1. Background and scope of the peer challenge

On behalf of the team, I would just like to say what a pleasure and privilege it was to be invited in to Oldham to deliver the recent corporate peer challenge. The team very much appreciated the efforts that went into preparing for the visit and looking after us whilst we were on site and the participation of elected members, staff and partners in the process.

This was one of the corporate peer challenges delivered by the Local Government Association as part of the approach to sector led improvement. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
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</thead>
<tbody>
<tr>
<td>Barry Quirk</td>
<td>Chief Executive, London Borough of Lewisham</td>
</tr>
<tr>
<td>Councillor Sharon Taylor</td>
<td>Leader, Stevenage Borough Council and elected member on Hertfordshire County Council (Labour)</td>
</tr>
<tr>
<td>Councillor Paul Tilsley</td>
<td>Birmingham City Council (Liberal Democrat)</td>
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<tr>
<td>John O’Brien</td>
<td>Chief Executive, London Councils</td>
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<tr>
<td>Andrew Lewis</td>
<td>Assistant Chief Executive, Newcastle City Council</td>
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<tr>
<td>Chris Bowron</td>
<td>Peer Challenge Manager, Local Government Association</td>
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It is important to stress that this was not an inspection. Peer challenges are improvement-orientated and tailored to meet individual councils’ needs. Indeed they are designed to complement and add value to a council’s own performance and improvement focus. The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read.

The guiding questions for all corporate peer challenges 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?
In order to tailor the peer challenge to local circumstances, the authority asked us to consider Oldham as a ‘Co-operative Council’, representing what the authority see as a new model for public service delivery in local government, and probing the following:

- Is it joined up?
- How mainstreamed is it?
- What happens if key individuals leave?
- Is the council making a difference to the place?
- Is the council’s reputation built on solid foundations?
- Is the authority’s civic leadership approach shared with partners and residents?

The economy is clearly a key theme that is central to ‘Co-operative Council’ so we also ensured a focus on that.

As you will recall, we undertook to write to you to confirm the team’s findings, building on the feedback provided to you on the final day of the peer challenge and, in particular, expanding upon those areas that we highlighted as likely to benefit from some further attention. This report sets out those findings.

2. Executive summary and issues for consideration

There has been a remarkable transformation in Oldham in recent years, both in terms of the place and in having established an ambitious and effective council. The authority can be proud of what has been achieved.

In 2008, following a highly critical inspection judgement, the council felt itself to be on the verge of government intervention. The borough was also continuing to experience decline and there was little confidence amongst local people that the council could credibly do anything about these issues. The judgement served as a wake-up call to the council’s leadership and triggered a cross-party response. The challenge of turning around the council was clearly immense, with significant issues in relation to its organisational culture, ways of working, governance, financial management and the performance of its services.

The council is now seen to be a disciplined organisation that is competent and effective – which in turn generates the confidence and credibility for it to do more challenging and difficult things. The organisational culture feels positive and performance management is effective. The council’s political and managerial leadership has been integral to what has been achieved. It is respected internally and externally and galvanises support from staff and partners. Public satisfaction with the council has increased from 22 per cent to 65 per cent in the period since 2008.

Thus there is increased confidence, belief and trust in the council – which has been achieved through the building of competence and successful delivery. Looking forward, it is important that the council remains focused, with a need to continue to make progress by building on what has been achieved – although we believe that there is no sense of the council either becoming complacent or easing off. It has an ambition to increase citizen satisfaction further, with a target of exceeding 80 per cent. The increasing belief amongst the public now needs to be cemented through the successful completion of key
regeneration projects, such as the Old Town Hall, and continued focus on performance in the delivery of council services.

Financial management within the council is seen to be highly effective, with a dramatic improvement having been made from a few years ago at the time of the CPA report. The council has secured £100m savings since 2009/10, with a further £20m on track to be delivered in the current financial year. The council is required to deliver further savings estimated to total £83m in the three financial years of 2014/15, 2015/16 and 2016/17. Good progress has been made in determining how a balanced budget will be set for 2014/15 – involving achieving £23m of the savings. This position has been reached as a result of the council’s two-year budgeting approach. The overall approach provides the space for very careful consideration of options and good lead-in time for the implementation of changes that result from budget decisions.

Work is already underway to address the financial gap in 2015/16 and 2016/17. The council is aware of the scale of the financial challenge it faces and has a broad strategic framework to help to achieve it. There is also a clear timetable and process in place that the council will follow – with this being the same one it has used in recent years and which has clearly worked. What is different this time is the potential scale of the impact and we see the need for a greater recognition of the implications of what is required to be achieved.

