

# LGA Corporate Peer Challenge

Hyndburn Borough Council

29-31 October 2024

Feedback report



**Corporate Peer Challenge**



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# 1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending 3 days at Hyndburn Borough Council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, Accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

# 2. Executive summary

Hyndburn Borough Council is a council which has many strengths and is delivering well for its residents and communities. The council has strong ambitions and is making good progress on many of its big strategic projects to deliver sustainable growth in the Borough, including Accrington Town Centre Regeneration. The council was recently awarded a £30m grant by Homes England to create an extension to the existing Huncoat village. This not only supports the Council's priority of providing a greater choice and quality of housing but is also a key enabler for the approval of the Local Plan by Council for submission to the Planning Inspectorate later in 2024. The council is building on its rich cultural and heritage assets to drive economic growth

and revitalise the town centre. There is solid performance in many areas of services, and many initiatives with a focus on well-being and health, working closely with partners including Hyndburn Leisure. There is a strong focus on climate change and decarbonisation with a range of initiatives, including the decarbonisation of the council fleet. As part of the plans to review the corporate strategy later this year in light of the new administration, there are opportunities to create a longer-term vision and strategy for Hyndburn as a place to address some of the broad challenges including worklessness, skills development and health inequalities. Partners the peer team spoke with see the council as leading and convening this work on behalf of the wider system.

The new administration is regarded as open, engaged and has moved into the role of leading and governing, and there is evidence of improved cross-party relationships. This leadership role requires capacity and CMT and Cabinet will need to create time and acknowledge their roles and responsibilities explicitly and continue to build relationships and trust. Relationships with partners the peer team spoke with are strong, including police, businesses and the voluntary and community sector, and the council is actively engaged in systems leadership initiatives. Given the borough's ethnic diversity, the council places a focus on supporting community relationships and cohesion with strong relationships with local Mosque leaders and examples of projects to celebrate cultural diversity.

The council has a friendly and helpful culture with committed and loyal staff, many of whom are long serving. Staff enjoy working for the Council, point out the 'collegiate and friendly' culture and embrace the values of teamwork and 'positive attitude'. The council invests in staff development & training, uses its apprenticeship levy well, and retention levels are high. It is investing in councillor development and could further explore opportunities offered by the LGA in this area. There are good elements of governance including a robust internal audit function and a special scrutiny committee for major projects. There is, however, a need to ensure that the process for decision making is clear and better planned to ensure that council business is conducted efficiently, with improvements to Cabinet reports and the use of informal Cabinet briefings to ensure that Cabinet members are well briefed and have an

opportunity for informal challenge and problem solving. The administration's commitment to transparency would benefit from an introduction of more measures to make meetings more accessible, for example by recording meetings and making these available to the public and improve the timely publishing of agendas and reports.

The council's new finance system has enabled it to produce timely accounts, putting an end to significant delays. Accounts have not been audited for three years and there is a high risk of a disclaimed audit by the 13 December 2024 deadline, a situation that has not been helped by a well-publicised lack of external audit capacity across local government. The capacity in the finance team has been strengthened and is providing more stability for the service. The council's forecast outturn is expected to balance its 2024/25 budget, but there is a lack of open short- and medium-term financial planning to identify savings for the projected in-year funding gaps for 2025/26 and 2026/27 in the council's MTFs, with the council relying on in-year underspend. The peer team heard about a number of modernisation initiatives which are led by services, and we would encourage the council to set out a more structured and corporate approach to transformation and modernisation.

The peer team welcomed the values-driven ambitions in the people strategy. Whatever the model that the council adopts for addressing its capacity for service and project delivery and transformation, the team would encourage the council to take stock and formalise its approach to 'people management' including workforce planning, learning and training, and staff engagement tools into a more robust plan that can be agreed and monitored by CMT.

Inviting the LGA peer challenge team for Hyndburn's first corporate peer challenge demonstrates the Council's openness to challenge and learning. We hope that members and officers will step up their engagement in regional and national fora and events, not only to learn from others but also to share some of the good practice and achievements at Hyndburn Borough Council

## 3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

### 3.1 Recommendation 1

Conduct the planned review of the corporate strategy and align the organisational structure accordingly.

### 3.2 Recommendation 2

Engage in top team development to develop effective relationships within Cabinet/CMT as a group to create agreed ways of working and clarity of roles and responsibilities.

