

# Corporate Peer Challenge **Salford City Council**

**22<sup>nd</sup> to 25<sup>th</sup> January 2018**

Feedback Report

## 1. Executive Summary

There is a huge amount happening in Salford which is focused on making a fundamental, positive difference to the people and place. There is a long-established commitment to partnership working in the city, reflected in the mature nature of partnership relationships and the mutual trust and respect that exists. Salford is a key player within the Greater Manchester context and the council is seen to be both contributing very significantly to the devolution agenda and becoming ever more influential within the Combined Authority.

The council's leadership is held in very high regard both internally and externally. The City Mayor and Chief Executive have had a very positive effect on both the council and the city. The 'Great Eight' priorities underpinning the vision of a 'Better and Fairer Salford' are firmly established both within the council and amongst partners. The council is seen to be 'a changed organisation', not least in terms of the empowering culture that has been established. This continues to develop, with investment being made in the council's people, their learning and development and the values that they work to. Central to the cultural change is a recognised commitment to transparency and inclusivity, reflected in both the openness of the organisation and the way it is actively involving people.

The council has established a good track record of delivering savings. This has been vital in enabling the authority to manage the 47% reduction it has experienced in its net revenue budget since 2010. The authority has achieved such savings whilst simultaneously maintaining investment in key priorities. However, the financial challenge is on-going and savings are inevitably becoming harder to find. Although the challenge continues, there is no immediate risk to the sustainability of the council's budget. Now, though, is the time to be working to mitigate any risk of sustainability becoming difficult to maintain.

It is important that the council keeps governance arrangements under review to ensure they adapt to reflect changing requirements. There is the potential to develop a more strategic focus for Overview and Scrutiny and the need to enhance the approach to elected member development.

Given the scale of the ambition and the agenda in Salford and the squeeze that has been felt regarding the council's finances, it is inevitable that capacity pressures arise within the organisation. It is important that the authority has the means by which to monitor such pressures and, through this, reassure itself that resources are aligned sufficiently well with priorities.

Salford is a very diverse place, with significant variation geographically, socially and economically. This diversity and complexity requires a sophisticated understanding which informs tailored approaches on the part of the council and partners. 'One size fits all' approaches are destined not to work. The council can be assured that people across the authority and within partner organisations absolutely 'get' both this complexity and the importance of connecting the economic growth agenda with the people, deprivation and skills agenda. Salford, both as a city and as a council, is clearly 'on a journey' – with much achieved already and lots more to come. Thinking

'outcomes' must be central to the action planning, measuring improvement and telling the story of progress.

Salford, both as a place and as a local authority, is widely seen by local and regional partners to be 'punching above its weight'. However, the leadership of the council is of the view that Salford should always have been performing at such a level. There can be no doubt that Salford as a place is on the map. It has got its message out as a place to visit, invest in and live in. But what is the message to local people about Salford and its future and how is it being conveyed? There is a story around economic growth and the ability of it to deliver benefit for local people but it feels as though this story is not yet being told as powerfully as it could. It needs to be relayed to local people over and over again, in a way that is meaningful and to which they can relate. In this context, we would encourage even more attention towards the development of a compelling narrative of the story of Salford - the place; what is already happening; and what the council and its partners are trying to achieve. Central to this needs to be a theme of increased opportunities.

A re-doubling of effort to get Salford people ready for the thousands of extra jobs which are coming is required. The goodwill and willingness of partners, both within the city and across the Combined Authority area, is huge and is there to be tapped into. The education and skills sector is obviously a key part of the jigsaw and a range of good initiatives and activity are already taking place but educational attainment in Salford is an issue. This has raised the question within the council and amongst partners as to what the scope is to shape an educational and skills 'eco-system' that better links people to opportunities and there seems to be a desire to establish a bolder and more systematic approach that enables lives to be genuinely transformed.

This is very clearly Salford's time and everything we hear tells us that achieving its ambitions for its residents is within the capability of the council and partners.