There is a real maturity of vision for Oldham, set by the political leadership, including how it is positioned in the context of Greater Manchester. The Leader’s style and approach is both exceptional and unique in nature and the council has benefitted enormously from having a driven Chief Executive with an entrepreneurial outlook and who has provided strong corporate direction and achievement around organisational change and improvement. There is also good managerial leadership at Executive Director and Assistant/Associate Executive Director level. The staff that we met at all levels of the organisation demonstrated passion, enthusiasm and commitment, are really bought in to the council’s agenda and both understand and support the vision that has been established. The council is now seen to be ‘punching above its weight’ and is one of the most highly respected and influential in Greater Manchester. It is fully integrated and playing a leading role within the City Region Combined Authority both politically and organisationally.

Significant capital investment, from both the public and private sectors, is being made and planned in Oldham. Clearly there are challenges in managing the risks of these projects and ensuring their successful delivery. The importance of managing and maintaining the relationships with the partners involved in delivering key initiatives during a period of transition with the council’s Chief Executive moving on will be key. Indeed the ability of the council to secure the involvement of Sir Howard Bernstein to both advise and support on the authority’s regeneration and economic development activities and projects during that period of transition is both extremely positive and a reflection of how far the authority has come in recent years.

There is a clear and balanced economic strategy. However, given the importance, for the economy and the future of Oldham generally, of getting people into employment, we see a key role for the council to drive a more comprehensive programme for employment and skills. There is a need for a much clearer connection to be made between education,
employment and enterprise. Partners within the borough must think deeply about how the education and employment ambitions of the place can be achieved.

There is a risk, in our view, that the proliferation of initiatives and brands underpinning the vision actually dilutes the strength of it. It is not necessary for the council, or the Leader, to have a project or initiative to address every strand and element that emerges from the vision. The strength of the vision, with some broad frameworks and initiatives to support its delivery, is sufficient.

The concept of a ‘Co-operative’ approach has real resonance amongst the people we spoke to, both within and outside the council. From the way people described it, the approach can be seen to be concerned with a spirit or ethos regarding the way citizens conduct themselves and the contribution they make to society. It is a modern articulation of co-operative values and principles rather than the pursuit of specific organisational forms. An underpinning infrastructure has been established in order to help translate the vision into tangible actions, generate drive and momentum and, in turn, help to achieve budget savings.

With a key aspect of the Co-operative approach being concerned with helping to cope with the reduced amount of public sector funding available, there needs to be realism around the extent of the contribution it can make to the financial challenge being faced. The council understands that the budget gap cannot be addressed solely through the Co-operative approach, but this understanding needs to be broadened within the organisation. In addition, there are still significant challenges in linking the Co-operative concept to the wider public service reform agenda.

The emphasis placed on districts within a borough context is valued by many of the people we spoke to, who were able to outline benefits that they saw having been achieved as a result. Examples include an increased responsiveness on the part of council officers and more engagement by citizens. Ward councillors are seen to be more involved and demonstrating increased leadership. They are increasingly being seen to facilitate communities and encourage greater self-reliance.

The question that is being asked in relation to the district-based approach would appear to be not ‘is this the right direction to go in’ but ‘how much further can it be developed’. We would suggest that any further development of the district-based approach requires careful consideration. It could, for example, become a source of tensions as resources are reduced in line with the need for the council to address the budget gap. There is also a potential trade-off between the benefits of an increasingly local focus with the possible efficiency benefits of borough-wide approaches.

The council’s current management arrangements have served the organisation well on the phase of its journey to date. Whilst what has been put in place has been done as part of a deliberate strategy to address historic organisational fiefdoms and aid cross-council working, it is likely that the council, under the stewardship of a new Chief Executive, will wish to consider what is most appropriate for the future.
3. Detailed findings

3.1 A story of improvement

- There has been a remarkable transformation in Oldham in recent years, both in terms of the place and in having established an ambitious and effective council. The authority can be proud of what has been achieved. In 2008, following a highly critical inspection judgement under the Comprehensive Performance Assessment (CPA) regime, the council felt itself to be on the verge of government intervention. The borough was also continuing to experience decline, with a progressive fall from the high point of its industrial peak and a 50 per cent loss in its manufacturing base. In addition, there was decline in the quality and vitality of the town centre and issues of increasing dependence on the state in places across the borough. Crucially, there was also little confidence amongst local people that the council could credibly do anything about these issues.

- The inspection judgement served as a wake-up call to the council’s leadership and triggered a cross-party response inspired by the Liberal Democrat Administration. The Liberal Democrat group, and its Leader in particular, deserve considerable credit for the part they have played in the transformation. Focusing on sorting out the ‘internal’ business of the authority and the challenge of turning around the council was clearly immense, with significant issues in relation to its organisational culture, ways of working, governance, financial management and the performance of its services. Extracts from the CPA report include:

  - “The council should enable a much better pace of change and improvement by tackling departmental and organisational cultures and structures which are acting as barriers to modernisation and improvement. It needs to work much more corporately and to introduce strong and clear accountabilities.”