### 3.3 Recommendation 3

With partners, lead the development of a clear and well understood vision for the whole borough (Place Strategy).

### 3.4 Recommendation 4

Consider what capacity and skills the council needs to develop and address this as part of the review of organisational structure, including options for collaboration with partners and the use of consultants.

### 3.5 Recommendation 5

Design a transformation & digital strategy and action plan

### 3.6 Recommendation 6

Develop a strategy for income generation, including commercial income, fees & charges and council tax.

### 3.7 Recommendation 7

Review and implement new plans for internal and external communication, aligning it with the new corporate strategy.

### **3.8 Recommendation 8**

Create and implement a well understood and effective process for forward planning of Council decision making which engages Cabinet members and Scrutiny.

### **3.9 Recommendation 9**

Promote the Council's approach to climate change and decarbonisation and play a key role in leading the Borough on this agenda.

### **3.10 Recommendation 10**

Continue and broaden your engagement with local government and beyond in order to learn from others and offer your experience and learning.

## **4. Summary of peer challenge approach**

### **4.1 The peer team**

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA on the basis of their relevant expertise. The peers were:

- Member Peer – Cllr Tricia Gilby, Leader, Chesterfield Borough Council
- Member Peer – Cllr Simon Minas-Bound, Group Leader, Basingstoke & Deane Borough Council
- Chief Executive Peer – Ian Miller, Chief Executive, Wyre Forest District Council
- Officer Peer – Artemis Ansell, Director of Planning & Regeneration, Lichfield District Council and Lichfield West Midlands Traded Services
- Officer Peer – Dominic Bradley, Director of Resources, Horsham District Council
- LGA Peer – Alex Howell, Adviser - Devolution, Local Growth and Digital
- Peer Challenge Manager – Anne Brinkhoff, LGA Associate

- Project Support Officer – Kristel Whittaker, LGA

## 4.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - **Does the council have a grip on its** current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?
5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every Corporate Peer Challenge includes a strong focus on financial sustainability, performance, governance, and assurance. In addition to these themes, the council asked the peer team to provide feedback on

How it can create capacity in a small authority on limited resources and still deliver ambitious projects and transformation?



- To address capacity issues, should it be focusing more on digital transformation?
- Any advice and guidance on managing recruitment and retention?
- The Council wants to be sustainable and help deliver climate change – is it more important to achieve organisation net zero or helping households and businesses become more climate aware?

### 4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. 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 by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at Hyndburn Borough Council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent three days on site at Hyndburn Borough Council, during which they:

- Gathered evidence, information, and views from more than 35 meetings, in addition to further research and reading.
- Spoke to more than 110 people including a range of council staff together with members and external stakeholders, including the borough's MP

- Undertook a study tour of town centre regeneration, visited the borough's main mosque and attended a meeting of HBC's Cabinet.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

## 5. Feedback

### 5.1 Local priorities and outcomes

Hyndburn Borough Council has strong ambition and is doing a lot with a little. A comparatively small District Council with a population of 83,000 residents, it is the sixteenth most deprived local authority in England with a greater reliance on Government funding and has seen the largest decrease in core spending power out of the 164 District Councils in England since 2011/12.

The current Corporate Strategy (2023-2028) identifies clear and succinct themes, priorities and actions. They are understood by members and officers, guide the Council's investments and activities and form a robust planning framework for delivery. The strategy will be reviewed later this year in light of the priorities of the new Council administration as well as policy changes of the new Government. This will ensure a clear strategic framework for the next four years.

Good progress is being made on many of the council's big strategic projects to deliver sustainable growth in the borough. Accrington Town Centre Regeneration, driven by the regeneration of three heritage sites: Accrington Market Hall, Burton Chambers and Market Chambers projects, is making good progress with construction works underway on the Town Square and a 'Market on the Square' launched to provide an alternative location for traders during the Market Hall works. The Town Centre Investment Plan brings together an external funding package of over £60million, including Levelling Up, UK Shared Prosperity Fund, Lancashire County Council funding for significant capital works as well as other elements to provide economic development activities, projects to 'green' the town centre, business support for Net Zero and Transition & Decarbonisation and marketing and promotion for the repurposed Market Hall (a new food and drink offer alongside the traditional

market) and Burton Chambers (a new co-working space).

