



# Corporate Peer Challenge **Stockton-on-Tees Borough Council**

3<sup>rd</sup> to 6<sup>th</sup> September 2019

Feedback Report

## 1. Executive Summary

Stockton-on-Tees Borough Council has achieved a great deal and has much to be proud of, including the way it has successfully managed the financial challenges to date, the strength of leadership it has shown on a number of place-shaping projects, its arts and events programme and the way in which it values, respects and invests in its staff and elected members.

The pride, passion and commitment of staff and elected members absolutely shone through in our discussions. A very strong customer service ethos and focus on residents sit at the heart of this. Staff and elected members are steeped in the places that they serve and that provides a rich understanding of the borough and its communities.

The borough is clearly a place of contrasts and complexity and the council remains aware of the challenges that the area continues to face. These include socio-economic and health inequalities, children's services and adult social care and the need to drive forward health and social care integration.

The council is highly valued and very well respected as a partner, both locally and sub-regionally. It is seen to work in collaboration and to be concentrated on people and delivery, with a willingness to fulfil whatever role is most appropriate in order to aid the achievement of an outcome. As one partner put it, Stockton is a council that "operates without ego".

There is much in Stockton-on-Tees to shout about and we would encourage the council and partners to do so. Central to this are taking the opportunity to profile and celebrate the successes of the borough and what it has to offer and creating a shared narrative of 'place', the development of which should be politically led.

The council's finances are seen to have been well managed over many years. The approach it has adopted has balanced prudence with creativity and managed risk-taking. The need to deliver savings of £45m has seen a reduction in the council's workforce of 25 per cent, whilst the authority has shown a willingness to invest to save and demonstrates pragmatism and an 'open mind' in relation to approaches to service delivery. The council has a projected financial gap across the next three years of around £4m / annum and thinking is emerging about how to achieve this. Whilst the authority is confident that the challenge will be successfully met, it acknowledges that further difficult decisions will be required.

Significant financial pressures are being experienced in-year, particularly in relation to children's services. This is repeating what happened last year – and it is acknowledged that the council did well to manage that situation – but it is important that the necessary actions are undertaken to prevent the problems recurring in future years.

The council is experiencing a period of transition and appears to be managing it well. Within this, it is important to continue and to build upon the increased dialogue taking place across the political groups. That said, it is clear that politics is more to the fore within the new electoral landscape than it was previously. As part of this, there needs to be more recognition of the political reality regarding the way in which the largest group is dependent

upon forming alliances in order to be able to lead the council and where this then leaves the other political groups in terms of influence.

The council's Overview and Scrutiny function is highly regarded both internally and externally and focuses on issues of significance and importance. The four Locality Forums across the borough seem to have been born out of a desire to better understand communities and generate joined-up approaches to the variety of challenges and issues being faced but now feels like the right time to review what they are achieving and whether something different is required.

The council's five-year 'Smarter Working in Stockton' programme is aimed at bringing about changes in how the authority functions and delivers for citizens. It feels as though the council is at the initial stages in relation to this. The changes that have taken place in parts of the council are not universally understood so the time is right to communicate fully the thinking, planning and intentions that exist and the progress that has been made. The council recognises that, in order to instigate, manage and deliver change at scale and pace, it will need to invest in and develop the necessary capacity and capability.

Given the authority's thinking in relation to a shift to an outcomes-focused approach, combined with the need for an increasingly agile and resilient workforce, an opportunity emerges to consider and potentially re-think the way the organisation functions and the culture needed to underpin that. The opportunity that we see as existing here is for the authority to build on its very solid foundations and to seek to move to the next level, which might take the form of the following:

- Re-defining how success on the part of the council is measured and valued – involving potentially having to manage and change the expectations of citizens
- Re-thinking what 'serving the people of the borough' entails – potentially involving assuming more in the way of a facilitating and enabling role as part of a more strategic approach
- A narrowed-down set of clear priorities which are then shared with local people and staff
- Establishing a shared narrative about the council and its role – which crucially must be politically led
- Generating more jointly-developed approaches to issues, such as health inequalities and inclusive growth

This opportunity to move to the next level is potentially exciting but, at the same time, inevitably daunting. Should it choose to embark upon the challenge, the authority will need to show real strength of leadership but it should draw confidence from what it has achieved as a council to date.

