zero by 2030. Having established a detailed understanding of the councils' greenhouse gas emissions, an organisational decarbonisation study has been developed and resources identified to work towards this aim. The councils are 'Carbon Literate' organisations following the successful programme to train the senior leadership team and all heads of service in 2021; this training is now being cascaded through the organisation by two in house trainers. Further to a piloting exercise, the planned implementation of an environmental and social impact assessment tool will ensure future policy and spending decisions are informed by an understanding of their wider climate and biodiversity implications.

The peer team felt that the newly established community development team could be a valuable engagement resource to support members at both councils. Continually building in stronger and effective feedback loops and engagement with communities through members is key as they can play a leading role in ensuring the connectivity and co-ordination across key council priority areas. Likewise the peer team also felt that this maturing partnership landscape could potentially benefit from a structured place board approach which would underpin the existing good working relationships and secure commitment to the delivery of shared local priorities and potentially provide a vehicle for unlocking future wider aspirations.

In respect of the single workforce operating across both councils, it is important to reflect that this is an embedded, mature and well performing shared services model that is understood by all, producing in excess of £6m savings year on year and delivering key services to residents, which are overall improving and/or delivered to a high standard.

The peer team found very positive senior officer and member relations across both councils and the chief executive, and his senior team have worked tirelessly to ensure the ambitions and plans for both new council administrations have been established in a short period of time. This is far easier to say than to do, and in SHDC and WDBC it is already done.

We found a stable and effective senior leadership team, which has been publicly recognised through the award of the MJ's 'Senior Leadership Team of the Year' for 2023. We found a strong steer from the chief executive and beyond him evidence of good distributive decision making, across the senior leadership team, so empowerment and accountability is now far clearer across a wide range of services, than it has been previously. There remained a couple of areas where it may be useful to reflect on lines of accountability – the obvious area would be in planning, given the recent departure of a leading change agent, senior officer within that service, but that is for the councils to reflect upon. Given the present performance and direction of travel, it could equally be argued that current arrangements are clearly working well. Beyond that we would advise the council's senior leaders to continually welcome challenge, such as the LGA led peer review; it seemed to the peer team that such a mindset was clearly taking hold and we viewed that very positively.

There has been significant investment in a development programme to support middle managers to enhance line management skills and competencies. In the peer teams' view, based upon our engagement with that group of staff and others besides, that proactive approach is having a positive impact in addressing legacy issues associated with previous and possibly less successful change and transformation programmes. So the peer teams' message to the councils is that it should use this sound foundation to now drive positive leadership and modelling right across the officer team. Both councils are in a strong position to positively look forward and leave the past behind.

With the above in mind, it is also positive to see the councils taking action to develop managers of the future e.g. the line management development pathway. The next steps we would advise is to build upon this by considering a similar approach in relation to aspiring leaders e.g. head of service.

As said, there is now a sound evidence base and track record of achievement to enable the council to stop looking back and instead project forward with pride and ambition. The council's staff survey results are reflecting positively on the investment in more effective leadership. Likewise, from our engagement with officers on site, and what we read and heard from others, it is equally evident that staff engagement has improved. The way the council's senior leadership team has listened and responded to staff has been well received and this has been further demonstrated by the

reinvigoration of the 'Engage' staff forum. The emerging and recently updated organisational development plan recognises the value the councils place upon its workforce. The opportunities to work flexibly, to develop careers, to work in a welcoming and smart office space – these are all signs of the underlying substance that builds staff commitment and makes them know they are valued.

The evidence of the above can be seen through how service performance improves. The investment and changes made in the planning team and the value of the service review undertaken in that area can be easily demonstrated by the improvement in planning performance and a reinvestment and belief in the importance of having a professionally led, policy driven but responsive service. Interestingly enough though those improvements in planning that were clear to the peer team have been less clear as of yet to other interested stakeholders. This is a further example where a new narrative from the council should be helpful.