During the corporate peer challenge, the Council's Cabinet took the decision to accept a grant of just under £30million from Homes England to unlock the development of the site of the former Huncoat Power Station and Huncoat Colliery to create an extension to the existing Huncoat village. Over a 15-year period, it is projected to deliver over 1,800 new homes of mixed tenure alongside an expanded primary school and amenity space. This decision not only supports the Council's priority of providing a greater choice and quality of housing but is also a key enabler for the approval of the Local Plan by Council for submission to the Planning Inspectorate later in 2024.

The borough's rich cultural and heritage assets provide important opportunities for town centre revitalisation and economic growth. The borough has a rich industrial heritage such as the Spinning Jenny, textiles and fabric dyes and hosts the Haworth Art Gallery, known for its collection of Tiffany glass. The peer team heard about a range of exhibitions, events and projects, targeting different audiences, including young people and the borough's migrant communities. There is good engagement with a broad range of creatives, communities and artists through the Culture and Heritage Investment Panel and its Associates and Alumni, creating an opportunity to spin-off into a local infrastructure organisation, for example a Culture Trust. The new cultural, arts & heritage space that is being created as part of the Market Chambers regeneration will bring an exciting focal point for culture and arts, and the council is creating a framework through its emerging Cultural and Heritage Strategy that is values-driven and co-produced with the community. With active audience development and segmentation, these developments offer opportunities to significantly contribute to the revitalisation of the Town Centre.

There is solid performance in many service areas including processing housing benefit claims and planning applications (major) and the number of completed affordable homes delivered (all 23/24 data), where the Council is performing in line with the median of its CIPFA nearest neighbours<sup>1</sup>. The Council has comparatively

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<sup>1</sup> Metrics taken from various published national data collections and the Local Government's Association LG Inform ([Home | LG Inform](#))

few households in temporary accommodation, performing above the median for CIPFA nearest neighbours (23/24 data). Household waste recycling rates (percentage of household waste sent for reuse, recycling and composting, 22/23 data) are below the median of CIPFA nearest neighbours, although this is largely due to the low number of properties with gardens who recycle green waste. Hyndburn performs strongly on dry recycling, which contributes to its residual (non-recyclable) household waste collected being lower than the median (22/23 data). Council tax collected as a percentage of Council tax due (23/24 data) is below the median of CIPFA nearest neighbours, whilst non-domestic rates collected (23/24 data) is above the median of CIPFA nearest neighbours. The Council has increased its number of parks with 'Green Flags' in 2023/24 to 11 (up from 9 in 2022/23) and was the winner of the national pest control award in 2024. In support of its Health & Wellbeing priority the council is working closely with Community Health Partnerships to set up a project on preventative Disabled Facilities Grants and is participating in a national pilot to understand the impact on housing interventions (for example 'warm and well') on health and wider societal outcomes. Hyndburn Leisure, the Council's Leisure Trust, manages Leisure provision and has a strong and successful focus on communities, prevention and outreach, including the Holiday Activities and Food programme, 'Let's Move Hyndburn' and Business Health. The Trust is a recognised and valued partner of the Borough.

There is a bold and successful focus on Climate Change and Decarbonisation. In line with many Councils, Hyndburn declared a Climate Emergency in 2019 and pledged a net-zero carbon target for its activities by 2030. Championed by the Chief Executive, both in the borough and across Lancashire, and with the support of members, there has been sustained progress with a range of projects, including the conversion of 54 council vehicles (including bin lorries) from diesel fuel to Hydro-treated vegetable oil. This change will see a 90% reduction in CO2 emissions from the vehicles. Decarbonisation and energy efficiency measures, such as business support for Net Zero and Transition & Decarbonisation, are built into the Town Centre regeneration projects. A net-zero cross-party working group is providing political leadership for this important and long-term agenda. These are important and impressive achievements and are reflective of a council that is committed to tackling climate change.

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**President:** Baroness Grey-Thompson

As part of the plans to review the corporate strategy later this year, there are opportunities to create a longer-term vision and strategy for Hyndburn as a Place to address some of the broad challenges including worklessness, skills development and health inequalities. Collaboration with partners including businesses, the college, health and the voluntary and community sector will be crucial. Partners see the council as leading and convening this work on behalf of the wider system.

The peer team heard about the council's ambition for town centre revitalisation through culture and arts and the draft Culture and Heritage strategy will provide a vital framework for the work in this area. It will be important for this strategy to be formally approved at pace, so it can inform the refresh of the corporate strategy. Dedicated, professional and experienced senior leadership and management capacity will be required to maximise the economic and social potential of arts and culture, building on the rich heritage and assets, including existing networks and relationships.