  - “As a matter of urgency the council should tackle the weaknesses in its financial management”

- The improvement that was instigated under the Administration at the time has been continued, still with strong cross-party involvement and support, since Labour assumed control of the authority. The current Administration has built on this and focused its energies on the renewal of Oldham as a place as well as the council’s internal operation. This is best exemplified by the £100m investment fund established by the Labour Administration to kick start the growth and development of the borough.

- The council is now seen, both by those within it and external partners, to be an organisation that is disciplined, competent and effective – which in turn generates the confidence and credibility for it to do more challenging and difficult things. The organisational culture feels positive, financial management is strong and performance management is effective.

- The council’s political and managerial leadership has been integral to what has been achieved. It is respected internally and externally and galvanises support
from staff and partners. The political leadership is inclusive, engaging and involving, as can be seen with the commitment to cross-party working, the innovative ways in which Full Council operates, the encouragement given to young people locally to become involved in democracy through the likes of the Youth Council and Children in Care Council and the emphasis placed on devolution to individual districts in the borough in order to bring the council closer to communities.

- Public satisfaction with the council has increased from 22 per cent to 65 per cent in the period since 2008. The council is very highly valued and well-respected by its local partners, who are overwhelmingly positive about the authority and its trajectory of improvement and stakeholder engagement. They see a significant improvement not just in the council but also in the borough. This reflects the recognition, by the Administration, of the need to address the decline of the borough and the importance of the symbolism involved in turning certain key projects in to a reality.

- The most obvious of these is the Old Town Hall, which has lain derelict for decades. Around the time of the peer challenge, work was just beginning on site to turn the building into a cinema and entertainment complex – and, in so doing, addressing another key aspect of symbolism for Oldham as the largest town in the country without a cinema. The work to route the tram through the town centre and extend it to Rochdale via Shaw under phase 3(b) of the Metrolink development represents another key project coming to fruition and a visible pay-off from a constructive approach to city-region collaboration. There are more development projects coming on stream in the next few months.

- Thus there is increased confidence, belief and trust in the council amongst partners and the public – which has been achieved through the building of competence and successful delivery. It is important that the council remains focused, however, with a need to continue to make progress by building on what has been achieved – although there is no sense of the council either becoming complacent or easing off. It has an ambition to increase citizen satisfaction further, with a target of exceeding 80 per cent. The increasing belief amongst the public now needs to be cemented through the successful completion of key regeneration projects, such as the Old Town Hall, and continued focus on performance in the delivery of council services. In line with other councils, there is also a need to continue to transform the authority in the face of reductions in funding from central government.

### 3.2 Leadership and vision

- There is a real maturity of vision for Oldham, set by the current political leadership, including how it is positioned in the context of Greater Manchester. Whilst the leadership is keen to promote the borough as a place in its own right, for example for inward investment and destination marketing purposes, and has strategies in place to enable this, it also recognises the significant benefit to be gleaned from Oldham being seen as part of the Greater Manchester City Region. The borough looks to capitalise, rather than hide from, the fact that it is a more cost effective location than Manchester whilst offering tremendous accessibility to the city centre through its improving transport links. Not all authorities would take this position, of recognising that their economic futures cannot be determined within their
boundaries alone, but Oldham have adopted this more sophisticated approach and are already securing economic benefit from it.

- The ‘Hotel Future’ project, which will shortly see the establishment of a dedicated hotel, hospitality and conference facility in Oldham town centre, is a case in point. This is essentially somewhere for a number of the largest hoteliers in the country to use for the training of their staff – with Oldham successfully selling the benefits of a more cost effective but very accessible location to those behind the project who had previously been looking to locate it in Manchester city centre.

- The council’s political and managerial leadership is in step and is complementary with a shared clarity of purpose. It puts people and the place above the council, moving away from a focus on the types of political wranglings that dominated in the past, whilst not compromising robust political debate, and instead concentrating its efforts on doing the right things and getting them done well. Also, instead of placing an emphasis on actively managing the reputation of the council, the authority instead sees an improving reputation being secured as a by-product of successful delivery.

- The Leader’s style and approach is both exceptional and unique in nature. His message is exceptionally well thought through and his vision is compellingly articulated. There is real authenticity in his commitment to, and leadership of, Oldham. His vision is rooted in the locality and fosters contribution, self-reliance and civic responsibility. It is reflected in the three corporate objectives that relate both to the council and to the borough:
  - A productive place to invest where business and enterprise thrive
  - Confident communities where everyone does their bit
  - A co-operative council creating responsive and high quality services

- These three objectives underpin the corporate ambition of a ‘Co-operative’ future where everyone does their bit to create a confident and ambitious borough. ‘Co-operation’ offers a coat peg for strong issues of self-reliance and civic responsibility and is a concept that we expand upon later in this report.