## **2. Key recommendations**

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

- Ensure you fully capitalise upon the goodwill and willingness of partners
- Explore the potential to undertake a meaningful resident satisfaction survey
- Convey the message to local people about Salford, its economic growth and the benefits that this will deliver to local people. Develop a narrative of the story of Salford the place, what is already happening and what you and partners are trying to achieve
- Ensure that the right communications channels are in place to reach into those communities that are hardest to hear and to reach

- Use the successful ‘lived experience’ model (as seen with the Poverty Truth Commission) as a tool in other spheres to provide an in-depth understanding of communities, citizens and service users when formulating future service activity and provision
- Working with the Greater Manchester Combined Authority, explore how to galvanise the commitment of relevant and appropriate businesses and investors in the quality of schools and their outcomes
- Keep governance arrangements under review to ensure they adapt to reflect changing requirements, including the potential to develop a more strategic focus to Overview and Scrutiny
- Review the approach to elected member training and development, including undertaking an audit of councillors’ training and development needs and then working with elected members to identify the best way of meeting them
- Ensure that the authority has the means by which to monitor capacity pressures and, through this, reassure yourselves that resources are aligned sufficiently well with priorities. Exploring the potential to undertake a regular staff survey would be beneficial in understanding capacity pressures.
- Undertake an assessment of the council’s risk appetite and exposure to financial risks and opportunities in order to inform the Medium Term Financial Strategy

### **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 your 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 with Salford City Council were:

- David Williams (Chief Executive, Portsmouth City Council)
- Sir Steve Bullock (Elected Mayor, London Borough of Lewisham)
- Kim Wright (Group Director Neighbourhoods and Housing, London Borough of Hackney)
- Alan Lotinga (Independent Consultant) - until recently Service Director for Adult Care at Birmingham City Council and now working independently focusing on social care and health
- Tony Kirkham (Director of Resources, Newcastle upon Tyne City Council)
- Harry Parker, National Graduate Development Programme, Local Government Association (shadowing)
- Chris Bowron, Peer Challenge Manager, LGA

## 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?

In addition to these questions, the council asked the peer team to consider, review and provide feedback on:

- Inter-connectivity between the growth/place agenda and the people/deprivation/skills agenda – how effectively Salford is working to connect local people to the growing opportunities that economic growth brings, including skills, aspirations, jobs, housing, education and health/wellbeing. How leadership and partnership working is helping to drive a joined up approach to economic growth in a way that works for all residents. How far there is a shared understanding across partners and within the council of its strategy and examine the impact.

## The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed 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 current LGA sector-led improvement support offer includes an expectation that all councils will have a corporate peer challenge every 4 to 5 years.

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 being faced. The team then spent 4 days on-site with the council.

This report provides a summary of the peer team's findings. It expands on the feedback presentation provided by the peer team at the end of their on-site visit. In presenting feedback to you, they 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 you are now already addressing and progressing.

The team would like to record their thanks to Salford City Council for their warm reception, the collaboration of the participants and for the ideas they have taken home.

## 4. Feedback

### 4.1 This is Salford's time

There is a huge amount happening in Salford which is focused on making a fundamental, positive difference to the people and place. The following provides just a small flavour of what is being delivered:

- Royal Horticultural Society (RHS) Garden Bridgewater – due to open in 2019 as the RHS's fifth garden in the country and with the potential to become the largest visitor attraction in Greater Manchester
- 'Salford Together' – in 2016 Salford created an Integrated Care Organisation (ICO) in order to transform the relationship that the council and NHS have with patients, people and communities. It is a partnership involving NHS Salford Clinical Commissioning Group (CCG), Salford Royal NHS Foundation Trust, Salford Primary Care Together, Greater Manchester Mental Health NHS Foundation Trust, local communities, voluntary, community and social enterprise (VCSE) organisations and the council to deliver health and adult social care. The ICO is led by Salford Royal, involves a budget pooled between the council and CCG of £249million and includes 450 adult social care staff transferred from the council. It brings services provided into a more joined up system that focuses on a person's individual needs and provides them with the support to manage their own care. The ICO is beginning to deliver real improvement for service users, with delayed transfers of care (DTC) reduced by 9.8% since February 2017 and permanent admissions to residential care homes down by 12% since April 2017
- Port Salford – a major new distribution hub that forms part of the Greater Manchester Western Gateway that could create up to 10,000 new jobs as the hub comes on stream
- Poverty Truth Commission (PTC) – set up shortly after the commencement of the City Mayor's first term in office, the PTC brought together local people, the voluntary and community sector and a range of other partners to help establish a better and deeper understanding of the poverty-related issues facing the city and inform the development of the recently established 'No-one left behind' anti-poverty strategy
- MyCity Health – a new health and well-being website enabling citizens to access information and services regarding health-related issues
- Accredited 'Living Wage' employer and a city with an 'Employment Standards Charter' – Salford City Council has been accredited as a 'Living Wage' employer (the only one thus far in Greater Manchester) and is taking a strong lead and using its influence to encourage local employers to do the same. More than 90 employers in the city have signed up to Salford's 'Employment Standards Charter' that encourages organisations based there to improve pay and conditions (including paying the real living wage) and ensure more local people benefit from local employment and training opportunities