### **4.3 Governance and culture**

The council's work, ahead, through and beyond the change of control has been exemplary. The Liberal Democrat led administration is developing well and officers have effectively supported the transition. Managing changes of control of political administrations, particularly when one has been in place for an extended period, is no easy feat. The work done in advance, through and after the May elections, with all political groups, ensuring there was both appropriate lines of communication in place and establishing effective briefing and sharing information arrangements, has reaped its rewards. This has all been achieved through hard work and co-operation between all political groups and the highly respected officer team covering both councils.

Collaborative decision making and building trust and confidence through consensus has been the hallmarks of the establishment of the new Liberal Democrat administration. The council leader has purposefully chosen to ensure his council Executive has representation from both the Green Group and the Conservative Group, despite his own party's clear political majority. In respect of this, actions do speak louder than words and there is a clear and obvious commitment to harnessing the best of the council membership. We also heard a number of members describing how they felt the strength of debate was valued in the Executive and the council as a

whole, and indeed, how through that constructive challenge and rigour, decisions were changed and made better – this is a strength to hold on to.

In line with the above there is beyond the Executive a well understood and functioning committee structure. When the peer team spoke with members across all political groups, it was clear that there was also some informal arrangements in place, be they task and finish or working groups. It was accepted that the existing arrangements had achieved its aims of engaging members, but there was a number of questions/reflections about the value, role, function and purpose of these advisory groups now and a year into the running of this administration, it is probably time to take stock of these, especially since the council plan is now up and running and ensure that the voice of the community member is heard through these groups.

The leader is an advocate for member training and development and across the board we found all members we spoke with very keen to ensure they welcome and embrace training. We heard from members that there had been good early engagement around member development, and they were complimentary about the support they had received through their induction. A year on is a good opportunity to refresh and refocus on the wants and needs of members and how, now that the council plan is clearly developed and its community aspirations are developing, that any further development can prioritise how members can make their contribution count around these key issues and reflecting on what members feel they need in terms of support and development. The peer team recommended that both councils considered developing a rolling 4-year member development programme that will meet the needs to members as they gain experience.

As referenced throughout this report there is a strong and effective culture of respect across both SHDC and WDBC and the peer team found both good member and officer relations and member to member relations across both councils. This is equally evidenced by the views of partners, staff, members and external audit. Given the above, and the peer teams observations in respect of performance management, it is evident that both councils have good and effective governance and a strong and progressive culture. Again, in line with the general thrust of the peer teams views, such foundations should enable the councils to look forward and grow from strength to strength.

## 4.4 Financial planning and management

SHDC has an excellent track record for sound financial stewardship and leadership. The small but very experienced finance team that supports both councils are a credit to their profession and their councils. Year on year they sustain the confidence of members, external auditors and now the LGA peer challenge team. They are very well respected by all the relevant stakeholders we spoke with and that good financial stewardship over time creates trust from which that confidence can develop. At SHDC this is reflected in a series of strong performance indicators, including very high council tax collection and time and again consistently well above the median when compared to their near neighbours on financial performance - see headline report

The council has a net budget for 2024/25 of £13.1m and comparatively speaking is currently in a relatively good financial position. The shared staffing arrangements which are such an underpinning strength in making both SHDC and WDBC more resilient and efficient, is evidenced through the £6.2m of annual on-going shared services savings (£3.9m for South Hams and £2.3m for West Devon).

The council has in place a rolling three year medium term financial strategy (MTFS), where future budget gaps and saving requirements are clearly laid out. The council has a track record for achieving the savings it has historically identified and once more, that builds confidence, not just in the finance team, but as importantly the member oversight and the senior officer leadership. From reviewing both council meetings and associated papers, the peer team saw evidence through the Executive, Audit and Governance and other relevant committees of clear reporting and effective budget monitoring. This view is also evidenced by the external auditor, who at the time of the peer challenge had just provided a very positive and unqualified opinion for the council's 2022/23 accounts and an equally positive value for money statement.