The new corporate strategy will articulate the themes, priorities and actions for the next four years and needs to be reviewed before the budget is set in February 2025, incorporating the various strategies and plans that are in draft format. This will provide the Council with clarity to align its organisational structure, accordingly, ensuring focused leadership and organisational capacity and being mindful of synergies between different services. It will be a necessary condition to manage the Council's organisational capacity in light of growing demand and continuing financial pressures.

The council needs to be mindful of all protected characteristics in service delivery and its workforce. Whilst the peer team recognised the overall focus on Equality and Diversity, we heard of some examples where residents struggled to access information due to language barriers, and councillors requiring adjustments to the presentation of committee papers (colour schemes) to make it easier for them to read these. Whilst there have been improvements in the diversity of the council's workforce (8.8% from a minority ethnic background), there is still some way to go to make it a more representative reflection of the community at large.

There is scope to increase the frequency of performance monitoring as a basis for

management, challenge and transparency. Formal reporting takes place annually at present which is not in line with best practice in the sector. This should be reviewed at pace with consideration given to how council can utilise new reporting tools such as PowerBI.

## **5.2 Organisational and place leadership**

The new administration is regarded by those the peer team spoke with as open and engaged and is clearly leading the organisation. The Leader and his Cabinet are respected by officers and the recent review of strategic projects is providing clarity about the future direction and focus. Given the significance of projects, many of which come with substantial grant funding, this was an important exercise to do early in the tenure of the new administration.

Cross-party relationships, which were previously described as ‘toxic’, have improved. and there is a commitment from the different political groups to provide robust challenge in a way that adds value to decision making processes. For example, the peer team observed how the Leader of the Opposition is invited to comment on each agenda item at Cabinet. This fosters constructive dialogue between the administration and opposition.

Relationships with partners that the team spoke with are positive including police, businesses and the voluntary and community sector. There is a rich ecology of forums and partnerships, including the Accrington Town Centre Partnership Board, the Community Action Network for voluntary and community representatives and the Hyndburn Community Safety Panel. Businesses are supportive of the Council’s vision; they value the work of the new Business Support Officer and are keen to collaborate with the Council. The Voluntary and Community Sector feels valued and engaged with the work of the Council and appreciates the openness and access to senior leaders, including the Chief Executive. Strong relationships are bringing about an impressive array of projects, including ‘Operation Broadway’ – a town centre initiative to deal with aggressive begging and anti-social behaviour - and a multi-agency forum to support refugees and asylum seekers.

The Council's engagement in systems leadership initiatives (the Hyndburn Way) is creating conditions for longer-term collaboration. Run by the Leisure Trust, and with funding from the National Lottery, the project is providing multi-agency systems leadership training as well as supporting several local projects to improve health and reduce health inequalities. It builds on the success of the Hyndburn Hub, a project run by and for the community during the Covid-19 pandemic to help Hyndburn residents who were shielding, bringing over 40 community groups under one umbrella.

The council has a strong focus on supporting community relationships and cohesion. This happens both formally and informally with strong leadership from the Leader. The council convenes a Community Cohesion Group with local Mosque leaders which is the 'eyes and ears' on the ground in case of community tensions. There is an internal officer group, bringing together 14 staff from across the Council, to monitor insight and intelligence following the outbreak of the racist riots elsewhere in the summer - they were not experienced in Hyndburn, demonstrating strong community cohesion in the Borough. The council also engages in work to promote community cohesion, for example through the 'Connecting Cultures' event, parades and celebrations, bringing together people from different cultures to celebrate the Borough's diversity.

Working with contractors, the council is seeking to maximise social value from its town centre investment. A social value plan has been created to ensure that residents and local businesses benefit directly from the on-going regeneration work. Central to this work has been the introduction of on-site training and schemes to promote local jobs and employment in partnership with the local Job Centre Plus. There is engagement with local primary schools and a 'Getting Connected' event to make contact with local sub-contractors, suppliers, social enterprises and job seekers in Accrington and the wider area of Hyndburn. These are important initiatives to ensure local ownership and benefits as part of the regeneration process and beyond.