- A range of initiatives sit underneath the overall vision. These include ‘Repositioning Oldham’ as the council’s main change programme, comprising:
  - Managing demand
  - Changing the way services are delivered
  - Working together
  - Transforming our business

- There are a further set of initiatives reflected in the council’s four key work programmes of:
Invest in Oldham
Get Oldham Working
See Oldham Differently
Campaigning Council

- Each of these has a large number of activities within them. Then, in addition, there are a raft of areas of work that form the public service reform agenda, including; reducing demand, developing self-reliance, revising professional philosophies and changing decision-making and behaviours across the council and partner organisations.

- Given all of the above, there is a risk, in our view, that the proliferation of initiatives and brands dilutes the strength of the overall vision. It is not necessary for the council, or the Leader, to have a project or initiative to address every strand and element that emerges from the vision. The strength of the vision, with some broad frameworks and initiatives to support its delivery, is sufficient.

- The council has benefitted enormously from having a driven Chief Executive with an entrepreneurial outlook and who has provided strong corporate direction for organisational change and improvement. His achievements in relation to economic development and organisational transformation and direction are clear and palpable. He is moving on to a new role elsewhere in the coming months but he leaves a lasting and very positive legacy in Oldham from his time there.

- There is also good managerial leadership at Executive Director and Assistant/Associate Executive Director level. As well as the expertise demonstrated at these levels in relation to people’s direct areas of responsibility and professional domains, it is clear that they are also very much in tune with the corporate agenda and are grounding its narratives in service design and delivery. This strength in depth stands the authority in good stead to maintain its strong performance during the period of transition to a new Chief Executive.

3.3 The economy

- Getting people into employment is recognised by the council as the key to turning round the fortunes of the borough. Oldham is a place with a proud history and industrial legacy that is seeking to create a new and more vibrant economic future. There is a clear and balanced economic strategy – connecting Oldham to the wider City Region as a source of employment and enabling local people to gain the capabilities, through education and training, which are necessary to secure those employment opportunities.

- Whilst the economic strategy is sound, further development of it could usefully involve the identification of the unique characteristics and distinctive capabilities of Oldham that can provide it with a competitive advantage. There is clarity about Oldham’s future generally, in terms of 7,000 additional jobs being required for...
people in the borough and the measures being taken to achieve it. These include the Metrolink route through to ‘Airport City’ and the ‘Getting Oldham Working’ initiative with its target of 2,015 new jobs or training placements for better employment opportunities by the year 2015. However, there is much less clarity about what are the distinctive capabilities that the locality possesses. If the climate for innovation was crucial to Oldham’s emergence as the world centre of the cotton industry, what is the equivalent unique selling point (USP) that marks the borough out for the future?

- Significant capital investment, from both the public and private sectors, is being made and planned in Oldham. We have already mentioned the Metrolink, Hotel Future and the re-development of the Old Town Hall. In addition, there are ambitions for other parts of the town centre including the outdoor market, development of the Coliseum and Heritage Centre, the creation of a new leisure centre in Oldham town centre and public realm improvements. There is also the re-development of Royton town centre, including a new leisure centre, and the development of land for business and employment opportunities at Foxdenton and Hollinwood.

- Clearly there are challenges in managing the risks of these projects and ensuring their successful delivery. Within this there is the importance of managing and maintaining the relationships with the partners involved during a period of transition with the council’s Chief Executive, who has been instrumental in much of what is planned, moving on. The ability of the council to secure the involvement of Sir Howard Bernstein, the Chief Executive of Manchester City Council, to advise on and support the authority’s regeneration and economic development activities and projects during that period of transition, is both extremely positive and a reflection of how far the authority has come in recent years.

- Securing job opportunities for local people is seen as vital to the economy and Oldham’s future generally. Both a Learning Trust /Partnership and Enterprise Trust have been or are being established and work is taking place promoting jobs in retrofitting and digital media. There are also ambitions around developing science and engineering as key sources of employment and future economic drivers. As part of Get Oldham Working, the authority is developing an employment agency to better support local employers – particularly in the private sector – to train and recruit local people.

- However, given the importance of getting people into employment, we see a key role for the council to drive a more comprehensive programme for employment and skills. The ambition across the council and partner organisations for local people needs to reflect the competitive regional, national and international context within which Oldham sits. Children, young people and older generations in Oldham are not competing just with one another for employment opportunities – they are faced with the challenge offered by a much wider geography and ambitions need to be set accordingly. As part of this, we see the need for a much clearer connection to be made between education, employment and enterprise given the critical importance that Oldham attaches to this agenda. The fragmentation being seen within education and skills nationally, at both school and college level, and in respect of skills funding, applies to Oldham as much as elsewhere and partners within the
borough must think deeply about how the education and employment ambitions of the place can be achieved.

