

## Leadership in Denbighshire County Council

### Introduction

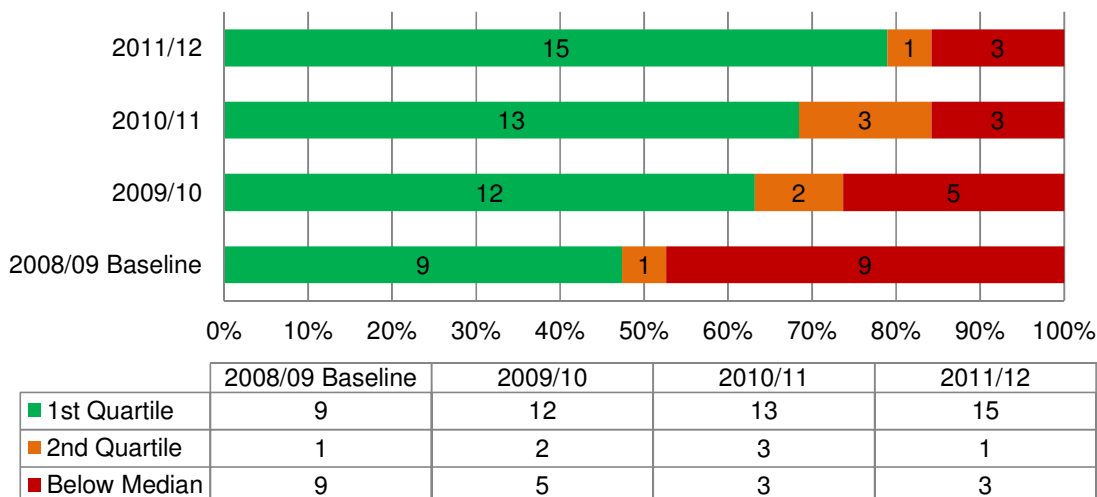
This paper sets out Denbighshire County Council’s model of leadership and demonstrates its impact on performance, culture and capacity. It does not suggest that the model works perfectly at all times or that it necessarily applies in other contexts. Nevertheless, the model has shown to be effective in Denbighshire and could be a useful reference to others.

Good Leadership is critical to improving the performance of an organisation. Where there is good leadership there is often a clear vision, the capacity to improve, a healthy culture of engagement, accountability, challenge and transparency and measurable improvements in performance. Conversely, the absence of these characteristics is often a reliable indicator of poor leadership.

Following two highly critical inspection reports by ESTYN in 2007 and the Wales Audit Office in 2008, the political leadership of Denbighshire County Council decided to focus on transformational change rather than simply attempting, reactively, to respond to the recommendations of these reports. The top priority for the council was to develop strong leadership and to engage in a process of culture change at all levels.

Five years later, Denbighshire is now recognised as one of the top performing councils in Wales. In 2009 the council pledged to become a ‘high performing council, close to its community’. It selected a basket of 19 key indicators, recognised as representing the most important nationally available measures of performance including educational outcomes; supporting homelessness; support for children in care; road repairs and waste recycling rates.

For three consecutive years since then the Local Government Data Unit has identified Denbighshire as the best overall performing authority in Wales.



**Table 1 presents Denbighshire's performance against our pledge to improve performance for all National Strategic Indicators (NSIs).**

YEAR	Rank	NSI Count	Upper Quartile	Above Median	Below Median
2008/09	7	35 <sup>1</sup>	14	(18) 4	17
2009/10	1	35 <sup>2</sup>	23	(27) 4	8
2010/11	=1	24 <sup>3</sup>	12	(16) 4	8
2011/12	1	24 <sup>4</sup>	15	(17) 2	7

There has been a transformation in the way the authority works, with a much greater focus on corporate priorities and cross-cutting scrutiny. This has overcome silos and has driven significant change and continuous improvement at a fast rate. The 2012 ESTYN inspection report of Denbighshire has graded leadership as 'Excellent'; the only authority in Wales to have achieved this grade. The inspectors described Denbighshire's way of doing business as 'Sector Leading'.

