Paul Medd  
Chief Executive

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Dear Paul

Fenland District Council - Corporate Peer Challenge

On behalf of the peer team, thank you for your invitation into Fenland District Council to deliver the recent peer challenge. The team felt privileged to be allowed to conduct its work with the helpful support of you and your colleagues who were open and engaged with the process. It was clear that a significant amount of effort had been committed by the council in support of the peer team.

You asked the peer team to provide an external view of the council and give recognition of progress made; and supportive challenge and feedback on how you are prepared to meet future issues and opportunities for Fenland.

You also asked the team to provide specific feedback by testing the council’s thinking on the following:

1. To assess progress on economic development, local economic growth and regeneration and what more the council might do. (Linked to this how the council, with other councils/public sector bodies, might make better use of public sector property and assets to make revenue savings and gain capital receipts to support growth.)

2. To consider opportunities for new ways of working: across partner boundaries; partner delivery of services; shared services and other new ways of working.

3. How can the council and partners shift service delivery to be more needs led to meet the requirements of the most vulnerable in Fenland?

4. The Cambridgeshire Public Service Board (CPSB) applied to be a Communities and Local Government (CLG) Community Budget Partnership with a focus on: the frail and elderly, health services and working with families. The peer challenge was asked to review the effectiveness of partnerships to support this and how effectively the council interfaces with health services – Clinical Commissioning Groups, GPs, signposting to council services that support health needs etc.

5. With the backdrop of the Welfare reforms, what more could the council do to build and unlock community capacity to take on more? What could be the roles for the voluntary and community sectors to support this?
In addition the peer team considered the ability, resilience and capacity of the council to deliver its future ambitions by looking at:

- understanding of local context and priority setting: does the council understand their local context and has it established a clear set of priorities?
- financial planning and viability: does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- political and managerial leadership: does the council have effective political and managerial leadership and is it a constructive partnership?
- governance and decision-making: are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
- organisational capacity: are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

This corporate peer challenge at Fenland coincided with one conducted at Cambridgeshire County Council. Both peer challenges had local economic growth as part of their scope and both peer challenge teams came together to review the progress on economic growth across Cambridgeshire. Feedback on this work was made to the CPSB. This work has also informed the content of this report.

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual councils’ needs. They are designed to complement and add value to a council’s own performance and improvement plans. The peers 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.

This letter provides a summary of the feedback that was presented at the end of our recent on-site visit. In presenting this the peer challenge team has done so as fellow local government officers and members, not professional consultants or inspectors. Our intention is to provide recognition of the progress Fenland District Council has made in recent years while also stimulating debate and thinking about future challenges.

**Overall message**

Members at Fenland have demonstrated clear leadership in the current difficult financial environment for local government, and officers have provided effective support in delivering Members’ priorities. The council has faced significant core funding cuts – recorded as being in the ten highest across England – and has shown a clear determination that savings would be achieved while still protecting frontline services.

Growth is an important ambition and economic driver for Fenland. The council area is the fastest growing in Cambridgeshire and the ninth fastest nationally. At the same time the Cambridgeshire economy is growing quickly, with jobs growth of 22 per cent projected from 2011 to 2031, and one of the fastest growing nationally. However, much of this growth is concentrated in the A1 south west corner of the county where there is

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considerable synergy gained from the Enterprise Zone around Alconbury, the bid for the Greater Cambridge City Deal (involving the Cambridgeshire County, Cambridge City and South Cambridgeshire District councils, the LEP and the University of Cambridge), along with the growth of Peterborough.

Fenland is largely rural, and is characterised by the highest levels of deprivation and inequality in Cambridgeshire. The economy is based on a relatively low value / low wage centred on the agricultural sector and food production. There is a comparatively high migrant and Gypsy and Traveller population with corresponding issues around health, educational attainment and community aspiration levels. At the same time Fenland is attracting an ageing resident population, with 20 per cent now over 65 years (where the national average is 16 per cent) and expected to rise to 41 per cent by 2021. These related themes of deprivation, social cohesion and health are recognised by the council as important to address.

The council has been involved in leading on a number of highly innovative activities to address these, for example:

- increasing the take-up of free school meals.
- a multi-agency approach to health improvement
- an economic development strategy focused on skills, jobs and inward investment
- development of Market Town transport strategies for all four towns, with Cambridgeshire County Council, promoting access to services and transportation improvements
- a place based multi-agency approach, known as Wisbech 2020, now successfully launched to improve the quality of life in Wisbech.

It will be important for the council to ask in future if it should always lead on all of these initiatives and whether others might be better placed to do this with council support. This will be increasingly important for the council as it endeavours to balance resources, capacity and priorities.