3.4 Oldham and the City Region

- As we have already outlined, Oldham’s conscious decision to play a full and active role in, and link its economic strategy to, the Greater Manchester City Region shows a maturity of leadership and vision. This will continue to reap dividends for the borough through enhanced public and private investment. Significant investment is already being seen as a result of the approach and the borough can realistically expect to capitalise further from this approach in the future – benefitting the place in terms of jobs, housing, infrastructure and the economy generally. The Greater Manchester investment framework for growth and the £1.5billion Transport Fund provide further opportunities. So do the Regional Growth Fund and Growing Places Fund resources that have been secured. ‘Airport City’, which has been designated as an Enterprise Zone, ‘MediaCityUK’, as a national hub for the digital and creative industry, and the investment that has been secured for transformational initiatives such as the Sharp Project might not be happening within the borough of Oldham but they do provide opportunities that the borough, with its growing reputation and transport links, can look to benefit from.

- Oldham’s influence within Greater Manchester has increased significantly. Whereas the council previously had a poor reputation and would have featured low down any ranking of authorities within the region, it is now seen to be ‘punching above its weight’ and is one of the most highly respected. It is also one of the most influential, which is important given the agendas and opportunities presented by Greater Manchester being established as the UK’s first City Region Combined Authority, along with the Local Enterprise Partnership, the ‘City Deal’ and Greater Manchester’s status as a Whole Place Community Budget Pilot. Oldham is not ‘riding on the coat-tails of Greater Manchester’ – it is fully integrated and playing a leading role within the Combined Authority.

- Greater Manchester partners acknowledge the remarkable transformation that has taken place in both the authority and the borough. This approach began under the Leader of the former Liberal Democrat Administration, and has been taken forward by the current Leader and his Labour Administration. The role of a Leader in the Combined Authority has grown enormously in recent years as it has taken on a more significant role in Greater Manchester, not least in relation to economic growth. The Chief Executive and other senior officers have been personally and constructively involved in contributing to City Region-wide policy development.

- In addition to Oldham now being respected, involved and influential at the regional level, the council and key individuals within it are also very effectively engaged and influential at the national level. The council is regularly represented on national platforms and forums, both by the political and managerial leadership. It is well linked in to Whitehall. The Leader plays an important role in the LGA politically and the council’s hosting of the Co-operative Councils Innovation Network – a position which has been positively welcomed and endorsed by other like-minded councils. All of this demonstrates the authority’s desire to engage with other councils, contribute to the local government sector and help deliver innovation. It also
highlights the growing track record and reputation of the council and its leadership nationally.

3.5 Co-operative Council and Borough

- The concept of a ‘Co-operative’ approach has real resonance amongst the people we spoke to, both within and outside the council, during the course of the peer challenge. There was also tremendous consistency in the way people articulated what they see ‘Co-operative’ as involving, including:

  - ‘Everybody doing their bit’ and ‘people doing something for something’
  - Increased self-reliance and resilience – on the part of both individuals and communities
  - Reduced demand for public services as a consequence of the approach, actions and contributions of citizens

- Thus, given the way people described ‘Co-operative’, it can be seen to be concerned with a spirit or ethos regarding the way citizens conduct themselves and the contribution they make to society. It is a modern articulation of co-operative values and principles operating across a spectrum of activity, rather than the pursuit of specific organisational forms – the fostering of the right conditions rather than solely the establishment of, for example, mutuals or co-operatives.

- An underpinning infrastructure has, however, been established in order to help translate the vision into tangible actions, generate drive and momentum and, in turn, help to achieve budget savings. The Oldham Co-operative Commission has been established, providing an opportunity for residents and community representatives to help develop policy and practice on key issues related to the Co-operative ambition. The Commission’s membership also includes representatives from the voluntary sector, local business and key public-sector partners and is chaired by the Cabinet Member for Co-operatives and Neighbourhoods. An ethical framework and Co-operative Charter have been put in place to guide organisations in the way they operate.

- Specific initiatives that demonstrate the Co-operative concept as a reality include the council having implemented the ‘Living Wage’ for its staff and establishing a volunteering programme for employees, through which they can dedicate three of their working days to support local organisations or projects. The various campaigns around fairness, concerned with such issues as domestic energy costs and public transport fares, and the setting up of the Oldham Co-operative Fund to provide grants to boost health and well-being in the area, utilising around £1m from dormant bank funds, are other examples of how the Co-operative framework is being delivered. The development of the trading model for social care also has the opportunity to progress along Co-operative lines.

- The council’s relationships with partners in Oldham are strong and partners are buying in to the Co-operative agenda. However, there are still significant challenges in linking the Co-operative concept to the wider public service reform
agenda. The council highlights in various documents the concept of the ‘Oldham £’ – in terms of the amount of public sector money being spent across the borough, and the potential to gain greater benefit and impact from it by considering the effectiveness of spend from a cross-partnership perspective rather than from the view of a single organisation that happens to be the relevant budget holder. Within this agenda, there are also ambitions to change philosophies amongst council and other public sector professionals that don’t encourage self-reliance and independence on the part of individuals and communities. There is also a desire to change decision-making and behaviours across the council and partner organisations to reduce public service demand, for example through changing the way investment and commissioning takes place. Such whole system/whole place reform represents a huge challenge not just in Oldham but nationally. Positive initial steps have been made in the form of two place-based prototypes in the areas of Coldhurst/St Mary’s and Failsworth/Hollinwood but there is clearly some way to go still.

