

## **Appendix 2b: LGA Corporate Peer Challenge: Blackpool Council Response**

### **1. Introduction**

An LGA Peer Challenge was undertaken with the Council in March 2020, several weeks before the first national coronavirus lockdown. The demands of the pandemic caused an inevitable delay in the production of the final Peer Challenge report, which the Council received in November 2020. The Council opted to delay the production of this formal response to the report until the following summer, as all available resource continued to be diverted to the dealing with the pandemic and its consequences. At this time, the Council also recognised that it was already delivering against the majority of Peer Challenge recommendations, and this is showcased later in this report.

In their report, the Peer Challenge team describe an organisation ready to continue its improvement journey, but starting to anticipate a new and uncertain future. Since then, we have had to change and work at speed as part of the response to Covid-19, taking a lead in protecting and supporting our community whilst reacting quickly to changes in knowledge and government policy. The flexibility, determination and spirit of what the report calls our “proud, committed and hard-working workforce” has never been more in evidence, or more needed.

It is important to recognise the enormous scale of the Council’s response to the pandemic, as it was fashioned from scratch in the weeks immediately following the Peer Challenge visit. In the face of the biggest domestic crisis since the end of the Second World War, and hundreds of cases of unspeakable tragedy, our staff have showed up to relentlessly protect, care, and console. We supported local care services with an additional £16m of funding, supplied free PPE to shore up supplies, and supported the rollout of testing and vaccinations. Staff from across service areas came together to help establish and work with community hubs, focussed primarily on people needing to shield. Our Corona Kindness campaign, developed and launched in a matter of weeks, has gone on to support thousands of people across the town, dealing with over 4,000 calls and emails in total, with a peak of around 250 requests for help per day. We have now successfully rehoused over 800 households since the onset of the pandemic, with the majority remaining in stable accommodation today. Our food hub delivered over half a million meals, whilst our social care teams made thousands of pro-active phone calls to potentially vulnerable individuals. We couldn’t have delivered this response without the help of our community. We recruited hundreds of volunteers to provide support on the ground, in a mobilisation of people that illustrated public service at its finest.

Our efforts also protected the local economy, with the Blackpool Unlimited support desk fielding nearly 3000 enquiries, whilst staff awarded over £70m of grants to nearly 5000 businesses. Our public protection, enforcement and public health teams supported 1500 retail and leisure businesses to put in place COVID-secure measures, supported by marshals to help protect residents and tourists alike. All of this took place whilst continuing to improve Children’s Services, successfully bidding into numerous funding pots to further the transformational regeneration of the town, and investing in our highways.

All the signs are that the virus and its effects will remain with us for years to come, and some of aspects of our dynamic response will remain. Inevitably, the year since the Peer Challenge visit in March 2020 has demanded that we focus on crisis management. However, re-visiting the report now, the recommendations remain relevant, given their focus on the core of the organisation and

the structures in place to enable quality service delivery and strategic planning. Over a year on, with the UK starting to return to a type of normality, now is the time to reflect on the recommendations and chart the progress we have made.

## **2. LGA Peer Challenge Recommendations**

The final LGA Peer Challenge report set out ten recommendations, which we have grouped under five headings for ease of reference:

### *Priorities*

1) Give the Council's priority of a 'Resilient Organisation' parity with the other two corporate priorities ('The Economy' and 'Communities'). This should be supported through a programme, of corporate transformation, co-ordinated through a clear delivery plan that is routinely monitored. The financial sustainability of the Council should be central to this work with shared responsibility and clear lines of accountability.

6) Continue to prioritise children's services – ensuring the pace of improvement required as well as ongoing financial sustainability. This will include taking any further steps the Council can to co-locate staff, implementing the sufficiency strategy and reducing the wider, corporate demands on the Director of Children's Services during this improvement period.

7) Consider the ways in which the Council can corporately and creatively support recruitment to ensure the existing committed and proud workforce is bolstered by the right skillsets at the right time.

### *Finance*

2) Publish a new rolling Medium Term Financial Sustainability Strategy (MTFSS) which is shaped by the Council Plan and covers the next three years. This document should be updated each year (or more frequently if required) and presented to members for approval. All funding assumptions, cost pressures and impact on the reserves strategy should be included in order that a robust financial position can be derived to inform member decision making.