The authority has a stated ambition to increase its rate of recycling but is finding it difficult to move the agenda forward. It has not made its position clear on what the driver is for this agenda and this could be contributing to a lack of momentum in fulfilling its ambitions.

Time is being lost and, with that, opportunity, and this risks stacking up difficulty for the council further down the line. We would encourage the council to show political leadership on this issue – to use the courage of its convictions in order to secure longer-term benefit for the residents of the borough.

## 2. Key recommendations

There are a range of suggestions and observations within the main section of this report that will inform some 'quick wins' and practical actions, in addition to the conversations on-site – many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the council, outlined in the order that they appear in the main body of the report:

- Develop a shared narrative of 'place' that is politically led
- Review what the Locality Forums are achieving and whether something different is required
- Build on the process that we have been involved in so as to generate dialogue, forge links between people and organisations and stimulate thinking
- Continue to work to understand and address the causes of demand pressures being experienced repeatedly in-year and leading to projected overspends
- Ensure the process to recruit a Managing Director is seen to be open, transparent and competitive
- Build on the introduction of 'Informal Cabinet' and the work that has started to enable the Corporate Management Team to have a greater strategic focus
- Determine whether to take the opportunity we have outlined to move the council to the next level
- Create a shared narrative about the council and its role that is politically led
- Seize the chance to fulfil a real place leadership role around health inequalities and accelerate and enhance partnership working
- Establish a shared understanding of inclusive growth across the council and partners and enable greater dialogue both between them and within the authority
- Show political leadership on the issue of recycling and use the courage of your convictions to secure longer-term benefit

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

#### **The peer team**

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the council's requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge in Stockton were:

- Denise Hyde, Chief Executive, North Lincolnshire Council
- Councillor Ian Ward, Leader, Birmingham City Council
- Councillor David Renard, Leader, Swindon Council
- Bill Cotton, Corporate Director for Regeneration and Economy, Bournemouth, Christchurch and Poole Council
- Angela Jones, Executive Director, Economy and Infrastructure, Cumbria County Council
- Tim Allison, former Director of Public Health, East Riding of Yorkshire Council
- Chris Bowron, Programme Manager, Local Government Association

#### **Scope and focus**

The peer team considered the following five questions which form the core components looked at by all corporate peer challenges. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. 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?

5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

Alongside these questions, the council asked the peer team to consider their ambitions and plans around:

6. Addressing health inequalities
7. Delivering inclusive growth
8. Increasing rates of recycling

### **The peer challenge process**

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. 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 for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent four days on-site in Stockton, during which they:

- Spoke to 195 people, including a range of council staff, elected members and external partners and stakeholders
- Gathered information and views from more than 35 different interviews and focus groups, additional research and reading and a tour of the borough that were all kindly arranged for us
- Collectively spent more than 450 hours to determine their findings – the equivalent of one person spending around thirteen working weeks in Stockton

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team on Friday 6<sup>th</sup> September upon the conclusion of our visit. In presenting feedback to the council, we have done so as fellow local government officers and elected members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things the council is already addressing and progressing.

## **4. Feedback**

### **4.1 Understanding of the local place and priority-setting**

The council has achieved a great deal and has much to be proud of, ranging from the way it has successfully managed the financial challenges to date to the strength of leadership that it has shown in relation to a number of projects. These projects include the Globe Theatre, investment to create a new hotel in the centre of Stockton, the 'Spark of Genius' children's homes joint venture and the council's move to invest £30m across all its town centres. Such projects are focused on place-shaping and regeneration and deriving a range of social, economic and commercial benefits.

The council can be equally proud of its highly valued arts and events programme, including the Stockton International Riverside Festival, the way in which it values, respects and invests in its people – both staff and elected members – and for being highly valued and very well respected as a partner.

Stockton is clearly a place of contrasts and complexity and the council remains aware of the challenges that the borough continues to face. These include socio-economic and health inequalities, children's services and adult social care and the need to drive forward health and social care integration.