Partners invite the council to take on a stronger and more visible leadership of the place, jointly owned by politicians and officers, to maximise the opportunities from outside the borough. This invitation is rooted in the recognition of strong bi-lateral

relationships and could take different forms, such as a local Place Board or ‘State of the Borough’ conference – where the council brings together the local leaders and place makers so that it articulates a shared vision and aligns work across partners. The role for the council is of local leader and convenor – drawing on its unique democratic mandate and working for the benefit of the borough as a whole.

This leadership role requires capacity and CMT and Cabinet will need to ensure there is sufficient capacity to dedicate to this convening role. The planned establishment review will be an opportunity to factor in these responsibilities more explicitly. It will also create an opportunity to re-consider the responsibility for major projects and priorities across CMT and senior officers. We noted some overlap of Cabinet portfolios and would encourage the council to review these to create capacity at Cabinet level also. In particular, we suggest that a single portfolio for finance should be considered.

The change of administration in May 2024 has required building relationships at pace and the good foundations that the team observed should be further developed. Effective relationships are built on trust, and senior politicians and officers need to take time to understand their respective roles, backgrounds (including skills, capabilities and experience), work preferences and how they want to work as ‘One Team’ (whilst recognising their distinctive roles that require constructive challenge of each other). Trust needs to grow and is relational. The peer team strongly supports the organisation of externally facilitated informal programmes to create space to develop relationships and build trust.

The council’s staff are based at a number of locations. Internal communication could be strengthened. The peer team heard from staff and managers that, whilst they value good 1:1 communication with senior management team, they would welcome more frequent and consistent all staff communication in order to hear and also to feed back. There are many such options including monthly all staff MS Teams meetings, circulation of CMT minutes or updates from CMT, and fortnightly or weekly newsletters on a range of council activities. Staff would welcome some of this to be fronted by the Chief Executive and his senior team, so that they hear things first hand. More active, tailored and regular communication will build staff engagement.



### 5.3 Governance and culture

The council has a friendly and helpful culture with committed and loyal staff, many of whom are long serving. Staff enjoy working for the Council, point out the 'collegiate and friendly' culture and embrace the values of 'teamwork' and 'positive attitude'. They care about their work, residents, customers, partners and the Borough and want to do their best. Flexible working arrangements, a focus on training and development, and the opportunity for career progression were cited as important factors for staff. This bodes well for staff retention, at a time when many councils struggle to retain staff.

Moving beyond what was described to us as a 'political toxicity' is creating opportunities to move forward with key projects such as Huncoat Garden Village and the Local Plan. For instance, the council was recently awarded a £30m grant by Homes England to create an extension to the existing Huncoat village, confirming its commitment to housing development and thereby the required housing numbers in the Local Plan.

There is a recognition of the importance to invest in member development. A new officer lead is providing fresh ideas and increased capacity. A new member development programme sets out development activities and the budget has recently been increased. The peer team encourage the Council to make better use of the LGA's member development programmes and activities. The Council is piloting new equipment for all councillors which will be rolled out later in the year.

The council has introduced a Special Scrutiny Committee for major projects. It meets quarterly and allows for scrutiny of the major town centre regeneration projects and activities as well as the Huncoat Housing Development and the Local Plan. This provides important opportunities for influencing plans and holding the Executive to account on major opportunities for the borough.

The Council has robust internal audit arrangements. There is a small team of experienced, skilled and capable officers who provide a good internal audit service. They characterise the council's culture as 'pro-audit' and cite many examples where

audit is pro-actively called upon to provide advice and appropriate challenge. Recent examples include a Housing Scheme, CCTV provision, grant making as well as document retention and the use of ChatGPT. The internal audit plan is produced in consultation with Heads of Service and Chief Officers and considers the Council's risk assessment and risk register. Audit recommendations are tracked by internal audit and, overall, there is good compliance with implementation as reported by the Internal Audit team. The service engages in a peer review process with neighbouring Councils which highlighted a positive culture and robust work.

Relationships with the previous external auditors deteriorated and ended pertaining to poor quality and timeliness of the production of draft accounts, as a result of internal capacity and an outdated Finance system. Changes to the team and the implementation of a new system have addressed this. Relationships with the new firm of external auditors have started well. Auditors now attend meetings of the Audit Committee regularly and were positive about improvements in financial reporting and management, including the production of Accounts which are now more timely.