3) Use the new Medium Term Financial Sustainability Strategy (MTFSS) to refresh the annual budget process to ensure significant, understood, risk assured and deliverable savings in place across the organisation that are less reliant on one-off funding and technical adjustments. This clearer process should also allow a longer lead in time (if required) for more difficult savings/income targets, which will help support future financial sustainability

4) Revise the Council's reserves policy so that this is robust, transparent and more easily understood. This should include putting in place the necessary gateways so that all working balances and earmarked reserves are retained as the last corporate resort – supporting financial sustainability

5) Clarify the process of reporting and publishing of corporate budget monitoring against the MTFSS and ensure its transparency. This will help members and officers to have a more detailed understanding of the Council's budget performance and risk exposure.

### *Partnership Working*

8) Develop strategic partnership working and partner relations so that these have breadth and depth consistently across place and people based services in Blackpool. This will include clarity about roles and responsibilities, identifying common priorities and opportunities for further cost sharing and reductions as well as having clear lines of accountability. Working in this way can also include how partners across Blackpool work with and build further community capacity.

#### *Communications*

9) Reflect on the findings from the LGA Communications Review in 2017 and where appropriate, implement these actions to address the continuing issues faced by the Council in this area and the need to effectively communicate more widely.

#### *Climate Emergency Response*

10) Accelerate the steps being taken following the Declaration of a Climate Emergency in June 2019. This will mean both communicating what the Council and other public bodies locally are doing to reduce the carbon footprint as well as thinking about this challenge holistically with the wider Blackpool community. This will mean taking steps quickly to engage the community and sharing this design space and agenda with them.

### **3. The Council's Response to the Peer Challenge Recommendations**

The Council accepts the majority of the Peer Challenge recommendations. The remainder of this report explains the wide range actions we have already taken, and plan to take, to address them. Where the Council has a different perspective to the Peer Team, this is also explained. We have grouped our response to the recommendations as per the five headings above – priorities, finance, partner working, communications and climate emergency.

#### **Priorities (Recommendations 1, 6 & 7)**

The Council recognise the need to be more explicit about the work we are doing to ensure the Council is a resilient organisation. Work towards building a resilient organisation has been a core focus of our activity over the last decade of funding cuts. The decision to focus the Council Plan on external priorities (economy and communities) perhaps downplays the level of activity that has inevitably been undertaken over the last ten years to make our services leaner and ever more aligned to the essential needs of our customers. Our efforts have focused on building a better organisation with fewer resources, accelerating delivery through efficiencies, and developing flexibility in place of rigid service delivery. Innovation and creativity have been crucial in continuing to deliver for Blackpool in an era of doing more with less.

The peer review highlighted the potential benefits of articulating our work in this area more clearly through a separate priority around organisational resilience. The Council has commenced the process to review the refresh the current Council Plan. The revised Council Plan, which will come forward in early 2022, will incorporate more detail on our work to ensure organisational resilience, explaining how this work is fundamental to achieving our externally-facing priorities.

Examples of our agility and the transformation of council services are not difficult to come by. The speed with which we adapted to remote working at the onset of the pandemic was not simply the product of a week's intensive work, but of a strong ICT strategy which sought to build a sound

platform for capitalising on technology during the move to our offices at Bickerstaffe Square. The additional infrastructure needed in March 2020 was mostly in place, and quickly capable of evolution to provide a robust platform for hybrid working. This acceleration of the pace of change also means that, in response to the views of our staff expressed in a staff survey, and the emerging needs of the organisation, we have been able to set out a plan to shift permanently to hybrid working in 2022 where service and customer needs permit.

The Peer Review Team were right to highlight the need for a continued focus on the improvement journey in Children's Services. There is very strong evidence that the Council has maintained strong support for the improvement journey in Children's Services since March 2020 and throughout the duration of the pandemic.

At the time of the peer challenge the Council continued to work under the oversight of a DfE appointed Commissioner, who reviewed and reported regularly on progress and was responsible for determining the capacity of the leadership at the Council to deliver the necessary change to improve outcomes for children and families. In December 2020, the commissioner delivered their final report and recommendation to the DfE, which confirmed that the Council was delivering the required improvements and should retain control of Children's Services. The Commissioner confirmed that the Council had developed strong partnerships and was seeing the benefit of effective leadership, transparent accountability and challenge.