The pride, passion and commitment of staff and elected members absolutely shone through in our discussions. A very strong customer service ethos and focus on residents sit at the heart of this, reflected in customer satisfaction levels and customer service awards. The council has retained its Customer Service Excellence accreditation for eight consecutive years and 87 per cent of residents are happy with their local area as a place to live.

Staff and elected members are steeped in the places that they serve and that provides a rich understanding of the borough and its communities. This informal knowledge-base is supplemented with a range of sources of data and intelligence, such as the 'Bright Minds, Big Future' programme dedicated to giving young people a voice, the Joint Strategic Needs Assessment that has recently been updated and both the borough-wide and ward level profiles produced for elected members and others to provide insight to localities.

The council recognises the opportunity and need to move to the next level in relation to the capturing and sharing of data and intelligence as part of developing an approach that sees it focusing on the outcomes needing to be achieved across the borough. Central to this is moving away from viewing the borough through 'service specific lenses' and developing a more comprehensive understanding of the complex nature of the borough and its challenges. It also entails devising cross-cutting approaches that reflect the best way to address the challenges and provide a clearer answer to the questions of 'why are we embarking on this?' and 'how can we best achieve the outcome?'.

## 4.2 Leadership of Place

As we touched on earlier, strength of leadership has been shown by the council in relation to a number of projects. The Globe Theatre and the investment made in building a hotel are the two most high profile examples, with the council having needed to demonstrate resolve in the face of a significant degree of challenge and scepticism. The Globe Theatre project has yet to come to fruition but, based on the evidence to date, the hotel investment decision has delivered regeneration, met a gap in the market that meets the needs of local businesses and generated a commercial revenue stream for the authority.

The move to establish the 'Spark of Genius' joint venture, involving using council property as the catalyst for creating the means by which to enable more children in the authority's care to remain within the borough, provides both social and budgetary benefits. The decision to invest £30m across all of the 'town centres in the borough represents a desire to bring regeneration and economic benefits to the range of the communities the council serves and is being funded through prudent financial borrowing. The town centres are part of both the richness and complexity of the borough and necessitate a careful balancing of focus and working hard in order to avoid perceptions of in-equitability.

The four Locality Forums across the borough seem to have been born out of a desire to better understand communities and generate place-based thinking and joined-up approaches to the variety of challenges and issues being faced across different geographies. Now feels like the right time to review what they are achieving and whether something different is required. This suggestion emanates from what we have heard in relation to uncertainty about their purpose now and confusion around aspects of their governance, including who is able to sit on them (they seem to involve some elected members but not others, on a basis that is unclear), how the Chairs are determined, what decision-making role, if any, they have and what the implications of this are. We are not suggesting they are dispensed with. It is highly likely that a place-based forum bringing a range of stakeholders together will continue to be seen as something very valuable. There simply needs to be greater clarity around the 'why' and the 'how'.

The council has recently been evolving its strategic planning approach. This may entail, re-framing its policy principles but it has already seen the authority developing thinking around adopting an outcomes-focused approach and creating opportunities to enhance strategic thinking. The latter includes having created 'Informal Cabinet', which brings the Cabinet and Corporate Management Team (CMT) together regularly and creates the opportunity for them to jointly consider the strategic challenges facing the authority, and work that has started to enable CMT to have a greater strategic focus.

The council is highly valued and very well respected as a partner, both locally and sub-regionally. It is seen to work in collaboration and to be concentrated on people and delivery, with a willingness to fulfil whatever role is most appropriate in order to aid the achievement of an outcome. This is why it is seen to take the lead on some things, such as the creation of the Tees Valley Combined Authority and the development of the business case for a new River Tees crossing, whilst providing the space for others to be at the forefront where that is deemed to be best, as seen with Hartlepool Borough Council



hosting the shared Children's Safeguarding Hub. As one partner put it, Stockton is a council that "operates without ego".