One important mechanism that could be used would be to draw some of these matters to the attention of the CPSB so that this need is recognised at a county level. The partnership model might be able to provide an alternative lead and/or support, which the council has already had some success with through the Together for Families project and community budget pilot on older people and families.

The CPSB framework is a considerable achievement to the partners who have established this (made up of chief executives from the six councils and Fire, Police and Health). It appears to be at a relatively early stage in realising its potential. It has established some important working arrangements such as Making Assets Count, a memorandum of cooperation supporting a broader spatial approach and joint planning committees, and a data sharing protocol. It should be an important vehicle to develop capacity to deliver on shared priorities, for example on local economic growth and setting out what this will look like and the unique ‘offer’ from each part of the county.

The Greater Peterborough and Greater Cambridge Local Enterprise Partnership (GPGP LEP) is emerging with a clear commitment to economic growth. The LEP is business
led and while it is taking account of business needs it might be less aware of the public sector contribution to growth. The CPSB will have a key role to describe this and to set out the county-wide and Fenland specific ‘ask’ and ‘offer’.

Transport infrastructure is an acknowledged weakness across the county with the A14 being a county-wide concern. The Cabinet at Fenland is scheduled to consider a proposal to contribute £800k towards the costs of improving this principal route. Other councils in Cambridgeshire are to be asked to make a similar contribution. The A47 west: east link from Peterborough, March and Wisbech is also important for Fenland. There is a possibility of accessing Pinch Point funding to provide new junctions but it is unclear as to whether this would lead to extending the highway ‘dualling’.

The current economic profile of Fenland is characterised by a high number of small and medium enterprises (SMEs) and micro businesses with 84 per cent of these employing fewer than 10 people and 97 per cent fewer than 50. The council recognises the importance of this to the local economy and provides good business accommodation at its Business Centres, training at College of West Anglia (with £1.5m council financial support for an engineering block), funding for the Delamore Horticultural Skills Centre and preparing school students for work through the Fenland Enterprise in Education programme.

The peer team felt that further work is required to develop a focused county-wide and local strategy to assess the skills needs for the future economy and how they might be provided. The LEP does not see this as their role with their priority to meet the shorter-term skills needs of business, via Local Skills Teams. There does not appear to be a county-wide coherent strategy to link growth and job creation to local people and businesses so as to create a positive cycle of investment and progressive economic development. This will be an important piece of work that might be usefully coordinated by the CPSB, linking into the LEP’s Skills Strategy Group and the Skills Funding Agency.

Given the financial challenges facing local government, the council’s priorities need to be clarified in order to align them with available and diminishing resources. It was felt that the council’s priorities could be sharper and this would assist partners and residents to better understand them. The council’s vision for economic growth could also be strengthened to make clear the ‘ask’ and ‘offer’, as this will help further promote understanding by partners in the district and more widely across the county.

By recasting and refining its priorities the council would have the opportunity to release capacity to focus on its priorities. Delivering a sharpened set of priorities, meeting future council challenges and enabling local economic growth will require directed capacity and resources.
The recent journey

Local context and priority setting

Fenland District Council has a record of a highly performing council and it is clear to partners that the council “take[s] pride in what they do”. There are good external partnership relationships, with one describing these as being a “very close partnership with the council”.

The council shows a good understanding of local issues, in particular around deprivation, health and social cohesion and the impact of national austerity on residents and vulnerable people. At a time of significant cuts in local government funding the council has retained a clear focus that there should be no compromise on delivering front-line services.

Addressing the above issues has strengthened the council’s commitment to local economic growth and the corresponding importance of educational attainment and skills development. The peer challenge team felt that too often this led the council to take on additional activity, with the risk of diluting a focus on priorities and reducing capacity. Instead the council might benefit from evaluating proposals to take on new activity with these being weighted and prioritised to align to available resources.

The strength of the county-wide partnership arrangements has led to the development of a shared approach to the strategic use of assets, the Making Assets Count (MAC) strategy and county-wide protocol for sharing information. The Chatteris hub (with Cambridgeshire County Council) emerged out of the MAC and has resulted in co-located services between Fenland District Council and Cambridgeshire County Council, progress towards shared resourcing of front-line services by breaking down job demarcations, significant savings on revenue expenditure and improved customer access and service. The information sharing protocol was important to broker data sharing for the Free School Meals campaign.

Given that the local government environment is moving so rapidly, it will be vital for the council to seize opportunities to deliver on priorities. For example, the development of the local economic growth agenda across the county potentially offers significant benefits for Fenland. If the opportunity is missed then the area could be at risk of decline.