OFSTED have undertaken two monitoring visits since the peer challenge, the first with a focus on the response to the COVID pandemic, and the second, more recent visit in September 21 focussing on children in care. Whilst the latest letter has yet to be published, the feedback on the progress made to develop social work practice that supports families effectively and ensures that they receive the right help at the right time for the right amount of time was positive. OFSTED outlined evidence of the right priorities being recognised and owned by the leadership team, and saw the positive impact of new ways of working with families in outcomes for children.

Our Youth Offending Service is inextricably linked to children's social care, and in a separate inspection regime the service was found to be inadequate in December 2018 by the Justice Inspectorate. A full inspection took place earlier this year and found the service to be good overall with outstanding features. This significant and impactful transformation has been delivered by supporting the service, giving staff, managers and young people the necessary tools to design and embed change. In particular, the inspection praised the Blackpool Families Rock approach to support children, families and young people which has been co-designed by professionals and families and which underpins the transformational change across the whole department and the Council's leadership team.

The Council has significantly invested in Children's Services to deliver these changes and has put in to place the challenge mechanisms to ensure that the investment is working to best effect. Our new Director of Children's Services, who joined the Council in Spring 2021, has made the retention and growth of the workforce their priority and constituted a new Workforce Development Board. This focus has been praised by OFSTED for recognising and acting on the evident need in this area. The Children and Families board has been developed to bring together strategic leads from across the partnership to support and challenge the work of key statutory and non-statutory boards who share the common aim of improving opportunities and outcomes for children, young people and their families and it is shaping the implementation of key long term strategies across education, employment and social care and early help.

We acknowledged that there is still much work to do to support the service to deliver their

ambitions for children, families and the professionals to support them, but the evidence of the impact of sustainable change is reflected in key indicators. We are seeing a reduction in the number of children who are looked after by the local authority – bucking the national trend of growth. Fewer children and families are exposed to intrusive statutory interventions, with more supportive, early help being evident for families delivered across the partnership.

The Peer Challenge team also highlighted the need to consider how the Council can better support recruitment. There is little doubt that recruitment challenges have increased since March 2020. Serious labour shortages are now in evidence right across the economy, and are particularly acute in a number of public service areas, especially social care.

The Council has long recognised the need to adopt creative approaches to recruitment to attract candidates to the Fylde Coast, or to grow local skills through internal development. Examples include joint work between marketing and HR on hard to recruit to roles, using paid-for advertising when needed, and reviewing essential qualification requirements to potentially increase candidate pools. A focus on internal staff development has resulted in effective use of the apprenticeship levy, greater use of ‘grow your own’ career grades, engaging with national recruitment drives such as for social work and care roles, and using “Earn while you learn” initiatives. We are making greater use of analytics, including information on candidate journeys to identify ‘drop off’ points, trialling different application processes to maximise candidate attraction, and using improved data from our recruitment system on identifying unsuccessful campaigns and reasons. Finally, we are looking at how our recruitment processes can help to support our corporate priorities more generally, with work to support Our Children into Council jobs, and looking at specific employment sectors for student placements which are more likely to generate job offers.

Throughout the pandemic we have taken significant steps to ensure our workforce is resilient as possible. Our health and wellbeing offer for staff was recently audited as “good”, we are analysing our recent staff survey to further explore opportunities around hybrid working, and we are investing in our software systems, with a new HR and Payroll system launching on 1<sup>st</sup> April 2022, and a new finance system the year after.

### **Finance (Recommendations 2, 3, 4 & 5)**

The Council recognises the clear focus on finance in the Peer Challenge recommendations and has given detailed consideration to the recommendations. We are pleased that the report highlighted our “bold and ambitious” decisions around borrowing to intervene in delivering local economic growth. We note, however, that their suggestions focus on a relatively standard approach to delivering compliance rather than engaging with our necessarily dynamic response to the reality of service delivery and place-shaping in Blackpool. We believe that the way in which we have weathered the pandemic – in contrast to many other local authorities - confirms the strength of our position on a number of financial issues that the review team sought to identify as areas for improvement.