- Social Impact Report – issued in October 2017, this report looked at the extent to which the council utilises its spending power to enhance social value locally. It concluded that 56% of the council's direct spend is with Salford-based suppliers (and that this proportion is growing) and that 70% of this spend is with organisations based in, or with a branch in, one of the most deprived areas of the city
- Since 2005, Salford's population has grown by 24,000 to 249,000 – representing an 11% increase that is greater than both the Greater Manchester and national averages. The amount of jobs increased by 14,000 in the same period and the number of businesses has grown by more than 20% to now total 9,600.

The commitment within the council and across partners to 'social value' – reflected in many of the above examples – and what people described to us as the 'Spirit of Salford' (which is seen to entail being compassionate and socially conscious) are both very evident. The council staff that we met demonstrated tremendous commitment and passion in relation to their work, their organisation and the place that they serve. It was notable how many of the staff we met lived in Salford.

People that we met from partner organisations outlined the long-established commitment to partnership working that exists in Salford. This is shown in the mature nature of partnership relationships in the city and is reflected in the mutual trust and respect that exists and the ability for partners to exchange differing points of view but then work constructively to find a way to move forward. Several partners who work across a geography that goes beyond Salford indicated that they see the council as the local authority that is the most accessible and most open to new ideas amongst those that they are engaged with. The leadership and commitment of the council has been instrumental in building enormous goodwill from partners. They want to be on board for the journey and this stands both the council and the city in very good stead; we would urge the council to ensure this is fully capitalised upon.

Salford is a key player within the Greater Manchester context and is seen as becoming ever more influential within the Combined Authority. Salford's City Mayor is leading on housing, planning and homelessness across the ten councils, whilst the Chief Executive is doing the same for business investment and economy. The Strategic Director for People is leading the review of services for children across the Greater Manchester local authorities in conjunction with the Department for Education. Salford is seen to be contributing very significantly to the devolution agenda, including imparting the philosophy of social impact. Whilst it is placing additional demands on the council which need to be carefully managed, both elected members and officers are clearly committed to being engaged at that level and are seen to be adding value to the agenda. This is not without risk to Salford, in terms of elected member and officer capacity within the city itself.

The council's leadership is held in very high regard both internally and externally. In virtually every discussion we had, people readily offered the view that the City Mayor and Chief Executive have had a very positive effect on both the council and the city. The 'Great Eight' priorities underpinning the vision of a 'Better and Fairer Salford', which were established under the Mayor in the latter part of 2017, are already 'common

currency' both within the council and amongst partners and are seen to be providing clarity on the future direction for the city and where effort needs to be focused.

The council is seen to be 'a changed organisation', not least in terms of the empowering culture that has been established by the leadership. This continues to develop, with investment being made in the council's people, their learning and development and the values that they work to. Central to the cultural change is a recognised commitment to transparency and inclusivity, reflected in both the openness of the organisation and the way it is actively involving people both internally and externally. One example is the changed relationship with the council's trade unions, including the way they are able to contribute meaningfully to the budget consultation process, whilst another is the establishment firstly of the Poverty Truth Commission and now a commission to look at ways of eradicating homelessness in the city and wider region and inform development of the city's next homelessness strategy.