To maximise this opportunity council priorities should be clear and understood by staff, Members, residents and partners. In sharpening the focus of council priorities the following questions should be considered. Are all priorities equally important or do some carry more urgency? With the large amount of current activity what would the council stop doing? In the future will continuing to sustain frontline services be more important than growth?

At the same time the council should review existing high cost services. For example, CCTV with a system of 70 cameras and 5 staff costs £240k per annum. The council is leading on community transport but should it? The question for the peer challenge team was whether the council should necessarily be leading on all these initiatives or could they be provided more cost effectively, without compromising quality, by other means. Reviewing this would enable the council to set clearer and more focused priorities and release capacity to deliver on these.
Local economic growth

Local economic growth is of great importance and is set out in the ‘open for business’ priority in the council’s Corporate Plan. It was clear to the team that this is backed by strong and passionate leadership from Members and officers as a means to address relative deprivation and inequality and to raise skills and aspirations for the area. This is evidenced by the outstanding development at the Nene Waterfront that was enabled by the council through the assembly of land via the use of Compulsory Purchase Orders (CPOs). It is also contained in the vision set out in Wisbech 2020 to deliver a better future for the town that is home to a quarter of Fenland’s residents, with some wards having nationally high levels of deprivation. There has been significant regeneration success with the redevelopment of a site in Wisbech to create a new Tesco store along with a new cinema complex and outlet shops with the council being prominent in assembling the land for development via the use of CPOs.

This commitment was also demonstrated in the strategic pump priming of flagship schemes such as the contribution of £1.5m to the College of West Anglia towards a new engineering block. This funding was not only instrumental in the College deciding to remain in the area but was also an investment in future engineering skills development for the local economy.

The council is also working on supporting business development and the supply chain. The Business Centres provide high quality and flexible facilities for business start-up and growth and small scale supply chain development is occurring through the emerging marine sector at Wisbech Port.

The council has shown a keen awareness of the need to target skills levels for the future economy and had demonstrated practical support for this with the investment in engineering skills at the College of West Anglia – referred to above and the development of future horticultural skills at Delamore Horticultural Skills Centre.

The county-wide skills agenda is still to be coherently developed by the CPSB and the LEP. In the meantime the council should continue to develop local initiatives to complement this. The Fenland Enterprise in Education (FEE) is a notable programme, involving local businesses to provide support to young people to make the transition from school to work. The funding for this programme is not guaranteed long term and it may be worth approaching the LEP for future funding.

The council should continue to develop processes to improve outcomes to link jobs to local people. An example of this is Local Labour Agreements where the planning authority reaches an agreement on large development to invest in skills training and support. This could be CV development; psychometric testing and other training to assist the local population gain the skills to apply for jobs resulting from that development. This could form part of an approach that the council facilitates to get young people, and out of work adults, ready for future jobs.

The team found that Fenland’s local economic growth ‘offer’ and ‘ask’ could be more clearly stated in order to further improve stakeholder understanding and support. This is important as the CPSB county-wide partnership working arrangements are potentially a powerful vehicle to co-ordinate change and to work with the LEP and the future City Deal. However, this will need a clear understanding and agreement of the mosaic of future economic
activity across the county. For Fenland this means a clear understanding of its Unique Selling Point (USP), its future ‘offer’ and ‘ask’ from others. The council would benefit from commissioning a piece of work around the future Fenland economy to support developing this ‘offer’ and ‘ask’: this could build on the work already begun through a University of Cambridge’s economic analysis of Wisbech.

It will be important for Fenland to clarify its local economic growth vision in order to gain key stakeholder support. The peer team found that the perception, in other parts of the county, was that Fenland’s future economy will be based on land management and food production, for example the Agri-tech bid submitted by the LEP. [The Regional Growth Fund bid seeks to invest £12.6m to support a boost in food production and provide a research cluster in the East of England.]

The above perception is not aligned with the council’s Economic Development Strategy which although acknowledging the agri-food clusters and food related businesses, also points towards other strong growth in business services, health and care services, logistics, food sciences, marine sector and security. During discussions onsite emphasis was also placed on tourism as a key future focus. The peer challenge team were uncertain of the evidence base for the future economy being structured around these areas.

Some partners could not specify what Fenland might gain from the City Deal bid, which refers to the ‘ripple’ effect, from the burgeoning economy in the southern corridor of Cambridge, Huntingdonshire and South Cambridge, moving out to Fenland and other parts of the county.

Therefore greater clarity will improve partner understanding and support for Fenland’s economic growth aspirations. It will be crucial for the CPSB, the LEP and other key stakeholders to work with Fenland to agree the projected shape and form of the future economy for northern Cambridgeshire.