From the feedback we have received and what we have seen for ourselves, the process that we have been involved in, in the form of the peer challenge, has brought benefit to those who have been involved both internally and externally. This has been especially noticeable through the workshops looking at the themes of health inequalities and inclusive growth and has taken the form of stimulating thinking, generating dialogue and forging links, whether that be between people within the council, between the council and partner organisations or amongst partner organisations themselves. This feels like something to build upon by:

- Establishing greater engagement and dialogue between partners at the strategic level
- Facilitating more cross-cutting understanding and thinking within the council
- Generating more jointly-developed approaches to issues both between organisations and within the authority
- Enabling enhanced sharing of data and intelligence
- Building on the initial work through 'Team Stockton-on-Tees' around health and social care integration

The borough's arts and events offer, and the International Riverside Festival in particular, helps to raise the profile of the area but the borough seems to 'hide its light under a bushel'. Thinking around a joint Tees Valley bid to be City of Culture in 2025 reflects a desire to enhance the profile and is symptomatic of the council's positive approach to sub-regional working.

There is much in Stockton-on-Tees to shout about and we would encourage the council and partners to do so. Central to this are taking the opportunity to profile and celebrate the successes of the borough and what it has to offer and creating a shared narrative of 'place'. We see it as being important that the development of such a narrative is politically led, given the council has both a democratic mandate and a place-shaping role. It is therefore best-placed to lead the work on the narrative, ensuring the participation of a wide range of stakeholders in developing 'the story' of what the borough is all about – what it stands for, what it has to offer and where it is heading.

### **4.3 Financial planning and viability**

The council's finances are seen to have been well managed over many years, reflected in the findings of the External Auditor and the way the authority has successfully managed the financial challenges to date. In the period from 2010/11 to now, government funding for the authority has reduced by £73m – with the council's current net revenue budget being around £177m. The approach adopted by the council over this time has balanced prudence with creativity and managed risk-taking, leading to it needing to deliver savings of £45m. The savings have involved a reduction in the council's workforce of 25 per cent –

equating to approximately 1,200 posts – amongst other things. The authority has shown a willingness to invest to save, as seen with the £14m spent on low energy streetlights which is delivering annual savings of £1.8m, and to generate revenue streams, for example with the hotel investment and the proposed crematorium.

The council demonstrates pragmatism and an ‘open mind’ in relation to approaches to service delivery. Examples of the ‘mixed economy’ that exists include the Xentrall Shared Services partnership with Darlington Borough Council, the ‘Spark of Genius’ joint venture and the Tees Active charitable leisure management organisation. This reinforces what we outlined earlier in relation to the council being concentrated on people and delivery and possessing a willingness to fulfil whatever role is most appropriate in order to aid this.

Significant pressures are being experienced in-year, particularly in relation to children’s services, with projected overspends totalling more than £2.5m that need to be carefully managed. This is repeating what happened last year – and it is acknowledged that the council did well to manage that situation – but it is important that the necessary actions are undertaken to prevent the problems recurring in future years.

The council has a projected financial gap across the next three years of around £4m per year. Thinking is emerging about how to achieve this and this will take shape during the course of the autumn. Our understanding is that the work being done is focused on the three years ahead rather than one year at a time, which avoids an incremental and piecemeal approach that would risk short-termism and lost opportunity. Whilst the authority is confident that the challenge that lies ahead will be successfully managed, building on its track record of the last few years, it acknowledges that further difficult decisions will be required, impacting both service delivery and staff.

The council’s capital programme through to 2022 equates to around £133m and involves significant additional borrowing. The programme reflects the scale of the council’s ambitions, including the Globe Theatre, the investment in the town centres and a new leisure centre at Ingleby Barwick, but inevitably generates risk that needs to be carefully managed.

#### **4.4 Organisational leadership and governance**

The council is experiencing a period of transition and appears to be managing it well. Such transition includes the recent electoral changes, which saw the authority move to No Overall Control, and the appointment over the coming weeks of a Managing Director.

In relation to these changes, there are a couple of elements that come across to us as being particularly important. The first is that of continuing and building upon the increased dialogue taking place across the political groups. We understand that the Leader is undertaking regular bi-lateral meetings with most of the other political group leaders and meetings are also being held for all of the political group leaders together. That said, it is clear that politics is more to the fore within the new electoral landscape than it was previously. As part of this, there needs to be more recognition of the political reality regarding the way in which the largest group is dependent upon forming alliances in order to be able to lead the council and where this then leaves the other political groups in terms of influence.