Salford, both as a city and as a council, is clearly 'on a journey' – with much achieved already and lots more to come. Key strategies, including the anti-poverty strategy, the employment and skills strategy and the 'Digital Everyone Plan' are emerging to underpin the 'Great Eight' priorities. In turn, the necessary action planning is coming on stream to turn strategy in to tangible action. Thinking 'outcomes' must be central to such action planning, measuring improvement and telling the story of progress. It is easy when so much is going on to focus on the next initiative, project or action. In such a busy setting, it is important for people to 'look up' at regular intervals and be able to connect what they are working on to a set of outcomes that portray the city and what it is seeking to become over the coming years.

## **4.2 A city of contrasts**

The 'State of the City 2016' profile of Salford was developed shortly after the commencement of the City Mayor's term of office and provides both a baseline of the city at that point in time and some of the key ways in which it is anticipated to change over the coming years. It outlines very clearly the scale of the social and economic challenges being faced.

Salford is a city of contrasts, with significant variation geographically, socially and economically. Geographical variety can be seen with 60% of Salford comprising green space and this sitting alongside a series of urban areas all with their very strong individual identities and the sense of belonging they provide. Social and economic differentiation can be seen in the fact that 25% of Salford children live in poverty (which compares to a national average of 18%) and yet the city has the fastest growing economy in Greater Manchester, with the percentage growth in Gross Value Added (GVA) since 2005 of more than 23% comfortably surpassing that of both Greater Manchester (13.9%) and the country (16.5%).

The city's diversity and complexity risks being masked, however, when information about the place is presented as a series of averages. Salford is positioned as the 22<sup>nd</sup> most deprived local authority area nationally on the Index of Multiple Deprivation (IMD). In that context, an average household income figure in the city of £28,900 provides little insight. Something similar happens when hearing of the projected net increase of

10,500 dwellings between 2015 and 2020 – this takes on a completely different meaning when it becomes apparent that nearly 6,000 of these will be located in a single ward (Ordsall). The sense is repeated when figures relating to the number of young people not in education, employment and training (NEET) or the percentage of the adult population with no qualifications are presented as averages for the whole area.

The level of complexity of Salford requires a sophisticated understanding which informs tailored approaches on the part of the council and partners. ‘One size fits all’ approaches are destined not to work. The council can be assured that people across the authority and within partner organisations absolutely ‘get’ the complexity and the importance of connecting the economic growth and place agenda with the people, deprivation and skills agenda - the social impact.

There are a number of examples of the council and partners securing an in-depth understanding of communities, citizens and service users and using this as a starting point in formulating policy, strategy and activity and reflecting it in the differentiation of services and provision. The setting up of the Poverty Truth Commission, the insights it has generated and the way it has informed the anti-poverty strategy is one such example. As the council’s position statement produced to inform the peer challenge outlines, it has:

- *“Given residents a direct voice in shaping and developing the strategy and its actions, as the only way poverty will be truly addressed is when those who experience it first-hand are at the heart of the process”*

The research and development project relating to services provided by voluntary, community and social enterprise (VCSE) organisations for nought to 25 year olds in the city, which reported its findings in May 2017, has provided a detailed understanding of the nature of services and activities delivered currently and established a more comprehensive knowledge of community assets. It is intended that the report will aid improving the effectiveness of support by growing understanding amongst public sector professionals of both the range of activities and the needs of VCSE organisations in continuing to provide and grow this.

Under the ‘Digital Everyone Plan’, work has been undertaken developing five ‘personas’ relating to digitalisation, with these being utilised to help to identify those residents most digitally excluded. The 8,000 people concerned are now the focus of efforts to enable them to get online and be confident about using technology within the next two years.

The complexity of Salford makes it important to build on these examples and ensure the adoption of tailored approaches as widely as possible. In doing so, we would encourage the council, with partners, to look to use the successful ‘lived experience’ model (as seen with the Poverty Truth Commission) as a tool in other spheres to provide an in-depth understanding of communities citizens and service users when formulating future service activity and provision. We also recommend that the local authority explores the potential to undertake a regular resident satisfaction survey.