An understanding of the future economy will be important to manage expectations and to focus activity where a genuine impact can be made locally. This suggests to the team that a journey does need to be mapped out in greater detail, which includes:

- greater clarity on the Fenland ‘offer’ and ‘ask’
- an appropriate timeline, to re-structure or diversify the economy
- conducting an exercise to delineate proposed activity, weighting these in importance, and developing a phased delivery programme will make best use of capacity and resources
- detail on the resources / skills required, and from whom, in order to build resilience and improve the value of the jobs in the district and the future economy
- respective roles of the council and partners to deliver economic growth.

There are sound skills in engineering and regeneration and there is positive feedback on the performance of the economic development team. From talking to external partners and businesses it was not clear how potential investors would access the council. Who is the prime point of contact? Are responses coordinated internally to give investors one response and quickly?
Some of the related growth and development services are dispersed in the current structure. It may be worth the council considering how limited resources to support growth could be combined to offer greater business support capacity, for example by drawing together skills and capacity across economic development, tourism, housing, asset management, regeneration and planning.

A related challenge is how Cambridgeshire local authorities can work together during current public spending pressures to develop capacity to support county-wide partnership working on economic growth while retaining the resource to promote local priorities. For example, there might be benefit from economic development officers working as a virtual team to bring forward the mosaic of council growth visions to the LEP. This would be an important piece of work to set out the ‘Cambridgeshire offer’ that the LEP could use to promote inward investment.

Some partners felt that planning could be more supportive of the council’s ‘open for business’ priority. A message from certain external stakeholders was that at times planning could better support investment and show more commercial pragmatism in negotiating Section 106 agreements. Obtaining planning consent from Planning Committee for affordable housing was cited as difficult on occasion and releasing land at an agreed valuation, to support affordable housing, also a difficulty. To be open for business, deliver local economic growth and address social cohesion it will be important to meet the spectrum of housing need and affordability.

The council’s performance on determining planning applications has been falling. The council is committed to understanding the reasons for this and to take appropriate remedial action. The council is committed to refining its planning processes to inject a ‘sense of urgency’ into processing applications and to respond to the Government’s streamlining agenda for planning and the ‘open for business’ approach set out in the National Planning Policy Framework (NPPF). One way to do this would be to consider the use of Planning Performance Agreements (PPAs) where appropriate for major applications. This would also have the benefit of taking such applications out of the determination times that otherwise apply. The following links provide more information on PPAs:

http://www.atlasplanning.com/page/topic/index.cfm?coArticleTopic_articleId=98&coSiteNavigation_articleId=98

http://www.pas.gov.uk/web/pas-test-site/search/-/journal_content/56/332612/4078899/ARTICLE

It will be important for the council to continue to advocate for the investment in transport infrastructure as it is widely acknowledged that this is an economic barrier. Consideration is being given to upgrading the A14 and the A47, with the latter being of great importance for west-east connectivity across the district. However, this needs to be aligned to planned economic growth in the district so that improved transport is not just viewed as a faster means for commuters to travel from Fenland to Cambridge. This is a very real issue for Fenland due to low job density and corresponding high levels of out commuting (40 per cent) to Peterborough, Lincolnshire and Norfolk.

The LEP will be a significant player with a Local Growth Fund of £4.7m; its role in brokering the City Deal for and as the vehicle for EU structural funding of over the seven years 2014-
2020. It will be important for Fenland and the CPSB to establish clear working and governance arrangements with the LEP and to consider how it can utilise current capacity to support effective public sector engagement with it.

Finally, although the priority of local economic growth is important, the council’s ‘place shaping’ role will need to ensure that it is not any growth at any cost but the right growth in the right place. Although ‘open to growth’ the council needs to ensure that there is an overarching consideration of the quality of growth and how this fits with the council’s future ‘place’ vision. The peer team recognised that the council’s Local Plan will provide a spatial vision and will be an important building block to support this.

**New ways of working**

There is an evident will for the political leadership and senior officers to explore shared services/partnership opportunities. This is important not just for the efficiencies that might be obtained but also to develop additional capacity. It was clear to the peer challenge team that within the council there is the will to progress new ways of working.

The council has made a clear commitment to supporting major projects, for example the £1.5m College of West Anglia investment in the Engineering Block and the regeneration of Nene Waterfront. The latter had an initial council investment of £1.2 m that attracted £10.4m in public funding and £37m in private sector funding. The result is an outstanding development attracting new knowledge-based businesses to the Boathouse, a successful Foyer scheme providing accommodation, training, education and employment support for up to 17 young people, diversification into marine leisure, and 375 housing units created.