It is correct that our budget savings plans have contained an element of non-recurrent measures, which is a result of successive 1-year Government Settlements, postponements of the Fair Funding Review, Business Rates Review, Business Rates Revaluation, Business Rates Reset, New Homes Bonus review and Adult Social Care funding review. In mitigation:

- We have consistently delivered savings identified in previous years;
- There are detailed MTFPs for Adult Services and Children’s Social Care, covering 79% of the Council’s General Fund budget

- We produced detailed and timely monitoring reports for the 2020/21 Executive and Scrutiny cycle of meetings;
- We have created an approved facility of up to £24m of cash flow loans for the Council's wholly-owned companies to support their sustainability, subject to robust 5-year financial recovery plans being in place;
- We maintain a relatively healthy financial standing, with forecast year-end working balances and earmarked reserves of £11.6m and £22.7m respectively and a strong balance sheet of £244m;
- We score well in the CIPFA Financial Resilience Index;
- Our accountancy function is highly-qualified and skilled.

Our current Medium Term Financial Sustainability Strategy is a deliberately long-term document, designed to cover a period involving a four year fixed settlement from Government which was unfortunately suffixed by a return to one year agreements. Nevertheless, the Strategy provides a stable context within which the accountancy team can deliver the day-to-day task of financial management. Rather than undertaking annual revisions, the process used is one of constant updates arising from the financial implications of Corporate Leadership Team decisions, which are taken in line with the principles outlined by the Strategy. As such, we do not believe an annual update is a useful use of resources given that the focus of the team is on the delivery of a robust monitoring approach. We will take a similarly longer-term view when undertaking the refresh of the strategy this year, which will be presented to Executive in November 2021 alongside this report.

The Council is of the opinion that the level of flexibility available to us in how we manage and deliver savings and reserves is a positive when trying to maximise ongoing service delivery with ever-reducing resources, smoothing the otherwise unstable and unclear current funding environment to allow for minimal disruption. This is the main purpose which the Council has used reserves for, and we continue to believe this is in the best interests of service users, the people of Blackpool and the Council itself.

We acknowledge the positives of maintaining a transparent reserves policy. As part of our COVID monitoring returns to MHCLG, we have separated our reserves into seven categories: contractual commitments, unspent government grants, planned future revenue spending, planned future capital spending, specific risks (which includes insurance), budget stabilisation and a remaining category for any other reserves.

The Council has strong arrangements for the management of financial risk. For example, the sustainability of the Council is rightfully included on the Corporate Strategic Risk Register, and was the subject of a deep dive at the Audit Committee's meeting on 17th June 2021, as part of a wider discussion about the Council's strategic risks. The Committee highlighted key risks identified by the Council across a number of service areas, including additional workload for the accountancy team caused by dealing with short term funding around COVID, the level of funding and spending on Children's and Adult social care, and the financial sustainability of the Council's companies. We are addressing the former via a restructure to create additional skills and capacity, the lack of funding via advocacy with government, and the latter by activity to consolidate the financial position across the companies to understand the Council's exposure. This includes developing and approving recovery plans with our Companies.

It is undeniable that the last decade of reductions in central government funding has created a major risk to the financial sustainability of local government sector, compounded by demographic pressures in social care services, the consequences of Covid and the underwriting of wholly-owned

companies. Elsewhere in the UK this has led to the issuing of s.114 notices and Government intervention to allow capitalisation directives and the provision of additional SEND grants. We acknowledge that Blackpool Council is at risk from all of these issues, plus the additional pressures caused by the sheer volume of Looked After Children. However, we are confident that we have the correct processes and procedures in place to identify and implement the required levels of savings to ensure medium term financial stability.

### **Partnership Working (Recommendation 8)**

The report acknowledges strong partnership working arrangements but suggests that we need to consider the introduction of an overarching Strategic Partnership, and to develop officer capacity for partnership working. This appears to suggest we should re-create the structure of a traditional Local Strategic Partnership, which many Local Authorities scrapped when the legal requirement to have them was removed some years ago. Whilst we recognised the benefit of a co-ordinated approach to complex issues, we believe this would create an additional layer of bureaucracy and demands on key resources, with a more effective way of addressing this being the consideration of related and cross-cutting issues on the agendas of existing partnership and collaboration meetings.