In relation to the recruitment of a Managing Director, it is vital, both for the council and whoever is appointed, that the process is seen to be open, transparent and competitive. The appointment process must ensure the council is 'future-proofed', not least given the situation of No Overall Control, and enable the successful appointee to operate from a position of strength in terms of knowing they have the confidence of all concerned.

The council's Overview and Scrutiny function is highly regarded both internally and externally and focuses on issues of significance and importance. The Centre for Public Scrutiny recently issued a positive report on the council's approach, highlighting well-established arrangements to deliver purposeful challenge and make a difference to residents' lives. Examples of issues the council has focused on in recent years through Overview and Scrutiny include recycling, inclusion in schools, the Local Safeguarding Children Board, fire safety of high rise residential buildings and school admissions arrangements. A review of gambling by the Adult Social Care and Health Select Committee attracted positive national-level input and attention as it sought to assess how it affects local people.

There are two aspects of Overview and Scrutiny that we would encourage the council to be mindful of. The first is that of being able to answer the 'so what?' question in relation to the difference that its efforts have made. The council produces both an annual report and an 'end of term' report (upon the conclusion of a four-year Administrative cycle) outlining what Overview and Scrutiny has undertaken and been involved with. The fact that these reports are produced is very positive and provides a comprehensive narrative of where elected members and co-opted colleagues have applied their focus and effort. This could usefully be supplemented though with some reflections of what has been achieved – the difference these efforts have made to life in the borough.

The second aspect is the perception risk in relation to the process through which recommendations to Cabinet are determined. The process, which is not unique to Stockton, involves tri-partite discussions between Cabinet members and Overview and Scrutiny members regarding the findings and initial recommendations of the work undertaken on any given theme by the relevant Committee or Task and Finish Group. Through this process, a final set of recommendations is agreed by Committee which Cabinet then usually goes on to adopt when it considers the report. We see a risk here of the integrity and efforts of Overview and Scrutiny potentially being undermined as a result of people being able to suggest that relationships might be too close.

The Community Participation Budgets made available to elected members for their wards are seen as a mixed blessing by councillors. They provide the opportunity for both responding to local need and generating match-funding to boost the resources the council can dedicate to any given project. However, they are also sometimes being seen as simply there to 'pick up the slack' in terms of funding things that might previously have been met from service budgets or offering little scope in terms of the amount of money and what it can be used on. The council could consider redefining or re-emphasising the purpose of these budgets to provide greater clarity for councillors and the public.

The introduction of 'Informal Cabinet' is one that we see as being very positive. Whilst it remains in its infancy – it has only met twice so far – it has the potential to play a key role in aiding strategic thinking within the council. Staff across the organisation are welcoming of the work that has started in relation to enhancing the strategic focus of CMT and are keen for this to be built upon. This fits well with the desire that they outlined to us of being more empowered through greater delegation from the most senior levels.

As another aspect of evolving its approach to strategic planning and thinking, the council is supplementing directorate-based performance management, which is seen to have been strong traditionally, with a corporate 'overlay'. This move is consistent with the ambitions around developing an outcomes-focused approach and enabling CMT to have a greater strategic focus but, in implementing it, it is crucial that it adds value and avoids becoming bureaucratic or controlling.

The council has a wide range of internal communications mechanisms in place and is committed to informing and engaging its staff. Examples include the 'state of the nation' delivered by the Chief Executive/Managing Director and the 'Setting the Standard' information sessions, alongside a range of written communications including the council's Intranet. Indeed staff spoke of such a plethora of communications vehicles that the time might be right to review the approaches in order to ensure they are fully meeting people's needs.

There is a very impressive and comprehensive approach to elected member learning and development in Stockton. This has been externally validated in the form of the Member Development Charter, the three criteria for which are a clear commitment from the authority to councillor development, the council having a strategic approach to delivering it and learning and development being effective in building capacity. Elements of the approach that particularly impressed us were the personal development plans that each councillor is able to draw up with support from officers, the tailoring of training and development activity to meet the sometimes very individualised needs of elected members, the regular all-member briefings held on a wide range of topical issues and what people highlighted as a very effective elected member induction process undertaken following an election.