The Welsh Audit Office has come to a similar conclusion about leadership in its 2012 Annual Improvement Report for Denbighshire:

*'We found that there was clear and effective leadership by senior councillors and officers. The changes to the senior management arrangements also seem to have become quickly established. We found clear evidence that the new arrangements are having a positive impact on the leadership of the council's improvement priorities, for example in establishing an improving whole-council approach to becoming 'close to the community' and in improving the focus of work on regeneration.'*  
WAO AIR 2012

## **Denbighshire's Leadership Model**

Denbighshire County Council's leadership model has evolved over a period of five years, mainly in response to difficult inspection reports and a determination to improve. There are five fundamental principles to the model:

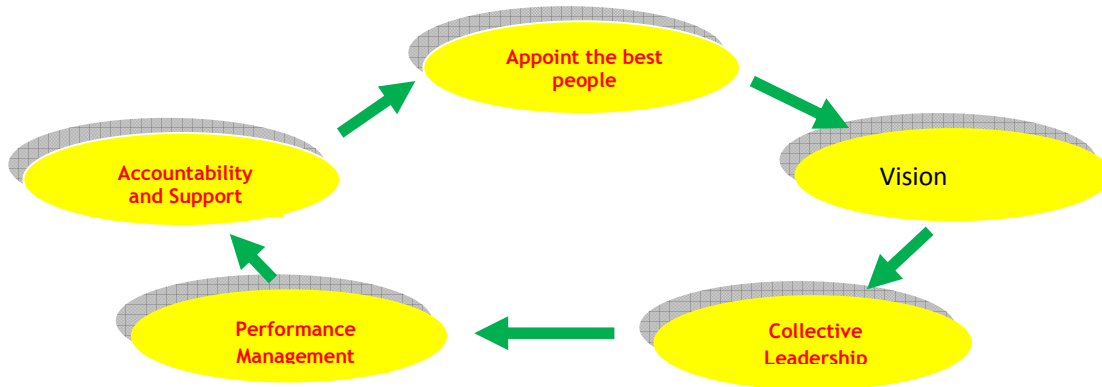
1. Appoint the best people
2. Vision, ambition and communication
3. Collective leadership
4. Performance management
5. Accountability and scrutiny

<sup>1</sup> In 2008/09, the NSI set contained 38 indicators. The 35 indicators relate to those that were published in the Local Government Data Unit statistical release of 2008/09 (excluding BNF/005, EEF/002i, and EEF/002ii).

<sup>2</sup> In 2009/10, the NSI set contained 38 indicators. The 35 indicators relate to those that were published in the Local Government Data Unit statistical release of 2009/10 (excluding BNF/005, EEF/002i, and EEF/002ii).

<sup>3</sup> In 2010/11, the Welsh Government had taken control of the NSI set. The set was revised to contain 26 indicators. The 24 indicators relate those that were published on StatsWales (excluding BNF/004 and BNF/005).

<sup>4</sup> In 2011/12, the NSI set contained 24 indicators. The 24 indicators relate those that were published on StatsWales.



### **Appoint the best people**

This seems a rather obvious starting point for building strong leadership, but in fact it is difficult to do in the Welsh context. In Denbighshire County Council there was a culture of appointing from a local pool, rather than opening up to national and international markets. Following the critical inspections of 2007 and 2008 the council had decided to advertise all senior posts nationally (UK wide) and to use recruitment consultants to ensure a strong field of applicants. Internal candidates are actively encouraged and coached up to the appointment process, but then the appointments are made purely on ability and experience.

There is no national framework or model for appointing senior public sector officials so Denbighshire has developed its own process which is now tried and tested and focussed exclusively on professional competences

This transparent approach has led to a significant change in the composition of the Corporate Executive Team (CET) and the Senior Leadership Team (SLT). Five out of six CET members were appointed since 2008 and four were appointed externally. Fifty percent of SLT, which includes 10 heads of service plus the CET, were appointed externally since 2008. There is a healthy mix of internal promotions and fresh ideas from other areas of the UK within the senior team. This mix has helped to breakdown loyalties to the previous structure and culture. The structure and composition of the senior team is kept under review and is changed in the light of performance and/or changing priorities.

