



Leader of the Council
Councillor Bill Dixon

Chief Executive
Ada Burns

Darlington Borough Council
Town Hall, Feethams
Darlington
County Durham
DL1 5QT

4th July 2013

Dear Bill and Ada,

Darlington Borough Council – Corporate Peer Challenge Report

1. On behalf of the team, I would like to say what a pleasure and privilege it was to be invited in to Darlington Borough Council. The team very much appreciated the welcome we received, the openness and honesty with which people engaged in the peer challenge process as well as the support provided in the lead up to, and during the course of, the challenge.
2. This corporate peer challenge delivered by the Local Government Association (LGA) is part of the new approach to sector led improvement. Our four days on-site with you were preceded by a discussion of the scope for the work and how you wished to use the knowledge and experience of local government sector colleagues to give 'critical friend' challenge to the issues you are dealing with.
3. This letter acts as a record of the corporate peer challenge you commissioned and gives greater detail to the points raised in the presentation delivered to you on Friday 7th June 2013. These issues are described in detail for you to take forward on your journey of improvement.
4. The peer challenge process took the form of scoping meetings and conversations, a document and data review prior to being on-site, and then an

on-site timetable of interviews, focus groups and conversations. The feedback on the final day summarised this and outlined the key issues. This letter covers more detail for you to consider.

5. The Corporate Peer Challenge Team was:
 - **Barbara Spicer**, Chief Executive, Salford City Council
 - **Councillor Tudor Evans**, Leader of Plymouth City Council
 - **Councillor Sir Merrick Cockell**, Chairman, Local Government Association
 - **Michael Laing**, Director, Community Based Services - Gateshead Council
 - **Lucy Robinson**, Deputy Chief Executive, Suffolk County Council
 - **Marcus Coulson**, Programme Manager, Local Government Association.

6. To give consistency and structure to the peer challenge team's data collection, discussions and deliberations five key questions were used in this process. They are:
 - Does the council understand its local context and has it established a clear set of priorities?
 - Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
 - Does the council have effective political and managerial leadership and is it a constructive partnership?
 - Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
 - Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

7. In conjunction you asked the team to look at three specific areas to add value to your own improvement process. These were:
 - Look at the actions already taken to deliver change and drive down costs
 - Test and constructively challenge current plans and proposals
 - Identify any other potential measures to manage down demand, reduce or deliver services in more cost-effective ways including through whatever delivery mechanisms

8. It is important to stress again that this was not an inspection. The peers used their knowledge and experience to reflect on the evidence presented to them by the people they met, things they saw and the material they read.
9. Using the five key corporate questions allows the Local Government Association (LGA) Peer Support Team to achieve a level of consistency between different Corporate Peer Challenges over time. When engaged on-site with client councils we give feedback that is specific and relevant.
10. The LGA Peer Challenge Team focus on what can add the most value through this process rather than imposing a framework that some clients may find unworkable. On this occasion the most useful feedback the on-site team could give was on the three areas of focus identified during the scoping process to develop our understanding and a set of headlines that spoke to the narrative of Darlington Borough Council and the present position of the organisation. We believe this gives greater clarity to our views on the key issues you face, so enabling you to move forward more easily.

The story so far - your context

- Darlington's reputation is as a good Council, well run
 - Strong local identity, well expressed, well placed
 - Success based on careful, thoughtful development
 - Strong record of achievement since 1997
 - Evidence of numerous successful activities
 - You punch above your weight using a particular style
 - Your approach has been successful being pragmatic seeking to exploit opportunities as they arise
 - You see things through to a successful conclusion
11. Darlington Borough Council has the reputation of being a good council which is well run. This was a consistent message we heard whilst we were on-site.
 12. The Council has successfully built upon a very strong community identity and local allegiances to ensure that Darlington maintains its sense of distinctiveness and pride, expressed through its vision and strategy. You are, as you say, well placed.

13. This success is based on careful, thoughtful development that is evidenced through numerous successful activities and strong record of achievement since incorporation in 1997.
14. As one of the smallest unitary councils you punch above your weight using a particular style and your approach has brought you success. You have successfully used a pragmatic approach to previous issues and challenges which seeks to exploit opportunities as they arise, ensuring that you see things through to a successful conclusion to meet your goals.