#### **4.5 Capacity to deliver**

As we touched on earlier, the pride, passion and commitment of staff and elected members absolutely shone through in our discussions and the council demonstrates a very strong customer service ethos and focus on its residents. We also referenced the fact that the council has 25 per cent fewer staff now than it did in 2010/11. Despite this, the council is not perceived to have stopped doing anything in this time. There are three dimensions to this which are important.

The first is us appreciating fully just how constructive and creative the council has been in finding alternative approaches in order to maintain delivery. In this respect, the perception is wrong – the council is no longer doing certain things itself but has instead sought to maintain them by facilitating delivery through others in a way that is both constructive and creative. Examples include the undertaking of Community Asset Transfers and supporting

the setting up of Community Interest Companies to maintain what existed before. Onsite Building Trust, for example, maintains a number of community centres within the borough. As another example, Five Lamps Homecare operates as a not-for-profit company in the home care sector supporting elderly and vulnerable adults.

The second and third aspects are linked and relate to the extent to which the expectations of elected members have adapted over time and the clear sense that the organisation relies on the goodwill of its staff, which it must be said remains high. The question here is whether, unless expectations are adapting, the current situation remains sustainable.

The council has a very clearly established set of organisational values and culture, centred on staff 'working hard' and 'being here to serve the people of the borough'. The council reciprocates by valuing, trusting, supporting and investing in them. The 'Shaping a Brighter Future' programme has been integral here, building organisational capacity through creating the organisational culture statement, investing in employee well-being and support services and maximising the benefits gleaned from people's skills and abilities through the Talent Network. The council has maintained its 'Investors In People' accreditation and attained the highest level in the 'Better Health at Work' awards.

The council's five-year 'Smarter Working in Stockton' programme is aimed at bringing about changes in how the authority functions and delivers for citizens by capitalising upon opportunities around new ways of working and technology. It feels as though the council is at the initial stages in relation to this. The changes that have taken place in parts of the council are not universally understood so the time is right to communicate fully the thinking, planning and intentions that exist and the progress that has been made. The council recognises that, in order to instigate, manage and deliver change at scale and pace, it will need to invest in and develop the necessary capacity and capability.

What has been achieved in terms of changes across the organisation to date, not least the challenge of reducing staffing levels and the development of the organisational culture, has been aided by the very positive relationships the council cites as having with its trade unions. Good industrial relations will stand the authority in good stead going forward.

Given the authority's thinking in relation to a shift to an outcomes-focused approach, combined with what has been outlined as the need for an increasingly agile and resilient workforce, an opportunity emerges to consider and potentially re-think the way the organisation functions and the culture needed to underpin that. The opportunity that we see as existing here is for the authority to build on its very solid foundations, which we have outlined through the course of this report, and to seek to move to the next level. What we are positing here might take the form of the following:

- Re-defining how success on the part of the council is measured and valued – involving potentially having to manage and change the expectations of citizens
- Re-thinking what 'serving the people of the borough' entails – potentially involving assuming more in the way of a facilitating and enabling role as part of a more strategic approach

- A narrowed-down set of clear priorities which are then shared with local people and staff
- Establishing a shared narrative about the council and its role – which crucially must be politically led given what might be entailed in terms of managing and changing the expectations of citizens, adopting more of a facilitating and enabling role for the council and establishing a revised set of priorities. Staff are keen to see the creation of mechanisms and opportunities for them to be involved in supporting the development of such a narrative.
- Making the shift to an outcomes-focused approach – centred upon an enhanced capturing and sharing of data and intelligence and facilitating more cross-cutting understanding and thinking
- Generating more jointly-developed approaches to issues both between organisations and within the council, including greater engagement and dialogue between partners at the strategic level

This opportunity to move to the next level is potentially exciting but, at the same time, inevitably daunting. Should it choose to embark upon the challenge, the authority will need to show real strength of leadership but it should draw confidence from what it has achieved as a council to date.