In any event, partnership working has long been a strength of Blackpool and will continue to be a focus of our efforts, and we are pleased to see the Challenge Team citing the Pride of Place Partnership as an example of this. Our approach aims to ensure that we get the maximum benefit from our efforts across local delivery partners as we move towards generating even more local impact from our anchor institutions in an approach that focuses on social value. The pandemic has seen us make the most of enduring local relationships, with the Lancashire Resilience Forum sharing communications assets and agreeing joint approaches, and the Tourism Recovery Group has proved to be a creative force in Blackpool's recovery, helping to contribute to footfall being above that of a standard year in 2021.

In late 2020, the Council formed a Children's and Families Partnership, as part of supporting a focused partnership approach to addressing the key priorities for Blackpool's children and families.

Our existing partnerships continue to deliver, whether this is joint service delivery arrangements on Benefits with Fylde Council, our participation in AGMA delivering value for money via the greater.jobs portal, and the Health and Social Care academy delivering quality training through our partnership with the college and Lancaster University. Previous justified criticism of the way in which Lancashire Local Authorities work together is in the process of being addressed by developing strong relationships with the county council and Blackburn with Darwen as we seek a way forward on the devolution agenda, whilst the joint Economic Prosperity Board with Fylde and Wyre continues to be a key vehicle for transforming our economic prospects.

Meetings have also taken place with stakeholders to establish the scope and membership of Blackpool's Climate Action Partnership, with major public and voluntary sector organisations joined by business representatives in engaging in the development of funding bids and projects to enable the town to reach net zero. Many of these organisations have their own projects planned or underway, and we will join with them in seeking economies of scale and shared projects.

### **Communications (Recommendation 9)**

The report is right to highlight that in 2017 an LGA Communications Review set out 11 recommendations that the Peer Challenge suggested the Council should revisit to improve the effectiveness of our communications. The Council notes that the team did not have time to revisit

and update the recommendations with the knowledge of improvements that we have already implemented.

The Council has delivered improvements against those recommendations from 2017 that we felt to be key priorities. We have built responsibility for communications into a revised Director role, and created a Head of Service post with responsibility for oversight of both resident and visitor communications. By including the Head of Service amongst those key roles serving on the extended Corporate Leadership Team, we have extended the influence of the Communications and Marketing function on strategic and high-level operational issues across the Council, tightening our corporate approach. They ensure that the team prepares a forward plan setting out our communication agenda for the coming 3-6 months.

Changes to the structure of the service has improved our capacity, with more integrated working, and we have taken the opportunity to enhance the skill sets of our staff by recruiting “digital natives” who have grown up using and understanding social media, in order to maximise its potential for engaging with the public. Exploiting the built-in campaign and monitoring tools has made it easier than ever to explore return on investment, and the reach of our communications. Digital tools are increasingly at the heart of engagement activity too, with the social media posts launching the Commonplace platform for the Town Deal engagement process initially reaching over 200,000 people, resulting in over 7500 visitors of whom around 1500 responded, making nearly 2000 comments between them across two engagement exercises. Our website also became the place for businesses from well beyond our boundaries to get information on business support during COVID, with tens of thousands of page views of our business support and funding pages.

Strengthening our reach through targeted spend on campaigns has allowed us to ensure that our place-based narrative, developed and shared with stakeholders, is understood by the public and owned by all Council services, cascading from our Council Plan into our other strategies and business plans. Having put in place a new Communications Strategy following the Review, the time has come to review this and use new forms of evidence and insight to ensure we ground it further in an understanding of how our communities best receive messages and information, with the learning from the Corona Kindness campaign fresh in mind. These will include the staff survey undertaken in 2021, to help us reflect on how the change to a hybrid-working model prompted by COVID requires a different approach to keeping staff informed, and the latest iteration of our resident’s survey, which we have delayed until May 2022 to maximise the consistency in data collection with previous surveys.

One recommendation that we have decided to approach in a different way concerns corporate communication links with our Wholly-Owned Companies. On the surface, the Peer Team’s suggestion that we integrate the teams to deliver a unified approach is a sensible one. However, the specialist knowledge held by each means that the apparent economies of scale are not easily realised, with a different approach, tone and audience needed to sell tickets for high-end events compared with delivering information on the availability of rented properties, to take just one example. Instead, we have integrated aspects of marketing around place-based topics, linking these together where it makes sense to hold joint promotions, and continue to provide communications services to companies where it is in both organisations’ interests to do so.