Your achievements

- Sound financial management
- You have made savings of £19m, including £7m in Children's and Adults
- Low cost, low tax authority
- Darlington seen as a great place to live and people want to move here
- High degree of trust in partnership relationships with: business, VCS, statutory (Police, Fire, Health)
- Positive hard working staff delivering good services
- Council wide plan for developing leadership skills and investing in staff capabilities
- Narrowing gaps in academic achievement 2011 best GCSE pass rates in England and highest rates of improvement
- Good commissioning support and documents in People
- Schools@OneDarlington felt to be excellent by education partners "A Special Thing"
- Strong approach to child poverty
- Strong Local Strategic Partnership
- Track record of delivery on major regeneration projects, e.g. West Park, Lingfield Point
- Retention of DfE Staff in new building to be hub for public sector
- Successful integration of DPH
- CCG co-terminus with council and good initial relationships established
- Positive engagement and mature political debate across parties in Scrutiny
- Opposition parties working constructively with majority party

- Community capacity has mitigated Council budget cuts e.g. Darlington for culture
- New Teesside University campus
- Ambitious future development plans e.g. Feethams Leisure
- Xentrall exceeding targets for five years
- Tees Valley Unlimited and ambitious City Deal proposals
- Good focus on Town Centre regeneration

15. Darlington Borough Council has a history and a reputation for sound financial management. This is evidenced through the recent savings of £19m in a comparatively small budget, completed to time and plan. The Council has, by choice, been a low cost and low tax authority delivering good services to residents.

16. The 'brand' of Darlington appears to be strong as it is seen as a great place to live with people wishing to move here. This is evidenced through the business community creating start-up companies, a track record of inward investment, evidence of population growth in the borough as well as new educational establishments.

17. The Peer Challenge Team found that there is a very high degree of trust in relationships with partners. There are positive relationships with local and national businesses, the voluntary and community sector and with statutory partners such as Police, Fire and Rescue and Health and a desire to work more closely with the Council. This bodes well for any further direction that the Council wishes to set for the town and those who live and work there.

18. Staff at the Council are positive about their roles, hard-working and deliver good services. This was evident from consideration of the successes of the authority over the recent past and talking to a wide variety of people. This is a very obvious strength and they should be commended for this as the organisation has gone and will continue to go through significant change.

19. Darlington Council has a borough wide plan for developing leadership skills for staff and investing in their capabilities to enable them to deliver effectively in rapidly changing circumstances.

20. In the People Directorate there are strategic commissioning plans for both the Children's and Adults functions which look good and are well thought through. There also appears to be support for these intentions in order to deliver them.

21. A great many of the schools in Darlington have become academies in the recent past and the relationship between them and the Council has evolved to

reflect this change. This is the result of much hard work and mature conversations. There has been significant change in narrowing of the gaps in academic achievement in schools in Darlington in 2011 where the area had the best GCSE pass rates in England and highest rates of improvement in the country.

22. Members of the Peer Challenge Team met representatives from the schools in Darlington, nearly all of whom are academies. The brand of 'Schools@OneDarlington' is felt by them to be excellent as they have an increased level of control and a good relationship with the Council as a supportive and committed culture has developed for the partnership to enable success for young people across the borough. It is thought to be "A Special Thing" and is attracting some national best practice attention and rightly so.
23. There is a strong approach to child poverty The Local Strategic Partnership appears to be strong as it is founded on high levels of trust. Partners display willing to engage with each other and the Council and back this up with action. All those we spoke to anticipate a positive future direction.
24. There was a deliberate decision by the council to maintain its Local Strategic Partnership which they have spent time re-focussing. The result is a Partnership which appears to be strong and founded on high levels of trust. Partners display willing to engage with each other and the Council and back this up with action. All those we spoke to anticipate a positive future direction and were willing to offer support.
25. The Council has a track record of delivery on major regeneration projects. These are evidenced in the successes of the developments at West Park and Lingfield Point. These are providing jobs and opportunities for local people.
26. Another notable recent success is the positive relationship developed with the local Department for Education operation that is being retained in a new building provided by the Council which will also become a new hub for other public sector organisations. Again this has secured jobs and creates opportunity for others.
27. The Council has successfully integrated the Director of Public Health into the Council structure and activity. This is an opportunity to merge the functions of public health into the work of DBC and also to seek to make efficiencies in delivery.
28. The new Clinical Commissioning Group (CCG) is co-terminus with the Council and good initial relationships have been established. There is an opportunity here to seek synergies in delivery for the benefit local people and the potential to make savings on costs.