The process for decision making is not always clear or sufficiently well planned to ensure that council business is conducted efficiently and allows for appropriate scrutiny. The team came across a few examples, including a procurement decision, where this was apparent. Similarly, the team heard of a lack of clarity about who is authorised to approve changes to fees & charges. The introduction of a Forward Plan for all Cabinet business could be a helpful process as well as training for managers and chief officers to ensure that the process is well understood and adhered to. It is unusual for Councils not to have a Forward Plan, and the council should seek to introduce one at pace.

The council is engaging in complex activities, many of which carry significant risk. These need to be well understood by Portfolio holders and Cabinet as a whole. The Council could use existing informal Cabinet briefing meetings better to ensure that Cabinet members are fully briefed on key Cabinet decisions well in advance of papers being published. This also provides an opportunity for informal problem solving and challenge, particularly where projects are complex and with interdependencies, as well as informal updates on medium-term financial challenges.

Many councils hold regular informal meetings between Cabinet and Chief Officers to provide informal space for briefings and joint thinking.

Peers saw examples of Cabinet reports which they considered too lengthy. This risks losing key points and messages. The council should regularly review the Cabinet report template, learning from others and to ensure that they are succinct and to the point, accepting that some decisions will always require a significant and very comprehensive level of detail. The peer team heard of the commitment to transparency from the relatively new administration. The Council is currently not webcasting meetings due to the cost of introducing the technology. Consideration could be given to measures that are less costly, for example filming meetings so that the public can watch recordings after meetings. Ensuring timely access to agendas and reports is important to give opposition councillors or members of the public sufficient time to comply with timescales for asking questions at Committee meetings and to allow for the possibility of pre-decision scrutiny by Overview and Scrutiny committees.

Of concern is that fact that statutory officers are not yet meeting separately to discuss (and minute) actions to address governance and risks. The new Code of Practice on Good Governance for Local Authority Statutory Officers by LLG, CIPFA and SOLACE recommends that the Chief Finance Officer and Monitoring Officer should have a clear and direct relationship to the Head of Paid Service (the Chief Executive Officer), normally through line management or other equivalent arrangements. This is in place at HBC, but the Council should consider establishing a regular meeting between the three statutory officers (also known as the 'Golden Triangle'). This will provide for the three officers to exercise their statutory responsibilities to ensure good administrative, financial and ethical governance of the Council.

The effectiveness of the Audit Committee could be strengthened further. Given the changes in Committee and Chair, the Council should try to ensure that all members attend the governance training available to ensure they can confidently fulfil their roles. The appointment of two Independent Members will be important to provide additional skills and focus and will need to happen at pace. There has been a considerable change in membership of the committee and the council may want to

consider how to raise the profile of the work of the committee as helping the Council to fulfil its responsibilities for accountability to the local community through ensuring high standards of governance, robust risk management, internal and external audit and financial reporting. The council may wish to consider whether the importance of the Committee is reflected in the Allowances scheme: at present the chair of the audit committee's allowance is the same as ordinary members of the planning committee, for example.

Subject to the outcome of the current review of how leisure services are provided at the council in the future, if the council decides to continue with existing arrangements, the council should formalise the relationship with the Leisure Trust. A full management agreement, rather than solely a lease, will help build an outcomes framework and in turn improve performance management.

#### **5.4 Financial planning and management**

Changes to the new finance system (Civica financials) are progressing well. The council has implemented the finance and HR & payroll modules of the system and expects that the system will be fully implemented within the next 12 months. The impact of the new system has been significant. For example, the 'commitment management module' is strengthening financial reporting and the system has ended paper copies of invoices. The next phase will see greater self-service so that budget holders can have better understanding and ownership of their budgets. This will create efficiencies and signal an important cultural change to a greater distribution of financial responsibility and accountability.

Importantly, the new finance system has enabled the council to produce timely accounts, putting an end to significant delays. Accounts have not been audited for three years and there is a high risk of a disclaimed audit by the 13 December 2024 deadline that has been introduced by the Government. This situation has not been helped by a well-publicised lack of external audit capacity across local government. The finance system has positively impacted on the relationship with its new Auditors.

The appointment of a permanent Head of Finance has created much needed resilience in the finance team. The team have seen significant staff turnover over the

last three to four years which also contributed to the delay in putting in place a new finance system. The new Head of Finance and a recently appointed Director of Resources are providing more stability for the service.