As described, that attention to addressing budget pressures and challenges and clear collective ownership is very evident at SHDC. For 2023/24 the council was forecasting an underspend of £46K (around 0.4%) against a budget of £11.738m at month 10. We saw this throughout the council including at heads of service level who

were actively seeking to find and keep on track, the identified 'gap' for 2025/26 and indeed over the rolling three-year period. The peer team saw that this was firstly on track, but also importantly that budget managers were not complacent in respect of future challenges, such as the redirection of the UK Shared Prosperity Fund post 2025.

As already outlined, member and officers at both councils have worked together to align funding to new council plan priorities, in SHDC's case there had been a reallocation/alignment of circa £2.5m as part of this exercise, which followed a review of all earmarked reserves and the council's capital programme.

We also saw some good examples of effectively funding council priorities through external funding bodies e.g. the community forest funding already referred to the recruitment of wildlife wardens.

In terms of future financial modelling, we saw that positive uplifts that stabilise MTFs were clear e.g. council tax income from new homes etc. However, we were less clear about how both councils were modelling the future housing growth cost pressures that will also inevitably exist and we would encourage both councils to reflect on this.

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

The peer team has rightly praised both councils in respect of aligning the council plans, the MTFs, and the delivery plans that sit beneath them. This means SHDC and WDBC are both clear they have the organisational capacity within and across its staff group to deliver the current plans. Whilst acknowledging the real strength in this, the peer teams challenge is the obvious one about being realistic in recognising that this means there will also be capacity limitations, should new and different challenges present and SHDC will need to be very aware of this.

During the CPC the peer team met with staff and members across the two councils focussing on cross cutting priorities. That demonstrated to the peer team how effective officer and member working arrangements can create capacity, dynamism and a real desire to progress change. It also showed how the councils effectively use matrix management arrangements in helping to deliver against key priority areas such as climate change and biodiversity. The great benefits we saw that is derived

from these could also be applied to some of the community development work that we have highlighted that would benefit from greater focus.

There is now opportunity to build a new sense of identity for the workforce built upon the good practice and positive foundations identified by the peer team, and to continue to grow the skills that are already emerging. The councils have a strong bedrock from which to enable greater collective corporate leadership and the development of cross-organisational dialogue, understanding and approaches. This will explicitly demonstrate to people internal and external that they are being heard and responded to.

The chief executive has led a change of organisational culture which is valued and recognised across the organisation by staff, managers and members. The senior leadership team demonstrate the values and behaviours of a positive and empowering organisational culture, and this lead is followed throughout all the layers and levels of the workforce. The peer team met with staff who were very proud to work for the council and equally proud of their district. That is further evidenced through the ever-improving feedback that the council is receiving through its staff survey, which it has recently carried out. When prompted, staff who met with the peer team were clear about when the appraisal cycle of the councils would take place, how that will be conducted etc, essentially reinforcing the 'golden thread' messages from earlier in this report.

The council recognises the importance of modern and flexible technology solutions as key foundations for improving the customer experience, service efficiency and effectiveness and evidenced a strong track record of exploiting technology to drive improvements.

The senior officer team is a strong and stable one these last 4 years or so, and it is one that remains focussed on serving the needs of residents and ever improving the reputation of the council and its staff group.

We heard positive comments about the ever-increasing effectiveness of the council's communication team and that was very heartening. The peer team felt that the next steps to take was to refine and amplify the story of improvement, focussing on that strong messaging in respect of community engagement. Aligned to this we strongly advised for the councils to look at ways through which others across the sector are



building that community engagement and social capital emphasise to all they do; a specific mention was made of [New Local](#) as one of several approaches to consider. Given the peer teams references to capacity, we also wondered whether the council could create some additional temporary resource to accelerate this work.