29. The political dynamic at Darlington Borough Council is one where there is a positive engagement in the issues from all parties. This results in a mature political debate across parties in Scrutiny and good examples were given of Scrutiny members endorsing some very difficult decisions about service delivery.
30. The Opposition parties in the Council are working constructively with the majority party in order to effect change for all residents.
31. There is a good deal of community capacity in the borough which has mitigated some of the Council budget cuts. Since it was first proposed to close the Arts Centre the Council set up an Arts Enquiry Group led by a local businessman and through the Enquiry Group developed a vision for Creative Darlington which set up and funded a Creative Darlington Board with a budget to create the conditions in which the arts can thrive. So, as the Centre closed an alternative model was already taking shape with the Council in a key community leadership role.
32. As an example of thoughtful developments is the newly built Teesside University campus which is the only site for the university outside of Middlesbrough. A positive achievement which could be further built upon.
33. Xentrall is a partnership with Stockton Council to deliver back office services that has been in place for a number of years and making savings. This relationship has been exceeding targets for over five years and provides a very real platform for further efficiencies for the two councils and potentially a vehicle for delivery on behalf of others.
34. Tees Valley Unlimited is the private and public sector Local Enterprise Partnership (LEP) striving to deliver jobs and economic growth across the Tees Valley with ambitious City Deal proposals based on historical collaboration.
35. The Council has also got a good focus on Town Centre regeneration. One strong example is the Business Improvement District which has very real engagement from local retailers, and the work that has been done to continue to encourage niche retailers to flourish. The Council has supported this work with physical regeneration schemes in the Market Square, the Dolphin Centre, the Town Hall and surrounding areas such as the Feethams Leisure initiative have helped restore the area to a visitor friendly environment.

The challenge

- The Peer Challenge Team recognise the level of financial difficulty you are in and that consequently you have felt disheartened and uncertain of how to address future challenges
- The future budget challenges, the June spending review, 'fiscal cliff' of March 2016
- Don't let the language of cuts fetter your ambition for Darlington
- Not following through on your big ideas from 2010

36. It is evident from the data that you have and all other indicators that the financial position for Darlington Borough Council in the near future is not a good one. The Peer Challenge Team recognise the level of financial difficulty you have come through, and that having successfully managed the reduction in resources to date whilst maintaining relatively high levels of service delivery, the Council now faces a dilemma. You can no longer manage the projected future reductions in funding in the way you have in the past. You have an absolute commitment to the future of Darlington and its people but you are unsure of 'the hurdles you need to jump to finish the race' or indeed where the race ends. As a consequence this has left you feeling disheartened and uncertain of how to address future challenges.

37. The dialogue that you are involved in is very much focused on the relatively immediate future budget challenges, the June 2013 spending review announcement from the Chancellor as well as a lot of talk of the 'fiscal cliff' which you face in March 2016. The Peer Challenge Team believe that the language you use is critically important. You need to look beyond 2016 to be sure you reach it and successfully move past it. We strongly believe you need to talk about it differently than at present and begin again to tell an optimistic and positive story about the future of Darlington to your community, stakeholders and staff.

38. It is important to recognise that the language you use could either enable or restrict your expectations and outcomes. To succeed you'll need to exude confidence and talk positively to engage your partners and other key stakeholders so that you can all work together to solve problems and achieve positive outcomes. You have had very big ambitions for the town in the past; indeed we believe you have them still. So in this difficult situation don't let the language of cuts fetter your ambition for Darlington.

39. You have previously demonstrated that you have the ability and capacity to create some big 'blue skies' thinking: your original plans for Xentrall went far beyond what it is currently delivering. Your initial vision for collaboration with

Tees Valley colleagues was ambitious and heralded some very public, bold intended outcomes. However, for a variety of reasons these 'big ideas' have not reached their potential, and some appear to be falling short for you. We believe you need to understand why this is the case and take steps to either make them deliver or seek other ideas and then drive them through to their conclusion.

Issues

- What will the Council look like in five or more years?
- What will local public services look like in Darlington in five or more years?
- How will services be provided and by whom?
- The "Well Managed, Well Run Council" approach needs to change
- This time it is a different set of challenges
- Get away from pragmatic and opportunistic
- Grasp this leadership opportunity
- Focus on action

40. To move forward it is necessary to consider your future past March 2016 in terms of what will the Council look like in five or more years. The landscape for all public services is shifting and you need to look wider than local government and beyond the obvious to consider what will all local public services look like in Darlington in five or more years. We believe you have the ability to take hold of and shape the public service reform agenda. In particular you need, with partners, to take a radical look at how services will be provided and by whom. This should drive you to look to work with all the public sector organisations that operate in the footprint of Darlington, delivering to the same communities. Bring others together, create a vision that they can buy into and then collectively work together to achieve. To do this takes courage and far-sighted leadership.