The council has increased its reserves position over the last few years in anticipation that some might be required to boost its significant capital programme. Unallocated and earmarked reserves have improved from £12 million in 2015 to just under £21 million in 2024. In addition, the council holds £5 million in capital receipts and capital grants unapplied that can be used towards funding its capital programme commitments. This is appropriate prudence given the Council's regeneration activities.

The council's capital programme has significantly increased over the three years and stands at £45 million for 2024/25. It is financed through government grants and includes a commitment to incur new borrowing to fund the costs of the leisure estate investment programme. There is a significant amount of forecast slippage in the capital programme which needs to be addressed. The council needs to ensure that forecasting and profiling is more accurate, for example by examining the resource in house or from external consultants for capital programme management. It further needs to consider implications of programme slippage, including inflationary risk, clawback risk and the availability of contractors and suppliers, as well as any revenue implications of capital projects not delivered on time.

There is a need still to identify £1.6million of capital receipts to fund the capital programme with limited information so far on how this is to be achieved.

The council's forecast revenue outturn shows that the council is expected to balance its 2024/25 budget due to in-year underspend and receipt of additional treasury investment income as a result of having more money than planned and interest rates remaining higher than forecast at the time of budget preparation. This is a positive position to be in and will give the council headroom when considering its savings plans over the medium term.

Whilst the council is generating income through fees & charges, council investments and council tax, this is not guided by strategic principles that set out the council's

overall approach to income including commercial activities. For example, the level of increase in allotment charges as discussed at Cabinet on the 30th October 2024 gave the rationale, but this did not link to a wider strategy. There are similar examples in Pest Control where fees & charges are unlikely to cover Council expenditure. There are discussions to be had about the levels of subsidy the council wishes to provide and its approach to commerciality more generally. Benchmarking with its CIPFA nearest neighbours for charging would be useful, both for areas where it currently charges and areas where it chooses not to charge.

There is a lack of open short and medium-term financial planning with reliance on in-year underspends. The Council's MTFP projects in-year funding gaps of £640k for 2025/26 and £537k for 2026/27. There are no articulated plans as yet of how savings will be identified and where they might be generated from. It will be important to commence this early to ensure considered informal discussions with officers and Cabinet discussions in line with the proposed review of the council strategy, its regeneration activities, and a more strategic approach to commerciality and fees & charges. This will ensure that savings decisions are considered, and the Council can mitigate intended and unintended consequences.

The finance portfolio is split between two Cabinet members which could lead to a dilution of leadership and responsibility. We encourage the Council to consider the benefits of a single Cabinet member for finance, in line with best practice nationally.

## **5.5 Capacity for improvement**

The Council is investing in staff through a range of training programmes. There is a systematic approach to identifying training needs as part of the annual service planning and personal development review processes. The council has a dedicated learning and development officer who will identify appropriate training, drawing on a range of providers and offer formal and informal learning opportunities, including mentoring and coaching. The council has a policy of offering most posts internally before going out to market, so that it creates career progression opportunities for staff within the Council, at times moving into different services. Staff report that they value the council's focus and openness to development and training. This helps staff

retention.

Apprenticeships are used effectively to boost capacity and develop skills. The council is offering a range of apprenticeships (including degree apprenticeships and professional qualifications), to both new staff and existing staff. There are good examples of boosting capacity and skill in hard to recruit areas such as Planning, Finance and Asset Management. There are plans to review staff processes and procedures to ensure they are fit for purpose. The council takes other steps to “grow its own” such as training two waste loaders each year to achieve HGV qualifications, thereby providing a steady stream of capacity for drivers.

The Local Plan will unlock investment and create new homes. It sets out the strategic policy framework to meet future development requirements in Hyndburn until 2040 through the spatial development strategy and thematic and area policies accompanied by a series of residential and employment site allocations and site-specific policies. It includes a growth strategy seeking to boost the supply, quality and choice of housing in the Borough and improve economic prospects by providing good quality new employment land. This is with an aim to tackle historically high levels of deprivation, outmigration of economically active residents, poor housing stock and lack of choice in housing. In line with the council's priority, the plan includes sustainable development, tackling climate change and enhancing biodiversity as an overarching theme.

The council is implementing a new performance management framework that links strategy, finance, service planning and delivery, identifying a range of performance measures and targets. It includes different performance measures, distinguishing between corporate headline indicators that are in council control, Borough wide outcome/context measures where the council is a contributor but hasn't got sole responsibility and corporate strategy outcomes. This creates nuance and the ability to monitor day to day performance as well as wider outcomes. Regular performance discussions at CMT provide an opportunity to Heads of Service to update on successes and challenges and allow a more systemic approach to performance management.