• The council’s Co-operative ambitions are positive and have generated strong interest and buy-in locally. Whilst, as we have outlined, it is essentially about fostering the right spirit or ethos within society, encapsulated in the notion of ‘everybody doing their bit and everybody benefitting’, there is a key aspect of it which is about aiming to help to cope with the reduced amount of public sector funding available. Whilst it can make a contribution to the savings agenda, there needs to be realism around the extent of this. The council is required to deliver further savings estimated to total £83m over the next three financial years. Such a gap cannot be addressed solely through a Co-operative approach. There is a clear understanding of this at the senior-most levels in the council politically and managerially, but this understanding needs to be broadened across the organisation. There are still significant challenges in linking the Co-operative concept to the wider public service reform agenda.

• In a similar vein, fulfilling the aspirations and ambitions of becoming a ‘Co-operative Council and Borough’ and the types of changes that it entails, not least in terms of the behaviours and approaches of citizens and professionals, is complex and transformational in nature. It can only be achieved over a significant period of time. The Leader sees it as a ten year project and this feels realistic. Developing a more widely shared understanding of the sorts of timescales involved would aid thinking, planning and the management of expectations.

### 3.6 Districts and neighbourhoods

• The council sees one of the vital steps in becoming a more Co-operative borough as working more closely with communities at the local level. There are six District Partnerships that cover the geography of Oldham borough and the importance of shaping decisions around what matters locally is reflected in the district partnership infrastructure that the council has established in order to enable a certain amount of de-centralisation to occur at that level – including some officer support, such as community development workers and caseworkers for councillors, and key governance arrangements. One of the key aims is to strengthen local democracy and accountability. The move to District Partnership working also represents a
desire on the part of the council to respect the heritage of different places and local identities within a borough context.

- Each district is represented by a District Executive, comprising the elected members across the wards the district is made up of. They are supported by dedicated teams of officers who work out of district town halls to co-ordinate a range of activity in that area and try and align services with the needs of local people. This virtual team can influence the much wider range of services that are delivered within each district, as set within the overall policy agreed by the Cabinet.

- The council has recently supplemented these arrangements with regular face to face events, including Community Forums, to enable local people to discuss their priorities with their ward councillors and the officers from the district teams. A ‘Community Call-In’ mechanism has also been established to allow local people to challenge decisions made by the District Executives that they don’t agree with.

- The emphasis placed on districts is valued by many of the people we spoke to, who were able to outline new benefits that they saw having been achieved as a result of closer working in localities. Examples include an increased responsiveness on the part of council officers – whether in relation to residents or elected members – and more engagement by citizens as a consequence of feeling they can influence things more. Ward councillors are seen to be more involved and demonstrating increased leadership, as a result of being better trained, more informed and having local budgets, albeit limited ones, available to them to respond to specific community needs. They are increasingly being seen to facilitate communities and encourage greater self-reliance. Some people also spoke of an increasing sense of co-operation within their communities.

- There were also some examples of additional resources being secured for communities – as a result of officers within the district teams having worked with local community groups to bid for external funding – with the view being that this would not have happened if it hadn’t been for the increased local knowledge of the council officers and the closer relationships they had with communities as a result of the shift to districts. Other people spoke of the opportunity provided to better focus increasingly limited resources on local need and the potential for asset rationalisation within districts – all enabled and informed by better local understanding and closer working.

- There has also been some alignment of council and other services within districts, without de-centralising them. An example is the concept of District Family Panels which provide support to the 50 most vulnerable families across the borough and bring together all of the relevant officers across services such as children and adult social care plus the relevant professionals working for other public sector partners.

- Thus the reassertion of districts is both meaningful and popular and, as a result, has gathered momentum. The question that is being asked would appear to be not ‘is this the right direction to go in’ but ‘how much further can it be developed’? We would suggest that any further development of the district-based approach requires careful consideration. It could, for example, become a source of tensions as resources are reduced in line with the need for the council to address the budget
gap – by locking resources into fixed places or leading to people debating the relative needs and benefits of one part of the borough over another. There is also a potential trade-off between the benefits of an increasingly local focus with the possible efficiency benefits of borough-wide approaches, again in that context of the financial challenge facing the council.

3.7 The financial challenge

• Financial management within the council is seen to be highly effective, with a dramatic improvement having been made from a few years ago at the time of the CPA report. The council has secured £100m savings since 2009/10, with a further £20m on track to be delivered in the current financial year 2013/14.