### **Vision, ambition and communication**

The Chief Executive and all senior managers must be ambitious and have a clear vision which they are able to communicate to staff, members and stakeholders. In Denbighshire the vision for the council since 2009 has been to become a 'high performing council, close to its communities'. There is a culture of aiming high and not fearing the possibility of 'failing to hit targets'. There is recognition that visions are worthless if they do not permeate the organisation and if the organisation does not have the capacity to realise them.

These messages are promoted by lead members and the whole of the senior management team; reflected in Corporate and Service Plans and communicated regularly to staff and the wider community.

### **Collective leadership**

Working in silos is ineffective and expensive. Denbighshire recognised this in 2008 and started on a journey to create effective corporate governance and collective responsibility. Four directorates (and four directors) were replaced by three corporate directors who do not have service management responsibilities. Instead they are responsible for performance managing a group of heads of service and leading on important corporate priorities, for example modernising the council and economic development. Education, social care and the public realm are seen as corporate rather than narrow service priorities and all senior managers are expected to show leadership and take ownership. This has increased leadership capacity and has allowed key services to flourish within a supportive, but challenging corporate framework.

Lead member responsibilities are deliberately cross-cutting in order to avoid silo working and there is broad political consensus around an ambitious vision for the council and the wider community.

All important policy matters are debated at informal Cabinet, Council briefing and SLT prior to public debates and then consistently communicated across the whole organisation. There is a sense of ownership of the Council's agenda at all levels and managers are accessible on the whole agenda, not just their area of expertise. Members and managers understand the importance of being seen to be united and that encourages robust internal debate which in turn means generally well thought through policy positions.

### **Performance management**

For Denbighshire the performance management process starts with engaging all staff in the development of the council's priorities and reflecting these in the Corporate and Service Plans. The CEO's performance appraisal is closely aligned to the emerging priorities and established through a rigorous process, involving a group of elected members and an external moderator. The CEO's objectives are then used to establish objectives for the Corporate Executive Team and the Senior Leadership Team.

Personal accountability for performance is very important so there is a lot of attention to annual job objectives for senior staff. These are signed off by the CEO and lead members and monitored at regular 1:1 meetings. Cabinet members also have clear objectives, agreed with the Leader of the Council. These objectives are shared amongst the top team. At least 95% of staff have an annual appraisal and a mid-year appraisal review and at least 5% of appraisals are quality assured.

Cabinet receives progress reports on the performance of the council on a quarterly bases and the same report is presented to the council's Performance Scrutiny. Service Plans are monitored by lead members and can be called to scrutiny.

Staff engagement is central to the council's work. There is a comprehensive Staff Survey every other year and the messages from staff influence service plans, leadership behaviours and future priorities. Similar use is made of the biannual Residents Survey.

Each service is challenged at annual 'Service Challenge' meetings. These challenges look beyond the service plans and examine the service's self-evaluation, the quality of leadership, vision for the future and performance against best performance. These meetings are chaired by the CEO and include the whole of CET, relevant members and a representative of the Welsh Audit Office. Actions are agreed, recorded and implementation monitored.

At the end of the Service Challenge process the council produces its Self-Evaluation and this is further tested by the WAO.

There is a drive for excellence proceeded by a desire to be even better rather than a fear to fail.

There is robust risk management and there is a culture of identifying and addressing problems as early as possible and an active discouragement of behaviours that attempt to hide problems.

### **Accountability and Support**

Denbighshire has removed ambiguity from its governance structures. The management leadership team is lean and respective responsibilities are clear. Managers are responsible and accountable for their services and unnecessary chains of command and process are constantly challenged and removed.

Expectations from senior staff are high, but that goes with a supportive culture and a tolerance of calculated risk taking. There is recognition that some things will go wrong. When they do the emphasis is on how to respond and help each other to learn rather than to blame.

Lead members have individual portfolios and are accountable to the Leader of the Council for their performance.

Scrutiny is seen as absolutely vital to the challenge and improvement process and for holding the Cabinet to account. All important matters are presented to scrutiny as routine. The behaviour that is encouraged is one of constructive challenge, honesty and openness about the issues being considered. The cross-cutting nature of scrutiny means that most members of the council are exposed to most services and problems in contrast to the traditional model of scrutiny which was organised around directorates. This has meant better informed members and greater capacity.

The development and evolution of this leadership model has coincided with rapid improvements in performance.