### **4.3 Leadership of place**

There can be no doubt that Salford as a place is on the map. 'BBC Salford' is immensely powerful in segmenting the local identity apart from Greater Manchester. Salford now has a strong cultural and tourism offer, including being home to the top visitor destination in Greater Manchester (The Lowry theatre and gallery complex), its green space (including 72 parks, five nature reserves, six canals and 30 miles of waterway) and the draw of MediaCityUK and The Quays as a leisure destination. It is also firmly established as a place to invest in and to live in. Over £2.5billion of private sector investment has been drawn in to the city over the course of the last decade, with a further £3.9billion anticipated over the next ten years. The 14,000 jobs created since 2005 is anticipated to be supplemented by a further 40,000 over the next 20 years or so. The population is expected to increase by 20,000 over the next decade whilst 40,000 new homes are projected to be built by 2040.

In this context, it is not surprising that Salford, both as a place and as a local authority, is widely seen by local and regional partners to be 'punching above its weight'. Whilst this sentiment is clearly intended to be complimentary, the leadership of the council, whilst being welcoming of the feedback, expressed the view that Salford should always have been performing at such a level.

Salford has got its message out as a place to visit, invest in and live in. But what is the message to local people about Salford and its future and how is it being conveyed? At the heart of this question sits the challenge of connecting the economic growth and place agenda with the people, deprivation and skills agenda. In asking the question of a range of stakeholders that we met, the answer currently seems to be that the message is limited in scope and isn't getting out widely enough. Instead, the anecdotal evidence we gleaned talking to people both within the council and from partner organisations, is that local people are believed to be generally seeing growth taking place but not feeling that they are yet deriving much benefit from it.

In this context, we would encourage even more attention towards the development of a compelling narrative of the story of Salford - the place; what is already happening; and what the council and its partners are trying to achieve. Central to this needs to be a theme of increased opportunities. As well as needing to determine the narrative (something which we touch on later in this report under 'Connecting economic growth to local people'), it is important to ensure that the right communications channels are in place to reach into those communities that are hardest to hear and to reach. At present, such channels feel limited in their scope. When we talked about the issue with stakeholders, they referred to the decline of the traditional local media and a tendency to rely on putting leaflets out. Partners, particularly within the voluntary and community sector, are well-placed to assist in identifying alternative channels, with a particular emphasis on social media.

### **4.4 Financial planning and viability**

The council has established a good track record of delivering savings. This has been vital in enabling the authority to manage the 47% reduction it has experienced in its net revenue budget since 2010. The authority has achieved such savings whilst simultaneously maintaining investment in key priorities. Recent examples of such investment include the

initial funding (£2m) set aside for council house building through Derive Ltd (the council's own housing development company). Another example is the spending that is being maintained in youth service provision, whilst £170,000 is being invested into the Salford Credit Union and an additional £300,000 of funding is being injected into Salford Assist, a local welfare assistance scheme aimed at supporting low income families in crisis.

However, the financial challenge is on-going, with a further reduction of around £30m in the net revenue budget projected to be required across the three years to 2020/21, and such savings inevitably continually becoming harder to find. Although the challenge continues, there is no immediate risk to the sustainability of the council's budget. Now, though, is the time to be working to mitigate any risk of sustainability becoming difficult to maintain.

One such risk relates to the issue of a proportion of the proposed savings for 2018/19 coming from 'one-offs' which, by definition, lacks sustainability. Another risk concerns the time-limited nature of some of the funding that underpins key partnerships. This includes the £21.2m of funding for transformation linked to Salford's Locality Plan for health and social care. Other inter-related areas of risk are the significant level of prudential borrowing that has been undertaken, with more planned, and the investment that has been made in development sites. The prudential borrowing commitments total around £120m. The investments are aimed at generating additional revenue for the council and/or aiding economic growth in the city. There is obvious logic in this approach, which mirrors that of an increasing number of councils, but the scale of the investment is very significant. We recommend that the council undertakes an assessment of both its risk appetite and the level of its exposure to financial risks and opportunities, including from devolution and the centralisation of some budgets, such as business rates, in order to inform its Medium Term Financial Strategy.