#### **4.6 Health inequalities**

The extent of health inequalities across the borough is well understood by the council and its partners. The size of the gap in life expectancy between the least and most deprived men in Stockton is 14.9 years, whilst for females it is 13.9 years. The difference in life expectancy between the most deprived and least deprived wards in the borough – which lie only five miles apart – is over 21 years for men and nearly 15 years for women. When comparing things nationally, it can be seen that men in the borough live on average 1.5 years less than in the UK generally whilst for women that rises to 1.7 years. Men in Stockton are healthier for 6.8 years less on average whilst it is 2.9 years for women in the borough.

There are a range of initiatives in place in Stockton aimed at trying to address the inequalities, including 'Warm Homes, Healthy People', the promotion of NHS Health Checks and the 'Growing Healthy' campaign. The Joint Health and Wellbeing Strategy runs from this year through to 2023 and features the following outcomes:

- All children and families to get the best start in life
- All people in Stockton to live well and live longer
- All people in Stockton to live in healthy places with sustainable communities

To support this, activity is being developed relating to, physical activity, tackling poverty and regeneration.

All of this is positive and can make a difference, but now is the time for the council to fulfil a real place leadership role on the issue of health inequalities and push for the acceleration and enhancement of partnership working. Central to this is developing greater dialogue across a range of organisations and council functions to determine more clearly the outcomes being sought.

As we touched on earlier in this report, the workshops that we undertook on the theme of health inequalities brought benefit to those involved by stimulating thinking, generating dialogue and forging links. We encourage this to be built upon with the development of more in the way of cross-cutting approaches, the formulation of an agreed set of shared priorities, the establishing of a shared understanding of what needs to be done by the council and partners and the holding of one another to account for delivery.

It is out of the complexity of the borough that the widely-recognised term 'proportionate universalism' has come to be adopted in Stockton too in looking to tackle health inequalities. This approach essentially seeks to maintain the delivery of universal services whilst offering a degree of targeting within that to provide a focus on where need is seen to be the greatest. This approach feels to us as though 'it falls between two stools' and it might have to give if the challenges being faced are to be tackled to best effect. We would encourage the development of much greater clarity about where to apply effort in order to make the biggest impact, supported by the creation of a set of targets.

#### **4.7 Inclusive growth**

The council has a well-established regeneration plan and set of ambitions for economic growth, reflected in its economic strategy 2017-2032 and economic growth plan 2017-2020. The borough is seen as the economic powerhouse of the Tees Valley, contributing £4.4bn of the £12.6bn economy, as measured by Gross Value Added (GVA). Economic output has risen three per cent in the last ten years, meaning Stockton has outperformed most of the North East region. Between 2013 and 2018 there was a growth of 25.4 per cent in the number of businesses in the borough, compared to a UK average of 23.2 per cent and a North East average of 23 per cent.

The fact that the borough now has an adopted Local Plan is significant in terms of aiding Planning on a basis that is strategic and can focus on achieving the best possible social and economic impact. The borough recently saw the highest annual growth in disposable household income in the North East and house price to earnings ratios are in the lowest ten per cent of local authority areas in England. The proportion of young people not in education, employment or training (NEET) is comparatively low at 5.7 per cent and Stockton is the second best-performing council area in the region in relation to the proportion of residents qualified to NVQ Level 4.

However, across the borough can be seen a higher rate of unemployment, lower average earnings and higher levels of benefit dependency than the national average. It is out of these conditions, and we assume also the health inequalities challenges outlined above, that the concept of 'inclusive growth' has emerged. This has helped to instigate a range of initiatives in the borough focused on those residents who are furthest away from the jobs market, with this including 'Routes to Work' and 'STEPS'.

In order to drive inclusive growth, the many positive elements and opportunities in Stockton which we have reflected here need to be built upon. Key considerations here, which in many ways reflect those concerning health inequalities, include the need to establish a shared understanding of the concept of inclusive growth across the council and amongst partners and to enable greater dialogue around it. As with the health inequalities workshops we delivered, we saw the extent to which those we undertook on inclusive growth served to stimulate thinking, generate discussion and forge links. The council has a key role and great opportunity to build on this, bringing people and organisations together by acting as an enabler and a connector and thus helping to further the inclusive growth agenda.