### **Performance of the council between 2009-2012**

The council's previous Corporate Plan was for the period 2009-2012 and included four corporate priorities: state of the county's roads, educational outcomes for children, regeneration and demographic change.

## Road Condition Improvements

An example of effective performance management in Denbighshire, securing strategic focus to drive a change in service delivery and an eventual improvement for the service user, can be shown by the corporate priority on Roads and the road condition indicators.

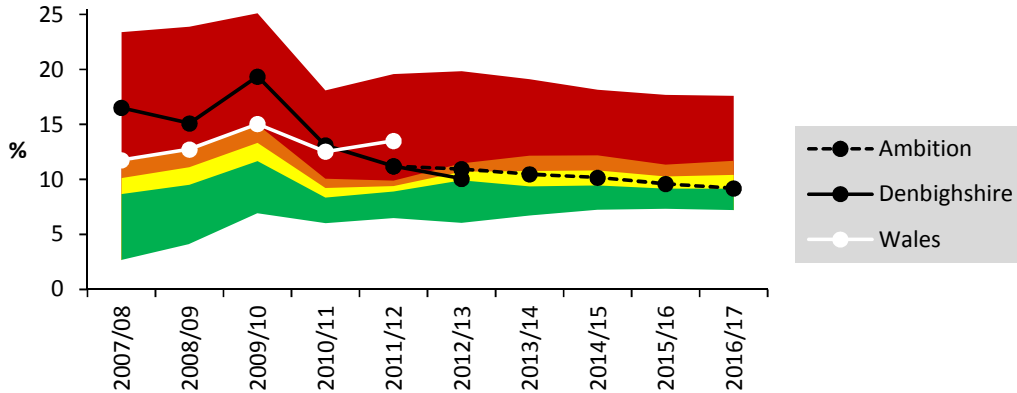


Figure 1: the combined road condition indicators presenting Denbighshire data, the background context against all local authorities in Wales, and our ambition to have reached a position of excellence by 2017.

The background colours in Figure 1 represent quartiles 1 (green), 2 (yellow), 3 (orange) and 4 (red).

## Education Improvements

Another example is the measures at key stage 4 which offer an insight into the improvement path of education in Denbighshire.

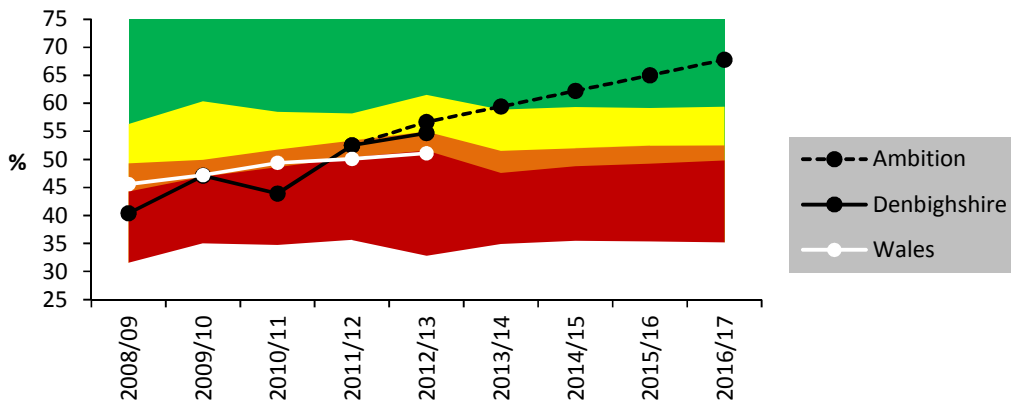
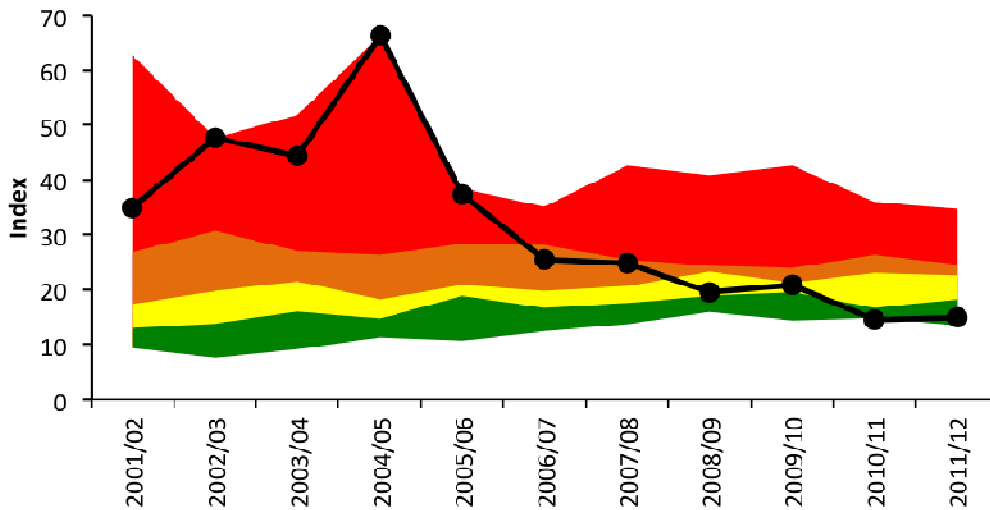