#### **4.5 Leading, managing and governing**

As highlighted earlier in this report, the council is seen to be 'a changed organisation', not least in terms of the culture that has been established. Based on our discussions, staff feel involved, informed and valued. The 'Salford Way' organisational development methodology places staff at the heart of the redesign of services and seeks to empower them to deliver change and improvement. Examples of what has emerged from this approach include some staff teams volunteering to give up their council-provided mobile phones (opting to use their own devices instead) and establishing car-sharing arrangements in order to aid the council's budget challenge. The 'Spirit of Salford Staff Awards' represents just one example of the way in which the council demonstrates how it values the people who work for the organisation.

The council has established a culture that values learning, the exchange of ideas and constructive challenge. Examples of initiatives put in place include the 'Exchange Network', which brings together managers in the organisation to share ideas and knowledge and the provision of regular 'Master Classes' on topical issues, including one held recently on carbon literacy. It is healthy to see that staff, irrespective of where they sit within the council, feel confident in putting ideas forward and constructively challenging the way things are done. The organisational values – the '4 P's' of Pride, Passion, People

and Personal Responsibility – are understood and meaningful and they are being applied in a variety of ways, with changed behaviours resulting.

Ensuring that the council capitalises upon ‘this being Salford’s time’ requires the organisation to:

- Maximise the contribution elected members are able to make
- Identify and respond to capacity pressures as they arise
- Ensure governance arrangements adapt over time to reflect changing requirements.

It is important the the council is able to maximise the contribution elected members are able to make.

Overview and Scrutiny is not yet seen to be operating at the level that is desired, resulting in councillors neither having the maximum impact possible on local issues nor, as a consequence, feeling as fulfilled as they could. The potential exists to develop a more strategic focus to this area, both in terms of the approach that is taken and where effort is focused. We understand a review, which involves partner organisations, is taking place in the near future looking at how scrutiny of health care in Salford can best be undertaken.

Something similar could potentially be undertaken with the other aspects of the Overview and Scrutiny function. The effectiveness of the Community Committees is also seen to be variable. It is important that the council keeps governance arrangements under review to ensure they adapt to reflect changing requirements.

The council is reforming its Overview and Scrutiny arrangements but these new arrangements still need to take full effect. Various training/awareness initiatives are also being organised for members of Overview and Scrutiny. Partners highlighted to us what they sometimes experienced in terms of an unproductive approach when attending Overview and Scrutiny Committees, with things feeling unduly confrontational. This approach, when it occurs, negatively affects the reputation of the council and risks damaging partnership relations.

This potentially links to another issue – that of support for elected members and, more specifically, the provision of training and development for them. Current approaches to identifying the training and development needs of councillors could be strengthened. Whilst the council is clearly willing to provide training and development in line with what is requested, there seems to be an issue of ‘you don’t know what you don’t know’ which inevitably limits what is sought and put in place. There is also a feeling that what is offered reflects something of a ‘one size fits all’ approach, with greater variety being sought in terms of when and how provision is made. We feel that there would be benefit in looking to review the approach to elected member training and development, including undertaking an audit of elected members’ training and development needs and then working with councillors to identify the best way of meeting them.

Given the scale of the ambition and the agenda in Salford and the squeeze that has been felt regarding the council’s finances, it is inevitable that capacity pressures arise. One

such pressure is the set of additional requirements emanating from the council's role within the Greater Manchester Combined Authority. Elected members and officers that we spoke to on the matter were clearly stimulated by the work at this level. At one level this is 'in addition to the day job', whilst, at another level, it has become a mainstay of the day job. The governance arrangements associated with the Combined Authority are significant and account for an increasing amount of people's time. We therefore reiterate the earlier message of keeping governance arrangements under review. There would be benefit in seeking to streamline them where possible.

Sickness absence levels in the council are increasing and, at around 13 days per employee on average currently, are higher than the mean for the sector. The reasons for this do not seem to be fully understood but it may be an indicator of capacity pressures within the authority. Undertaking a regular staff survey would be beneficial in enabling this issue, amongst other things, to be fully understood and we therefore recommend that the council explores the potential for this to happen. It is important that the authority has the means by which to monitor capacity pressures and, through this, reassure itself that resources are aligned sufficiently well with priorities.