Another area that we see the council being able to assist and fulfil a place leadership role on is in more directly influencing and steering the skills agenda in the borough. At present, it comes across as fragmented and the council could help to focus effort and resources in the area. The authority already has a well-established learning and skills service delivering adult learning programmes in the Tees Valley. The council is well-placed to steer the wider skills agenda given the roles of the Leader and Interim Managing Director leading on the education, employment and skills portfolios with the Tees Valley Combined Authority.

A final element on this theme that we would encourage the council to think about is the idea of developing a commercial investment strategy. We see this as being beneficial by being able to help guide planning and decision-making regarding where and how the council invests in order to aid regeneration, economic growth, place-shaping and the generation of revenue.

#### **4.8 Increasing rates of recycling**

In 2017/18 the council had a recycling rate for waste from households of 24.9 per cent. This compared to a UK average in the same year of 45.2 per cent. Stockton's rate increased in 2018/19 to 26.4 per cent but this still lags a considerable way behind what is being achieved in many other parts of the country. The authority has a stated ambition to increase its rate of recycling but is finding it difficult to move the agenda forward and therefore asked the peer challenge team to probe the issue to assist it in its thinking.

At present, the council undertakes the collection of residual (refuse) waste collection on a weekly basis and a recycling collection fortnightly. It is very mindful that 94 per cent of borough residents indicated in a recent survey that they are satisfied with the refuse collection service, whilst 91 per cent are content with recycling arrangements.

The council is also aware, and has all of the information available to support it, that the most obvious way of increasing rates of recycling is the reduction in the frequency of residual waste collection combined with the enhancement of opportunities for people to recycle. Current collection arrangements in Stockton are not seen to encourage borough residents to recycle because they are provided with sufficient space in the wheeled bin (with a 240 litre capacity) they receive for refuse collection. According to a recent Association for Public Service Excellence (APSE) report, 13 per cent of councils nationally collect residual waste on a weekly basis, whilst 79 per cent do so on a fortnightly basis. Fifty-six per cent of councils who responded to the APSE survey that informed their report



indicated they will move, within the next two years, to collecting residual waste either every third or fourth week.

The council has not made its position clear on what the driver is for it to look to increase levels of recycling. Is it a question of global impact and related environmental considerations and seeking to ensure Stockton does its bit? Or is it about responding to Government targets, including the National Waste Strategy which is currently being consulted upon and which is anticipated to have a significant impact on councils beyond 2023? Equally, the potential to secure cost savings for the council, and thus avoid impacting elsewhere on frontline delivery, could be a key consideration.

Lack of clarity about what sits behind the council's ambitions to increase recycling rates could be contributing to a lack of drive to fulfil them. Time being lost and, with that, opportunity, risks stacking up difficulty for the council further down the line. As a simple example, the council is already in a position of needing to think about replacing its waste collection vehicle fleet but it is hard to plan for this when the policy framework is unclear.

We would encourage the council to show political leadership on this issue – to use the courage of its convictions, as it did with the investment in the hotel and the Globe Theatre, in order to secure longer-term benefit for the residents of the borough. The situation is not an easy one – introducing a new or revised arrangement in a situation where 94 per cent of people are satisfied with the service they currently receive is challenging. At the same time, the authority clearly has scope to enhance its recycling rates in order to be performing at the level of the best. Perhaps the issue could be looked at from a different perspective in order to help determine the way forward – to view it through the lens of young people in the borough given they have the greatest stake in the future.

## **5. Next steps**

### **Immediate next steps**

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Mark Edgell (Principal Adviser) is the main point of contact between the authority and the Local Government Association (LGA). His e-mail address is [mark.edgell@local.gov.uk](mailto:mark.edgell@local.gov.uk)

### **Follow-up visit**

We are keen to continue the relationship we have formed with the council through the course of the peer challenge.

The LGA corporate peer challenge process includes a follow-up visit. The purpose of this is to help the council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and usually involves some, rather than all, members of the original peer team. The timing of the visit is determined by the council. Our expectation is that it will occur in around two years' time.

### **Next corporate peer challenge**

The current LGA sector-led improvement support offer includes an expectation that all councils will have a corporate peer challenge or finance peer review every four to five years. Stockton have indicated that they will consider further corporate peer challenge opportunities somewhere around 2024.