41. Your approach to challenges in the recent past has brought you success and we commended you on this. However the "Well managed, well run Council" approach needs to change as this time there are a different set of challenges that require you to get away from your pragmatic and opportunistic approach that has served you so well. You need to keep 'Well managed and well run' as a core part of your business and build upon this to achieve a step change in the way public sector services are delivered in Darlington. This may sound strange but it is nonetheless necessary.

42. You need to grasp this leadership opportunity using a different style that is 'big picture' and engages others in a way that you haven't previously done, and then focus on action. The Peer Challenge Team believe you are Perfectly Placed to do this because of the very tangible trust your local partners have in the Council and they are ready and waiting for you to step up to this role.

Actions 1/2

- Deliver your ambitions and priorities for Darlington in the medium to long term
- Conclude mature conversations with partners to work out what the Council will look like in five years
- Community Budgeting approach with public sector partners
- Create a space for joint vision and priority setting for senior members and officers
- Get pace and accountability into delivery
- Revisit who delivers on Place services and consider a corporate commissioning team
- Conclude the tri-borough arrangements one way or another
- Refocus your budget consultation to also set the platform for public sector

43. Darlington Borough Council has clear ambitions and priorities for Darlington, we recommend that you seek to deliver on these in the medium to long term. Focusing on the 2016 date may divert you and may even hinder your progress.

44. You are able to and have been engaged in mature conversations with your partners on a variety of issues. Your partners are all very positive about what you do and the way that you do it. We recommend that you seek to reach agreement with them on the question of what the Council will look like in five years time, including what your leadership role will be.

45. To achieve this we strongly recommend that you explore the community budgeting approach with public sector partners that discusses the total public sector spend in the area and how best it can be achieved to deliver necessary services. However, we also strongly suggest that you do not undertake any 'pilots' in this area but rather grasp the nettle now. Whilst the formal Community Budget route through government may not suit Darlington, if done well locally, this would give you at least a platform for future discussions with government about moving money around the public sector system, and potentially a place-based settlement in future.

46. We have seen evidence that demonstrates that in the past you have taken the time to discuss what the joint vision and priorities were for the Council between senior members and officers. You acknowledged that in an attempt to ensure that you focussed properly on delivering the most recent reductions in the best possible way for your residents and businesses you have stopped taking this time out to think, and re-focus on the difficult times ahead. We recommend that you re-visit this work and discuss how these aims can now be achieved.
47. You recognise our observation that you have been demoralised by the scale of the challenge you face and have at times felt stuck. You need to address this feeling through continuation of the planning for the future in the medium to long term and take action and get pace and accountability into delivery.
48. Whilst acknowledging that much work has been done previously to benchmark delivery of Place services we suggest that you now revisit this and keep an open view on this going forward
49. We would ask the Council to consider developing a corporate commissioning team. This is not in any way to redress any perceived weaknesses, just the opposite. There are some excellent examples of commissioning in both Children's and Adults and clearly creative thinking amongst officers and members. Going forward you will need this kind of creativity to help deliver whatever form of public service delivery you chose and the capacity to do this seems to be already available.
50. The tri-borough arrangements were much heralded to the team before we arrived on-site. The arrangements seem mixed and at best unlikely to deliver in the immediate future or, based on historical evidence, even the medium term. Until recently they appear to have absorbed a large amount of senior officer time with little gain. Of more concern is the current view that these arrangements are 'paused'. In reality this would mean that you would do very little new thinking until next year at the earliest, at a time when you need to be focussing on your longer term vision and building your delivery models. In our view this is also confusing for your staff who do not have a vision for what the Tri-Borough arrangements are intended to deliver now. We recommend that you conclude these arrangements one way or another so that you can move on. If you chose not to continue to try and build a 'tri-borough' vision then it does not mean that you cannot continue to collaborate on individual projects, especially where strong relationships already exist – but we would ask that you ensure that any such shared opportunities really do drive efficiencies.
51. You are about to embark upon a budget consultation with the public. We recommend that you refocus this so that it steers away from a bleak focus on a choice of services to cut and genuinely informs the public about a possible

future direction giving options on the budget and also that it sets the platform for nothing less than public sector reform in Darlington.

Actions 2/2

- Joint waste collection contract asap
- Set ambitious targets to reduce demand in Social Care
- Build on Xentrall, rolling programme
- Exploit the desire from VCS to work with you
- Get out to look and learn
- Use the LGA to support your political and managerial leadership

52. From information that the Peer Challenge Team read and heard about whilst on-site it is an accepted understanding that a joint waste collection contract with other Tees Valley authorities makes both financial and service delivery sense. We recommend that you seek to achieve this as soon as possible and continue with your positive leadership of this collaboration.