This also demonstrates strong financial value for money by leveraging significant external funding to enable the scheme to proceed. However, it might be worth looking at social outcomes obtained from this investment some of which might have a time lag, for example students participating in engineering training at the College of West Anglia and subsequently finding employment.

The shared services programme is at a comparatively early stage for the council and currently includes the planning policy service provided by Peterborough City Council and the joint recycling contract with Cambridge City and Huntingdonshire District councils. The council is exploring others, for example, the Local Government Shared Services (LGSS - led by Cambridgeshire and Northamptonshire county councils) to look at possible back office services. Similar conversations are taking place with the Anglia Revenue Partnership so that the council can weigh up options that offer the best service value and quality. It will be important for the council to keep under review appropriate shared service arrangements.

Councils in Cambridgeshire are giving consideration to a county-wide waste contract that could achieve considerable savings. This is difficult to manage particularly with current contracts ending at different times. However, this has been successfully managed elsewhere and the LGA can direct the council to these authorities.

It will be important for the council to come to an understanding of its core services and those that might lend themselves for shared service arrangements. Certainly in considering the move to alternative provision arrangements the council should guard against the loss of service quality by ensuring that there are effective ‘intelligent client’
arrangements in place. At the same time the move towards less direct provision and more enabling, through facilitation, would provide a clearer understanding of core services and future provision.

The council is demonstrating a commitment to address deprivation and social cohesion. It is leading on a number of ground breaking areas, including: the proposed licensing of houses in multiple occupation (HMO); the Free School Meals programme to increase the uptake of school meals; a national reputation in leading on accommodation arrangements for Gypsies and Travellers; Operation Pheasant - working with partners to address the abuse of HMO accommodation for migrant workers, gang master offences and human trafficking, and positive work to improve a number of high profile derelict buildings. This is important work and fits with the priorities for the area.

A firm impression of the peer challenge team is that the council is leading on a lot of activity that benefits local people, but that this might not always correspond to its priorities. At the moment there is a tendency for the council to take on a lot of new additional activity. This will not be sustainable. Demand management will be increasingly important in the face of continuing financial and capacity pressures.

A more considered ‘demand management’ approach to service activity with clear priorities and outcomes to shape future delivery would release organisational capacity and directly align activity to priorities. From a community perspective any such refocusing would require arrangements for backfilling from other agencies and/or community empowerment activity to sustain these activities.

It would be advantageous for the council to further clarify its commitment to new ways of working with all its partners. With local government making a significant shift from direct delivery to the facilitation of service delivery it will be important to describe this new model to partners and to initiate discussions on how this might be developed locally. From this the council could begin to ask whether it should lead on delivery and how it might instead facilitate others to do this. This would release capacity/resources for those priorities that the council will lead on.

The council has done much in recent years to update its computer systems. The council needs to continue to develop systems to improve productivity and support service improvement/delivery. The peer challenge team felt an ICT strategy that assessed future IT need to support the business would support this. This will be important as IT should be a key enabler for the council’s transformation, for example around channel shift. It would be useful to develop an IT development programme of future need, evaluated against the criteria of return on investment, supporting productivity and the delivery of council priorities. This could be funded from an ‘invest to save’ capital reserve.

It will be important for the council to “take stock” in this new environment. Members will have an important community leadership role to explain these changes to their community and to manage their expectations during the shift to new ways of working. The council has a successful record of delivery and now has the opportunity to develop a new and compelling council offer to the community it serves with a clear focus on: what the council sees as its priorities and desired outcomes; what might be provided by alternative means; and the community role within this.
Community budgets and health

There is strong political and officer dedication to address local health issues, underpinned by an understanding that these are important for Fenland because of the prevalent deprivation issues. This is evidenced in the Corporate Plan where the priority of ‘Localism’ includes a commitment to support vulnerable members of the community, the ageing population and to promote healthy lifestyles.

This illustrated in practice by a range of health related initiatives including Golden Age, Free School Meals take-up, Together for Families and tangible delivery, for example the Chatteris Leisure Centre, funded from the housing transfer capital receipt. This links to health priorities in the Corporate Plan and the council approach to working across the four market towns of Fenland.

It was also evident the council is working across services in making good progress on preparations for welfare reform. There is a detailed cross-service action plan involving partners. Also important has been the Making Money Count programme, supported by £1m Big Lottery funding and working closely with partners to support residents become more financially confident.

The council is engaged in a strong programme of work to build social cohesion and work with communities. Examples of this are the programme to encourage take-up of Free School Meals, the Rural Capital Grant of £800k and close working with the Cambridgeshire Council for Voluntary Services.