It was refreshing to see the council's organisational development plan, and many of the positive approaches and actions that lie at the heart of this. It reflects the characteristics of a 'being fit for now' local authority. But that readiness will understandably be tested with the real potential for change within the sector.

The Council may wish to consider the next iteration of the organisational development plan as a 'people strategy' for the medium term. Throughout the many meetings with staff, it was evident that everyone wants to give their best with high volumes of discretionary energy being exercised. There is a strong 'one team' ethos that runs through the organisation across both members and officers and there is a clear sense of pride in all they do. Everyone wants to deliver the best outcomes for their communities. The commitment is an impressive component to organisational culture and a sound foundation for the development of a people strategy with a set of values at its core.

Therefore, the peer teams challenge to the councils is once more to build upon current readiness by taking steps to map both SHDC's and WDBC's individual and collective needs, but also the wider Devon and sector needs too, over the course of the next 2/3 years to ensure that both councils are 'fit for the future' and the staff group are best placed to maximise those opportunities and address potential challenges.

The senior leadership team clearly own and lead a progressive approach to equality and diversity and demonstrate a willingness to get under the skin of what this agenda means to SHDC/WDBC workforce and councillors. It was equally positive to see the council taking the important step of convening an equality and diversity engagement group to co-design the pathway to further developing an inclusive organisation. The next suggested step is to ensure the equalities and diversity agenda is 'lived and breathed' by the entire cohort of leaders. The council has a clear desire to improve and should take the opportunity to build on excellent recent work to articulate what matters to SHDC in this agenda, to co-produce a holistic equalities, diversity and

inclusion plan and set of actions. The inclusive culture that the leadership team is already developing provides a strong foundation from which they can build and a productive environment for this work to be successful.

The programme of service-based reviews has clearly delivered well managed organisational change, witness the improvements in the waste and planning services for example. This approach has been led very positively by the chief executive and is very well engaged with and owned by teams in the council, which is somewhat in contrast to a previous 'big bang' organisational change programme. The focus now is on continuous improvement and there has been a commitment to no large-scale transformation as the council has worked to mitigate the impacts (internally and externally) of previous such programmes.

It's time now for the council to really build upon the approaches that have characterised change and improvement at SHDC and WDBC these last 4 years and not to shy away from the very valid work and direction of travel in respect of both council's values and behaviours. We found that they were clearly present in the recruitment process but more passive in tone when people were brought into the organisation – we saw them embodied through actions but not so clearly articulated verbally or indeed as reminders in posters or publications. Actions do speak louder than words but the reinforcement of the values and behaviours in word is important and we encourage the councils to be proud of them. Again, the councils will be doing this from a position of strength, where the values have been built with staff and not imposed. Previous change programmes may have led the councils to shy away from this, but they are now in a very different position, and it is time to really look ahead and embrace those values as they will be the very things that helps the councils, and its staff best navigate the challenges and opportunities ahead.

The peer team enjoyed their time working with and challenging SHDC . We saw the core components of a 'learning organisation' coming together, with well evidenced opportunities for staff to shape priorities, delivery and culture. Members and officers have engaged with LGA Leadership Academy, Peer Challenges etc and are looking outwards to draw learning and experience from right across the sector.

As such the peer teams final reflections is that SHDC and WDBC are in a very strong place. The councils have both singular and a collective joint strong core, through their

staffing group. Through this and the progressive plans and actions of the political leadership, it is clear South Hams District Council is in a good position to navigate future challenges and changes in Devon, the region and the local government sector as a whole.

## 6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. As part of the CPC, the council are also required to have a Progress Review and publish the findings from this within twelve months of the CPC. The LGA will also publish the Progress Review report on their website.

The Progress Review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC Action Plan. The Progress Review will usually be delivered on-site over one day.

The date for the Progress Review at South Hams District Council will be no later than January 2025.

In the meantime, Paul Clarke, Principal Adviser for the South West, is the main contact between your authority and the Local Government Association. As outlined above, Paul is available to discuss any further support the council requires.

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