• Good progress has also been made in determining how a balanced budget will be set for 2014/15. The means by which to address the final part of the budget gap is expected to be agreed at Cabinet in December 2013. This good position has been reached as a result of the council’s two-year budgeting approach, which saw it set the budget for 2013/14 in the early part of this year and, at the same time, identify the primary means for achieving the necessary budget savings for the following year. Thus the council demonstrates a strategic approach to managing the financial challenge and, by doing so, has created the space for efforts to be focused now, at the time when most authorities are wrestling with their budget for 2014/15, on 2015/16 and beyond. This provides the space for very careful consideration of options and good lead-in time for the implementation of changes that result from budget decisions.

• The council’s budget-setting process is firmly established, has worked well to date and encourages wide engagement. It runs on a set of timescales that allow for consideration of the budget position and related proposals on a cross-party basis, both within political groups and through Overview and Scrutiny. The ‘Big Budget Conversation’ also enables and encourages community involvement in consideration of the budget and the options being looked at by the council.

• The council has also delivered a strong and improved culture around its financial management arrangements, including the finalisation of its accounts. This has seen Oldham close its annual accounts and secure its auditors opinion by the end of May – the quickest for any public body in the UK.

• Work is already underway to address the financial gap in 2015/16 and 2016/17, which is projected to total £60m – from within a net revenue budget that, in 2014/15, will be an estimated £204m. The council is aware of the scale of the financial challenge it faces – the £60m figure is widely understood – and has a broad strategic framework to help to achieve it. This framework essentially comprises behaviour change, demand management and public service reform. There is also a clear timetable and process in place that the council will follow – with this being the same one it has used in recent years and which has clearly worked. What is different this time is the potential scale of the impact and we see the need for a greater recognition of the implications of what needs to be achieved. Such recognition exists amongst a small number of people at the senior-most levels
politically and managerially but – in common with most councils – the full implications for services over the medium term, given the sheer scale of the cuts required, have yet to be more widely recognised.

- There is also the need for the council to have a closer grip on how things are going to change in order to address the budget gap. The strategic framework helps in setting the broad parameters but the types of concept it involves need to be translated into tangible actions. More fundamentally, really difficult decisions on service provision and service re-design will need to be taken in order to supplement what might be achieved through public service reform and demand management. This links to the point earlier in the report under ‘Co-operative council and borough’ regarding a Co-operative approach not being sufficient on its own to address the budget gap and the need for the understanding of this to be broadened.

3.8 People and organisational development

- The council has undergone significant change in recent times, which people see as having been very well managed. The organisation is now smaller in size, in terms of employees, as a consequence of a redundancy programme and the setting up of the adult social care trading arm. At the same time as these changes have been taking place, the Public Health function has been successfully integrated into the authority.

- Another significant change taking place in the authority is the moving on of the Chief Executive to another role in local government in a few months’ time. He can be proud of what he has achieved in his time with the council and the authority clearly feels a debt of gratitude towards him. It is testimony to the impact he has had that his legacy can be seen, at least in part, in the clear corporate direction that has been established, the disciplined nature of the organisation and the sentiment many people expressed that, whilst they will be sorry to see him leave, the authority is now positioned in such a way that it will be able to take such a change in its stride.

- The staff that we met at all levels of the council, including the frontline, demonstrated passion, enthusiasm and commitment and are really bought in to the council’s agenda and both understand and support the vision that has been established. Given a good proportion of those we spoke to are residents of the borough, we were able to get a sense of the progress the authority has made both from a citizen and employee perspective. Internal communications and training and development are seen to be good. People feel there are reasonable opportunities to progress within the organisation, as evidenced by the way some of those we spoke to have moved upwards in their time with the council. The performance appraisal process has been strengthened by the council recently and people see real benefit and value in it – both in terms of clarifying the council’s expectations of them and identifying areas for development and how they can be addressed.

- There is also seen to be good elected member development. Most councillors we spoke to value the ‘Local Leaders’ programme and it is seen to be delivering benefit, as outlined earlier in relation to the increased engagement and leadership elected members are showing in their wards and districts. The approach the
council has taken of imposing sanctions on councillors who don’t fulfill their obligations in terms of personal development is a brave and unusual one that reflects the determination of the council to continue to progress. Inevitably there is scope for further improvement in the elected member development programme, with a need to perhaps tailor things more to the circumstances of individuals, in terms of learning styles and varying levels of knowledge on subjects, and ensuring councillors with development needs that sit outside the core components of the ‘Local Leaders’ programme can have them more systematically identified and addressed.

- The council’s current management arrangements have served the organisation well on the phase of its journey to date. Whilst what has been put in place has been done as part of a deliberate strategy to address historic organisational fiefdoms and aid cross-council working, organisational accountabilities appear overly complex and the strengths of a matrix system of accountability may become a weakness in respect of the budget challenges of the next three years. It is likely that the council, under the stewardship of a new Chief Executive, will wish to consider what is most appropriate for the future.