53. Reductions in Council funding and the projected rise in social care costs across the country has seen attention turn to achieving efficiencies in this area. As with many other unitary councils we recommend that you set ambitious targets to reduce demand in the provision of social care in Darlington. The People Directorate has a history of achievements and with the effective leadership in place, there should be cautious optimism that these could be attained.

54. The Xentrall relationship with Stockton Council is a mature one that delivers a number of different services. It should be possible to consider where other developments could be realised, as was envisaged in the original business case and where further savings could be made.

55. Through our time with you we met a number of representatives from the Voluntary and Community Sector. They consistently voiced their desire to work more closely with the Council, and there were some strong examples of the third sector playing a key role in new service delivery models. This included the commissioning of Age UK to build the 'good neighbour' scheme to help mitigate the risks from demographic pressures. Overall their relationships with the council appeared to be very positive but there was a consistent view that they are now ready to work alongside the Council and be commissioned rather than contracted.

56. A signifier of a good council is one that seeks innovation and best practice elsewhere. At times of stress there can be a tendency to look inward and be overly careful. We recommend that you encourage staff across the organisation to go to other authorities to look and learn so they can use their creativity to bring solutions to the problems they are facing back to Darlington.

57. The Local Government Association provides a range of support for both political and managerial leadership functions in local authorities. This can take the form of development sessions, peer mentoring and leadership academy events. We recommend that you seek to take advantage of these options to further enable you to move forward.

You Can Do It

- You have a track record of success having delivered some outstanding examples of best practice in all kinds of places
- But now you need to build this into a new model that generates creative solutions
- You have ability and great pride
- You have most of the capacity and capability, you may need to consider what else?
- Focus on what you can control rather than what you cannot control to expand your levers of control
- Work with your partners
- Move on and let go

58. It is clear to the Peer Challenge Team that Darlington Borough Council has a track record of success over a number of years and has delivered outstanding examples of best practice in all kinds of places. This success now needs to be built upon in a new model of action that generates creative solutions.

59. There is huge political pride about the town, its heritage and its future. This pride has manifested itself in the past during times of great challenge as very ably demonstrated by the Leader and, we are sure, will do so again in looking to Darlington's long term future.

60. The Peer Challenge Team believe there is genuine ability within your officer teams and that you have most of the capacity and capability to achieve. The corporate management team operate, positively, as a very tight knit team and

the chief executive has a good deal of respect from partners in the town. There appears to be good capacity in your chief officer board and as a group they exhibited some of the most positive dialogue of the week – we believe this should be encouraged and that they should be empowered to deliver even more as a virtual team outside of their professional boundaries. However, we also think that you may need to consider what else is required. Particularly whether there is enough senior management capacity to deliver on this new approach. We recognise that in times of cuts to services it is hard to invest in management but we believe you need some additional, bespoke senior management capacity (not consultants) to help you over the next two years, particularly around the management of change, public sector reform and new delivery models.

61. We urge you to focus on and be positive about what you can control rather than what you cannot. We would also urge you to seek to expand your levers of control through taking greater leadership of your work with your partners. To do this you may need to approach it in a counter-intuitive way by moving on from past successes and styles to embrace a new method and letting go of the past to embrace the future.

Finally

- Stop trying to survive and decide to thrive

62. As a short hook line to take you forward we heard the phrase “Stop trying to survive and decide to thrive”. This resonated as accurate for the Peer Challenge Team. This approach would be one that takes in to account the position of the Council and the challenge it faces but seeks to solve this through innovation and the taking of reasonable risks with all partners and stakeholders in Darlington for the benefit of all.

Next Steps

- Reflect on our comments and recommendations
- Consider what you do differently
- Consider communication of the key messages and to publish the final report

63. In order to take this work forward we recommend you reflect on the comments and recommendations made both in the presentation and report, as well as the dialogue we have had and are willing to continue to have, with you.

64. As a result of your considerations you may wish to think about what it is, that can be done differently at Darlington to achieve what you know if possible. There is an opportunity for the Council to lead Darlington into the future for the benefit of all concerned. This will only take place if individuals choose to take up the challenge.

65. The Local Government Association recommends that you publish this report in the spirit of transparency. There are positive messages for members, staff and the wider community of Darlington that are a testament to the hard work and dedication of all those involved.

The Peer Challenge Team would like to thank you and all your colleagues for inviting the corporate peer challenge and to everyone involved for their participation. If you require further information please do get in touch with me, my details are below.

Yours sincerely



Marcus Coulson
Programme Manager
Local Government Association
Tel: 07766 252 853
Email: marcus.coulson@local.gov.uk
www.local.gov.uk/peer-challenges