#### **4.6 Connecting economic growth to local people**

The council is excelling at attracting investment into Salford, with the £2.5 billion of private sector funding drawn in to the city over the course of the last decade. Huge physical change is being delivered in parts of the city as a result. However, there is recognition within the council and amongst partner organisations that it can appear as though little benefit is accruing for local people. There are, however, real and immediate benefits materialising which it is important local people know about.

One strand of this is the financial benefits already being realised by the council, in the form of increased income from business rates and council tax, which is estimated at around £2.5m per annum and has reduced the amount of savings that the council has been required to make. This clearly has benefits for council services to local residents. Another benefit comes in the form of inspirational things happening for local people, including the work being done in local schools by the BBC Philharmonic Orchestra and the Salford Fuelling Ambition Creatively Together (FACT) Enterprise Programme. FACT has been working with several local schools and involves activities such as a business development competition, a business academy (involving each school partnering with a strategic employer to provide young people with work experience, business opportunities and insights) and enterprise and employability models made available to schools to enable them to embed links to enterprise and careers throughout the curriculum and extra-curricular activities.

There is a story around economic growth and the ability of it to deliver benefit for local people. However, it feels as though this story is not yet being told as powerfully as it could. It needs to be relayed to local people over and over again, in a way that is meaningful and to which they can relate. The many individual tales that can be told of inspiration and increased opportunity are 'golden nuggets' and will be able to be supplemented over time with more and more success stories.

Everything we hear tells us that achieving Salford's ambitions for its residents is within the capability of the council and partners. However, a re-doubling of effort to get Salford people ready for the jobs which are coming is required. It is recognised that addressing the issues of inequality in Salford will take time – this is a journey aimed at delivering change over generations. The enhancement of skills and securing sustainable employment are widely recognised as key to reducing inequality and in work poverty. As we outlined earlier, 40,000 additional jobs are anticipated to be created in the city by 2040. Ensuring local people have the ability to secure them can make a major impact on the social and economic challenges that exist. Partners are very clear – they are not expecting the council to do it all. The employment and skills strategy is a Salford one, but it exists in a Greater Manchester context with all of the benefits that can be accrued by working with partners across a wider geography as well as locally. The goodwill and willingness of partners, both within the city and across the Combined Authority area, is huge and is there to be tapped into.

The education and skills sector is obviously a key part of the jigsaw in connecting local people with economic growth opportunities. A range of good initiatives and activity are already taking place around this, including:

- The University of Salford's Industry Collaboration Zones which are changing the traditional academic offer in order to better meet industry needs
- The Landing and what it offers digital SMEs and micro-businesses as a place to work and grow
- The University Technical College for 14 to 19 years olds, which opened in MediaCityUK in 2015 and is specialising in the creative and digital arts, providing students with the opportunity to develop professional and digital media skills whilst working on a variety of projects and making contacts with media professionals from the local area.
- The development by the council and partners of plans to create a Learning City Partnership

Educational attainment at primary level (Key Stage 2) has improved and the overall proportion of pupils that attained the expected level in reading, writing and mathematics is in line with the national average at 61%. However, outcomes at secondary level (Key Stage 4) remain a challenge in Salford. Based on the latest results, progress and attainment measures were significantly below the national average, whilst the proportion of pupils attaining either a standard or strong pass in GCSE English and mathematics was below average.

The Poverty Truth Commission highlighted the way in which the 'GCSE strait-jacket' risks defining children negatively and hampering their life chances. This has raised the question within the council and amongst partners as to what the scope is to shape an educational and skills 'eco-system' that better links people to opportunities. There seems to be a desire to establish a bolder and more systematic approach that enables lives to be genuinely transformed. It is unclear though how that is being scoped and shaped. We would encourage the council, working with the Greater Manchester Combined Authority, to explore how to galvanise the commitment of relevant and appropriate businesses and

investors in the quality of schools and their outcomes. The area has the growth potential and the political clout for this to be transformational.

## **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. Gill Taylor, Principal Adviser, is the main contact between the council and the Local Government Association (LGA).

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

### **Follow up visit**

The LGA Corporate Peer Challenge process includes a follow-up visit. The purpose of the visit is to help the council assess the impact of the peer challenge and demonstrate the progress that has been made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the council but normally takes place around one year after the original peer challenge.