The Council asked us to consider questions of capacity, digital transformation and

net zero and we provide some observations and suggestions in the remainder of this section.

There are numerous opportunities in local government for building knowledge, sharing expertise and capacity, strengthening resilience and potentially reducing cost through collaborative working. For example, the Council can review what role formal collaborative arrangements with other council(s) could play in its future service delivery arrangements. Hyndburn has very limited shared service arrangements in place at present compared to many district councils.

There are also regional and national forums for sharing knowledge including the Society for Local Government Chief Officers (SOLACE) or the Association for Public Sector Excellence (APSE). In respect of ICT and digital services participation in SOCITM's events in the North West will continue to be beneficial.

The Local Government Association offers a range of support in many service areas. The Council could explore the options in respect of cyber, digital and technology and climate change; and examine whether participation in the transformation innovation exchange and the transformation learning and skills programme might be beneficial.

The peer team welcomed the values-driven ambitions in the people strategy. Whatever the model that the Council adopts for addressing its capacity for service and project delivery and transformation, the team would encourage the Council to take stock and formalise its approach to 'people management' including workforce planning, learning and training, and staff engagement tools into a more robust plan that can be agreed and monitored by CMT.

The peer team heard about a number of modernisation initiatives, for example the use of a chat function in Benefits and Revenues. These appeared to be somewhat piecemeal, and services were left to develop their own modernisation and transformation plans. The Council's ICT strategy sets out specific ICT goals including enabling efficiencies, responding flexibly and with agility to customer need and providing modern architecture to support an efficient and agile working culture, but without a plan that sets out a corporate approach and prioritises resources and capacity. We heard from staff of the need to improve processes in order to create



capacity and we would encourage the Council to set out a more structured and corporate approach to transformation and modernisation.

The used of s106 agreements and the Community Infrastructure Levy (CIL) will bring in resources and capacity. It is of concern that there is currently no agreed protocol in place to secure S106 funding from development proposals, nor do the authority have a CIL charging structure in place. This is a missed opportunity, given the commitment by the organisation to regenerate the wider area for its residents. As such, presently, there are no clear guidelines to secure affordable housing or much needed services and support to local communities, for example, or indeed to challenge developers' assertions about viability.

The introduction of CIL to the authority will not only create a revenue of much-needed funds, but also help encourage, grow and develop local partnership working with local groups and create opportunities for greater levels of communication between the authority and its residents.

There is a strong reliance on consultants, many paid through external funding. Whilst the use of consultants is an effective means to acquire technical skills and bring in capacity in the short-term, they need to be managed well and they rarely enable a skills transfer. Given the long-term funding of many of its regeneration projects, the peer team consider that the council ought to consider whether it could convert some of these roles into council posts, to build and retain capacity for the future. This would ensure a more mixed "economy" for meeting the council's resourcing needs.

The Council's website is not user friendly and, in some respects, out of date. We heard from a range of external partners about challenges for customers to identify forms. We also heard how service teams are responsible for maintaining "their" pages on the website, which is a common approach in many councils. Unless relatively large numbers of staff are trained on coding skills to alter and improve the website, there needs to be sufficient technical capability and capacity at corporate level to support services' requirements.

The benefits of long-serving officers are many, as they know the borough well. Yet this should be balanced with the need pro-actively to go outside the Borough, County

and region to engage with others and learn. It will be important for HBC to continue to play an active role in the local government family in Lancashire, as the county moves towards implementation of the combined authority.

Inviting the LGA peer challenge team for Hyndburn's first corporate peer challenge demonstrates the Council's openness to challenge and learning. We hope that members and officers will step up their engagement in regional and national fora and events, not only to learn from others but also to share some of the great practice and achievements at Hyndburn Borough Council.

## 6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. Following publication of CPC report you need to produce and publish an Action Plan within 5 months of the time on site. As part of the CPC, the council are also required to have a progress review and publish the findings from this within twelve months of the CPC. The LGA will also publish the progress review report on their website.

The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

In the meantime, Claire Hogan, Principal Adviser for the North West, is the main contact between your authority and the Local Government Association. As outlined above, Claire is available to discuss any further support the council requires.

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