This is supported by strong partnership working and links to health sectors and an enthusiasm to engage productively with the new health environment of the Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) and the county-wide Health and Wellbeing Board. The CPSB has bid to be a CLG Community Budget Partnership with a focus on the frail and elderly, health services and working with families. If successful this should be an invaluable piece of work to consolidate partnership working.

Having four Local GP Commissioning Groups to engage with makes it more complex for the council to coordinate the health agenda across the district. Engagement might be made easier if the council could articulate a clearer health focus and role so its partners know what specific objectives it wants to achieve for its residents from the wider health system and what the council can do to assist in the delivery of these objectives. For example, the council would benefit from developing a Health Strategy, which clarifies health priorities for the council: what it might deliver and what would be delivered by others. This would be sharpened by a review of:

- the emerging health priorities from the Health and Wellbeing Board and the CCG and their delivery proposals
- the current range of council health related activities, costs and outcomes
- a review of council health priorities and outcomes
- leading to a resetting of the council’s health focus and role set out in a Health Strategy.
Part of this focus should be on local inequalities and how these might be addressed to improve health outcomes for the community. Councils and partners in the county readily recognise that health inequalities are greater in Fenland than any other part of the county, however, county-wide priorities as stated in the Cambridgeshire Health and Wellbeing strategy are not necessarily Fenland specific and unless the council, in conjunction with the Local GP Commissioning Groups, raise local health issues there is a risk they could be overlooked.

This must be a strong driver to set out the council’s health and wellbeing priorities and to lever additional support and resources from partners to deliver shared and related local commitments. This provides an opportunity for the council to shape the Health and Wellbeing Board on county-wide strategic priorities to benefit Fenland. Successful engagement will depend upon understanding the complex health structures and to be able to influence CCG commissioning and health delivery/outcomes for Fenland.

At the same time it will be important to build on current service strengths, for example health services for the elderly in leisure centres, and to set this out as Fenland’s health offer to contribute to wider agenda,

Unlocking community capacity to take on more

Unlocking community capacity is one of the key debates currently taking place in local government. With the severe financial constraints facing local government it has to rethink the traditional public service contract with residents to manage community expectations and to renegotiate this contract with communities to take on more responsibility.

The council is already instrumental in unlocking community capacity through initiatives such as Street Pride, the Youth Council and, in partnership with the county council, the Community Navigators initiative. It celebrates community involvement through the Pride in Fenland awards which recognises residents’ enthusiasm and commitment to helping their fellow citizens.

The council is open to the transfer of community assets, for example the transfer of allotments and public conveniences to local management and the operation of Wisbech market to Wisbech Town Council. Such work is at an early stage and has potential for development. It would be useful to enter into a dialogue with Town and Parish Councils and other partners to discuss the opportunities for other such transfers.

The Fenland Strategic Partnership (FSP) has recently been refreshed with key partners to set community priorities and monitor progress. There is clearly a commitment to this model of partnership working when, in other parts of the country, such arrangements are being discontinued. This should be an important partnership forum to deliver community priorities, resourced through partners shifting resources to agreed action programmes.

The FSP could also be an important future vehicle for community budgeting (viz the recent CPSb bid be a CLG Community Budget Partnership) where partners pool resources to work to mutually shared priorities.

The peer challenge team believe that the council’s current level of activity is unsustainable with the continuing financial spending pressures. Instead the council could consider a shift
to a greater facilitation role to develop community capacity in delivering services, as it does with the Diverse Community Forum where currently 76 projects are delivering benefits to residents including migrants, Gypsies and Travellers, with the council’s role to chair the forum and facilitate others to deliver.

Such a shift would mean the council continuing to pursue a dialogue with partners on services that are currently provided, those that might be discontinued or provided at lower levels, and those which might be provided by others. This role would move the council from being the provider of first choice to the facilitator of choice in service provision.

Successful transition to unlocking community capacity will require an appreciation of the time needed for communities to assume greater responsibility. This will require a strategy for engagement that includes:

- increasing use of ‘demand management’ for council services
- council understanding of core and non-core services
- a conversation with a range of partners on alternative forms of delivery, for example transfer of assets, commissioning of services, shared services, mutual and community/voluntary sector delivery vehicles etc. This would need to be managed with care and understanding, for example the transfer of assets must not be seen as offloading liabilities but as a means to leverage community benefit.
- engagement with communities on service expectations and review of the public service contract as it has been traditionally understood. Members will have a key role in such community engagement.

Transformation will be important to recast local government services so that new delivery models not only achieve the longer-term savings needed but also renegotiate the public service contract of services to customers, residents and communities. In the new world of local government the role of the council will be more facilitative. The council will need to be prepared to let go and enable others to flourish.