### **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 4 to 5 years. It is therefore anticipated that the council will commission their next peer challenge by 2023.

# Annex – Contents of the feedback presentation delivered to the council on Thursday 25<sup>th</sup> January 2018

## This is Salford's time

- A huge amount is happening here, focused on making a fundamental difference to the people and place
- The commitment to social value and the 'Spirit of Salford' are both very evident
- Tremendous commitment and passion from staff
- Partnership maturity – openness, accessibility, mutual trust and respect, exchanging different views and finding a way forward
- The goodwill and willingness of partners is huge
- Salford is a key player within the Greater Manchester context
- The council's leadership is held in very high regard both internally and externally
- The 'Great Eight' established as common currency and providing clarity
- The council is 'a changed organisation' – and it continues to change
- A recognised commitment to transparency and inclusivity
- Salford is 'on a journey' with much achieved already and more in development – key strategies and action planning coming on stream

## A city of contrasts

- 'State of the City 2016' – the city now and into the future, outlining the scale of the challenges being faced
- Complexity – Salford is a very diverse city socially, economically and geographically, requiring tailored approaches
- Connecting economic growth to local people is at the forefront of people's minds across the council and partners
- Clear commitment to securing an in-depth understanding of communities, citizens and service users as a starting point
- Good examples of securing such understanding and then reflecting it in the differentiation of services and provision:
  - Poverty Truth Commission
  - Health and social care approaches – multi-disciplinary team pilots
  - 0 – 25 transformation project
  - Five personas around digitalisation
- It is important to build on these good examples and adopt these approaches more widely

## Leadership of place

- Salford is on the map:
  - Strong cultural and tourism offer
  - A place to invest and to live
  - Salford 'punching above its weight'

- But what is the message to local people and how is it being conveyed?
- Thinking 'outcomes' is key in action planning, measuring improvement and telling the story of progress

### **Financial planning and viability**

- 47% reduction in the council's net revenue budget since 2010
- Good track record of delivering the necessary savings
- Maintaining investment in key priorities – youth provision, Derive Ltd
- Circa £30m financial challenge through to 2020/21 – with savings continually becoming harder to find
- There is no immediate risk to the sustainability of the council's budget but now is the time to be working to manage the risks:
  - Significant levels of prudential borrowing have been undertaken and more are planned, with the inevitable risks that entails
  - Financial investment in development sites
  - Proportion of the proposed savings for 2018/19 coming from 'one-offs'
  - Some of the funding that underpins key partnerships is time-limited

### **Leading, managing and governing**

- The council has established a culture that values learning, the exchange of ideas and constructive challenge
- Staff feel involved, informed and valued as a result of the inclusive approach being taken
- The organisational values – the '4 P's' – are understood and meaningful and they are being applied in a variety of ways, with changed behaviours being seen
- Capitalising upon 'this is Salford's time' entails:
  - Maximising the contribution elected members are able to make – structures, cultures and the necessary support
  - Responding to capacity pressures – how do you reassure yourselves that resources are aligned sufficiently well with priorities?
  - Ensuring governance arrangements adapt to reflect changing requirements

### **Connecting economic growth to local people**

- The council is excelling at attracting investment into Salford
- Huge physical change is being delivered in parts of the city
- There is recognition that it can appear as though little benefit is accruing for local people
- However, there are real and immediate financial benefits materialising which you need local people to know about
- There are also inspirational things happening for local people
- A re-doubling of effort to get Salford people ready for the jobs which are coming is required

- “It isn’t right to expect the council to do it all”
- The goodwill and willingness of partners is huge
- Employment and skills are key to reducing inequality – a Salford strategy, a Greater Manchester context
- This is a journey aimed at delivering change over generations
- Education and skills sector – what is the scope to shape an ‘eco-system’ that links people to opportunities?:
  - A range of good initiatives and activity are already taking place around this
  - But how is a bolder and more systematic approach being scoped and shaped to genuinely transform lives?
- There is a story around economic growth which needs to be made meaningful and told to local people over and over again
- Everything we hear tells us that achieving your ambitions is within the capability of the council and partners