4. Conclusion

There has been a remarkable transformation in Oldham in recent years, both in terms of the place and in having established an ambitious and effective council. The authority can be proud of what has been achieved. The authority is now seen to be a disciplined organisation that is competent and effective – which in turn generates the confidence and credibility for it to do more challenging and difficult things. The organisational culture feels positive, financial management is strong and performance management is effective. The council’s political and managerial leadership has been integral to what has been achieved. It is respected internally and externally and galvanises support from staff and partners. There is increased confidence, belief and trust in the council – which has been achieved through the building of competence and successful delivery and public satisfaction with the council has increased from 22 per cent to 65 per cent in the period since 2008.

The council were keen for us to form a view on a number of questions they posed to the team regarding Oldham as a ‘Co-operative Council’ and what the authority see as a new model for public service delivery in local government. We have sought to summarise below our findings in relation to each of the questions.

- Is it joined up?

The concept of a ‘Co-operative’ approach has real resonance amongst the people we spoke to, both within and outside the council. There was also tremendous consistency in the way people articulated what they see ‘Co-operative’ as involving. An underpinning infrastructure has been established in order to help translate the vision into tangible actions and generate drive and momentum. The council’s relationships with partners in Oldham are strong and partners are buying in to the Co-operative agenda. However, there are still significant challenges in linking the Co-operative concept to the wider public service reform agenda. Such whole system/whole place reform represents a huge challenge not just in Oldham but
nationally. Positive initial steps have been made in the form of two place-based prototypes but there is clearly some way to go still.

- How mainstreamed is it?

The Leader and Chief Executive have been integral to the development of the ‘Co-operative’ concept and approach and to what has been achieved in Oldham generally. However, the progress that has been made is not about just two people. There is good managerial leadership at Executive Director and Assistant/Associate Executive Director level. The staff that we met at all levels of the organisation demonstrated passion, enthusiasm and commitment and are really bought in to the council’s agenda and they understand and support the vision that has been established. This bodes well in terms of sustaining the achievements already made and meeting future challenges.

- What happens if key individuals leave?

Things will inevitably alter if key individuals change. However, such is the support for the vision and the council’s agenda that things have every chance of being sustained through such changes, unless of course there is a decision to change policy direction. Looking more broadly than the ‘Co-operative’ agenda, there is every reason to believe that the transformation to a strong and effective council is mainstreamed and that the council is sufficiently resilient and robust to withstand changes in leadership.

- Is the council making a difference to the place?

The physical changes in Oldham, on the back of major capital investment, and the increase in public satisfaction with the council demonstrate that the council is making a difference. The emphasis placed on districts is valued by many of the people we spoke to, who were able to outline new benefits that they saw having been achieved as a result of closer working in localities. What is taking place at the District level is clearly valued. There are still significant challenges around the public service reform agenda but positive initial steps have been made. The council and partners recognise that turning around long term fundamental issues in communities will take time – particularly given the scale of budget reductions.

- Is the council’s reputation built on solid foundations?

There is increased confidence, belief and trust in the council – which has been achieved through the building of competence and successful delivery. The council is now seen to be ‘punching above its weight’ and is one of the most highly respected and influential in Greater Manchester. Looking forward, it is important that the council remains focused, with a need to continue to make progress by building on what has been achieved – although we believe that there is no sense of the council either becoming complacent or easing off.
• Is the authority’s civic leadership approach shared with partners and residents?

The council sees one of the vital steps in becoming a more Co-operative borough as working more closely with communities at the local level. One of the key aims in establishing the District Partnerships is to strengthen local democracy and accountability. It also represents a desire on the part of the council to respect the heritage of different places and local identities within a borough context. Ward councillors are seen to be more involved and demonstrating greater leadership. They are increasingly being seen to facilitate communities and encourage more self-reliance. Some people also spoke of an increasing sense of co-operation within their communities. Thus civic leadership can be seen to be strong and building through local leaders but there is inevitably more to be done.

Through the peer challenge process we have sought to highlight the many positive aspects of the council but we have also outlined some key challenges. It has been our aim to provide some detail on them through this report in order to help the council consider them and understand them. The council’s senior managerial and political leadership will therefore undoubtedly want to reflect further on the findings before determining how they wish to take things forward.

Members of the team would be happy to contribute to any further improvement activity in the future and/or to return to the authority in due course to undertake a short progress review. Gill Taylor, as the Local Government Association’s Principal Adviser for your region, will continue to act as the main contact between the council and the Local Government Association, particularly in relation to improvement. Hopefully this provides you with a convenient route of access to the organisation, its resources and packages of support going forward.

All of us connected with the peer challenge would like to wish Oldham, both as a council and as a borough, every success in the future.

Yours sincerely

Chris Bowron
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Local Government Association