Management and political leadership

Political and managerial leadership is highly visible. There are good forms of internal communications and the ethos of ‘One Fenland Team’ and ‘100% people driven’ permeates Member: staff interaction. The council is ambitious and is keen to make the necessary efficiencies without detriment to frontline services while also addressing the needs of residents and businesses in Fenland. These are set out in the Corporate Plan which addresses the priorities of local economic growth, health and social cohesion.

This leadership is supported by a vibrant ‘can do’ style that is keen to make a positive difference to people’s lives. Despite the financial challenges, staff and Members are determined to marshall resources to match ambition for positive change. This is also evidenced by enthusiastic action and activity on many fronts.

The council would benefit from reviewing whether political priorities are aligned to the resources available. There is a sense that political ambition drives much activity without always direct alignment to priorities. It would be worth understanding current arrangements for picking up additional areas of activity to ensure these fit with corporate priorities and do
not compromise organisational capacity. Arrangements should be robust enough to prioritise and challenge existing/emerging projects and maintain governance boundaries. There does need to be an alignment on political and managerial priorities to ensure that ambition is tempered by financial realities.

The team felt that it would be beneficial for Members and officers to review the council’s vision and priorities in order that these can be clearly articulated. While on-site the team came across different versions of what could be the council’s vision which suggests that internally this focus should be more specific.

The council may benefit from conducting a ‘place shaping’ exercise to assist the review of its vision. This would envisage the ‘place’ of Fenland in 10 and 20 years’ time and then work back to how this would be delivered, the respective roles of the council, partners and residents and the resources required so as to inform priorities and new forms of delivery.

Financial planning and viability

The council has done well in recent years to manage the significant reduction in Government core funding without major cuts of frontline services. From 2011-12 to 2012-13 this reduction equated to 29.6 per cent and was described in the Local Government Chronicle as being in England’s ‘top ten’ of highest cuts. The extent of continuing pressures can be seen by the further cumulative cuts of 12.87 per cent projected over the two years 2013-2014 to 2014-2015.

It has successfully met the challenge of savings that have been required, for example the restructure in 2010-11 achieved savings of £984k. Additional savings were gained by new ways of working, more efficient business processes and new work patterns, for example in refuse and cleansing teams and leisure. At the same time the council has worked hard to reduce the leisure subsidy (from more than £1m to circa £400k) and also increased income at the same time. The council has successfully delivered £6m of savings during the past three years, of which £3.8m were staff savings, which included £1.3m of management savings. The council has sought to deliver its planned programme of savings at least 12 months in advance of when they were required, in order to support a well considered approach that minimises the impact on service delivery, local people and staff.

There are good examples of capital investment that leverage external finance for example the Nene Waterfront Regeneration Project referred to above leveraged nearly 40 times the council’s contribution.

The council has adequate reserve levels and sound accountancy practices and controls that are recognised by audit assurance. However, like most other councils, there is a growing funding gap which from 2013-14 to 2016-17 is projected as a cumulative £1.95m, with this even higher with New Homes Bonus (NHB) top slice and higher again with the use of NHB to support the revenue budget.

The national issue of uncertainty on Business Rates could exacerbate the funding gap. Business rates will form an increasingly vital funding stream but there are significant factors that can impact on this, for example slower than anticipated business growth, over-estimation of the proportion of business rates retained, and potentially business closures.
It will be important for the council to consider the potential for an enhanced income stream from a review of fees and charges. This could include charges for the green bin collection or car parking. Although these could be controversial the suggestion is for a review that assesses the risks and the benefits. The example of car parking is in a context where these have been at no charges for a long time. The risk to assess is whether charging would adversely affect the local economy and whether the benefit of an income stream might offset some of the car parking service costs.

The capital receipt (£20m) from the transfer of housing stock has been used to deliver a lot of successful projects across Fenland, but this is running out. This resource to deliver council ambition is close to being depleted and the council is recommended to consider what its Plan B might be for its ambition and how this might be resourced.

Despite the difficult economic and financial climate there are opportunities that could be explored, for example by judicious use of capital, reserves, assets and Joint Venture that could leverage external funding. This might form part of the Plan B option. Transformation and delivery of key priorities could be supported by an ‘invest to save’ programme, possibly funded from reserves. This could be structured to set out bidding criteria, cost/benefit analysis and return on investment measures for evaluated bids that support service transformation and deliver an efficiency saving.

With the depletion of this receipt, and the increasing reining in of council revenue finance, it will be important for the council to ask if it can continue to deliver the current breadth of services at current levels and cost. From papers recently presented to the Cabinet it is clear that these questions are being asked and this will become increasingly important as capacity is already being stretched in some quarters. This risk is set out in the budget papers for 2013-2014 which states, “The achievement of further efficiencies in future years whilst maintaining excellent services will present considerable pressures for the authority.”