### **Climate Emergency Response (Recommendation 10)**

The Council fully accepted the Peer Review’s suggestion that our response to the climate emergency needed to be accelerated, and our response has been swift and decisive. Since March 2020, the

organisation has engaged in a fundamental re-thinking of our approach and processes, working towards a position of “Climate First” – that no decision should be made, or project designed, without first thinking about what positive impact it can have on the achievement of our climate reduction goals as an organisation or town. Through specialist research, we now understand the size of Blackpool’s carbon footprint, with similar work close to conclusion for the Council and its companies. Senior officers consider the impact of carbon emissions throughout the decision-making process, an Impact Assessment tool is in place to ensure that capital projects design in sustainability features from the outset, and the Tourism Economy and Communities Scrutiny Committee has taken a regular role in offering constructive criticism on our progress. The use of these tools will be strengthened by the imminent arrival of further staffing expertise to tighten our focus on the measures that matter. This will also enable us to roll out Carbon Literacy Training across the whole organisation, and to set up a staff group to marshal the energy and knowledge of staff who recognise that things need to change and want to catalyse our response. One of the main engines for change will be our Climate Emergency Steering Group, which has been involved in producing our first climate action plan.

Our focus has not been limited to internal processes. Arguably our most significant step was to hold the Blackpool Climate Assembly earlier in 2021, bringing together residents from across our communities to learn about the issues and debate our response. They told us that the transition to a low carbon economy needed to be “just”, ensuring that we take account of Blackpool’s deprivation when designing the projects and interventions that would help achieve our goals. We have included the overwhelming majority of their recommendations into our climate action plan, which we published in October for public engagement, and will take to November’s Executive and full Council meetings for formal approval.

All of this represents necessary first steps for us. Alongside this work, we have been taking significant steps to reduce our emissions, including:

- Switching to a 100% renewable supply of electricity in April 2020
- Undertaking fleet data analysis and options appraisal for Electric Vehicles and Pool Cars
- Starting delivery of an ERDF bid to deliver a whole place-based approach to increasing community resilience to carbon reduction and a net reduction of 405.6 tonnes of carbon per annum, including:
  - Retrofit of 120 Council houses on Grange Park estate
  - Building 30 new houses with air source heat pumps for affordable rent
  - Replacing gas heating @thegrange with a ground source heat pump
  - Our partner groundwork recruiting Eco-coaches to deliver 1-1 support across Grange Park
  - A programme of native tree planting
- Switching to LED streetlighting
- Replacing the wind turbines at Solaris
- Developing proposals for roof-mounted solar panels on Council buildings

These actions are just the beginning. We will develop and deliver major new projects to hit our targets, including the electrification of public transport, adoption of zero emission heating technologies in properties in the town, and establishing major new sources of renewable power. Whilst some of the solutions that will deliver this change are still being developed, the major challenge is finance. Blackpool’s share of the cost for Lancashire transitioning to net zero will be well over £1bn, at a time when local government finances are at their most stretched. The Council has consistently advocated for further funding from central government, and there are signs that the

government will clarify the role of Local Authorities in delivering this agenda in the run up to the COP26 conference in November. However, we will also not shy away from exploring innovative ways of raising the necessary funds to supplement whatever is made available, enabled by the growing financial advantages of investing in renewable technology.

#### **4. Summary**

We believe the Council has shown its resilience to come through extraordinary times since March 2020 as a stronger organisation. Our organisation has withstood the impact and demands of COVID-19, and in some cases our corporate capacity has been enhanced – notably in the swift move to reliable remote working arrangements which some other Councils are struggling with even now.

Whilst welcoming the recommendations of the Peer Challenge report, we would note that none of the issues raised have served to compromise our fundamental ability to do the job at hand. Since March 2021 we have delivered against the majority of recommendations, alongside our extraordinary pandemic response. Furthermore, we intend to continue our plans to drive improvements in Children’s Services, and further recent progress in terms of transformation, partnerships and the climate emergency response, building in many of the reflections of the peer challenge team along the way.

The Council does not see the Peer Challenge exercise as a one-off. We will continue to engage with a range of external organisations to ensure our processes are fit for purpose, including commissioning CIPFA to undertake an independent expert appraisal of our forthcoming revised MTFSS, and we look forward to welcoming the LGA back in approximately 4 years’ time to share our progress with them.