The council should fully evaluate the risks and revenue implications of any potential capital borrowing requirements, for example the council’s capital budget is not fully funded in the final year as this depends on the sale of assets. The team understood that a report was due to go to the Cabinet reflecting a more realistic capital programme, indicating that the revised programme can be funded from capital receipts. However, the level of capital receipts available is dependent upon asset sales of £3.7m being realised by 2016/17. In the current economic climate the projected figures are not guaranteed to be realised and this is recognised in the council’s risk register as a relatively high risk. Monitoring this will be important.

Finally, in the current climate it might be understandable to consider the use of reserves to deliver capital projects. The peer challenge team would caution against that as reserves can only be used once so future financial prudence should warn against that course of action. It reinforces the point made above that there will need to be a Plan B to manage Member aspirations with finite resources.

Capacity

It is clear that there is an appetite for change in the council and this is supported by a good understanding across all levels of staff and Members why change is necessary in the current financial environment.
It also came through strongly that staff are willing to support each other to make improvements. This is aided by it being the size of council where people know each other and recognise the pressures each is facing and are prepared to help. The council has a positive ‘one-team’ culture that underpins its focus on good quality service delivery and an effective customer experience.

It is positive that appraisals – ‘Springboard’ – are carried out for all staff and this links into service planning and performance management. It is important for managers to have frequent one-to-one sessions with staff to not only manage performance but also to communicate the change taking place.

The council is currently retaining in-house control of significant key service, for example leisure and refuse. There is also an on-going commitment to improve the efficiency of these services and to consider further investment if needed. This is a sound policy that enables the council to define its core services, to take a longer-term view of alternative forms of future delivery and to ensure that any future outsourcing can provide an attractive proposition to potential providers.

Finally, if the council accepts a our observation that it would benefit from rethinking its vision and priorities, in an environment of reduced resources and capacity then this is evidently going to impact on the capacity and expertise required to deliver the council’s future vision.

**Moving forward - suggestions for consideration**

Based on what we saw, heard and read we suggest you consider the following actions to build on the council’s undoubted successes. These are things we think will help you improve and develop the effectiveness and capacity to deliver your future ambitions and plans.

1. Review the council’s corporate vision and priorities with a clearer focus on outcomes
2. The Medium Term Financial Plan and Corporate Plan need to respond to the looming funding gap and ensure that this is addressed by a combination of longer-term financial planning, planned efficiencies, service cuts, new ways of working and service transformation
3. Review the council’s health role to include articulating a clearer health focus and role for Fenland, leading to a Health Strategy that assists the council and its partners to effectively tackle health inequalities and issues
4. Evaluate whether the council should necessarily lead on local projects and, instead, consider whether others might be better placed to do this with council support.
5. Review the council’s unique selling point for local economic growth and use this to develop the Fenland ‘offer’ and ‘ask’ to be set out for the CPSB and the LEP
6. Review the economic growth strategy and delivery plan, in association with partners, with detail on: what sectors the expected 7,200 jobs to be created from 2011-2031 will fall and what employment land might be used for this purpose. This should lead to a portfolio of sites identified for marketing to potential investors and developers and should be aligned to the LEP Operational Plan
7. Align capacity and resources to economic growth

8. Consider potential transformation models for the council and discuss these by a dialogue with customers, residents, businesses and communities as a means to review the public service contract and to renegotiate public service expectations on this

9. Consider an ‘invest to save’ policy as a means to obtain service efficiencies, transformation and service improvements

10. Develop an IT Strategy that sets out future need to improve productivity and support transformation. This should be prioritised with costs. This will then need to put into a programme of IT improvement with clear outcome measures around productivity and supporting a wider programme of transformation

Next steps

You will undoubtedly wish to reflect on these findings and suggestions made with your senior managerial and political leadership before determining how the council wishes to take things forward.

As part of the peer challenge process, there is an offer of continued activity to support this. In particular the LGA is able to offer up to 12 days of Productivity Expert programme support, information on this will be provided to the council.

We would also wish to offer an improvement and prioritisation workshop to the council to take place some time after this letter is received by the council. I look forward to finalising the detail of that activity as soon as possible.

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. Rachel Litherland, Principal Adviser is the main contact between your authority and the Local Government Association. Rachel can be contacted via email at rachel.litherland@local.gov.uk (or tel. 07795 076834) and can provide access to our resources and any further support.

In the meantime, all of us connected with the peer challenge would like to wish you every success going forward. Once again, many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation.

Yours sincerely

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