Figure 2: the percentage of pupils leaving education (at key stage 4) with the level 2 threshold including English/Welsh and maths

Figure 3 (below) is a measure to combine the current 2013/14 NSI set using all available historic data. It combines the measures by transforming the values based on rank similar to that used in the WIMD. An average score (or index) is taken from the returned values.



## Relationship between Leadership and Performance

A cynic could argue that in fact performance could improve without good leadership or that good leadership does not necessarily improve performance because the challenges are too great. For example, it is possible to show that some services in Denbighshire were performing well, even when its education service and corporate governance were failing. Similarly, it can be argued that social deprivation effectively places a ceiling on how much leadership can improve performance. This was an argument used to justify low attainment of secondary aged students.

Denbighshire's experience demonstrates the direct, causal relationship between good leadership and improved performance as can be illustrated by the following four case studied.

### Case Study 1 : High Performing Council

One of the criticisms of corporate leadership in Denbighshire before 2008 was that the council didn't know itself very well. It relied on external inspections to tell it how well it was performing in key service areas such as education or the state of the roads. Some services were high performing e.g., waste recycling and council tax collection and others were poorly performing but the council could not comment on its own overall performance or use good practice in one area to improve performance in another.

The new CEO made it a personal objective to clarify and raise the council's ambition and to establish mechanisms for measuring and reporting on progress against it. The council agreed to aspire to becoming one of the top performing councils in Wales. It defined this as a basket of strategic national performance indications, benchmarked its performance and started a drive to improve.

All members of the senior team embraced this challenge and adopted appropriate targets within their own personal objectives and service plans. There was strong political support and leadership for the aspiration and both the Corporate Governance Committee and the scrutiny function were fully engaged in driving the agenda.

For 2009/10, 2010/11 and 2011/12 Denbighshire outperformed all 21 local authorities in Wales (even though the aspiration was to be amongst the best). The culture and expectation in Denbighshire now is that the authority performs well (even if not the best) every year.

This transformation of culture and outcomes would not have happened without good leadership.

### **Case Study 2: Quality of education**

The ESTYN inspection of Denbighshire's education services in 2007 was the most critical in Wales with most judgements 'unsatisfactory' and one or two 'adequate'. The performance of schools was a cause for concern with secondary school outcomes either 21<sup>st</sup> or 22<sup>nd</sup> out of 22 local authorities.

A new Corporate Director and two new Heads of Service were appointed to lead the changes to the Education Service. A critically important strategy has been to improve leadership at school level. This has meant that a number of new headteachers have been appointed to key headship positions across primary, secondary and special schools. This change of leadership has almost invariably led to much improved schools and better standards, with only one school now in statutory category and the overall inspection profile is very positive.

The introduction of the Schools Standards Monitoring Group, as an extension of the formal scrutiny processes within the Council, has also had a significant impact. This is a Member/Officer group, where schools are invited on a rotational basis to attend and to be challenged. An additional element of challenge is the challenge for officers in the quality of support that they provide to the schools.

In order to release headteachers to concentrate more on the standards agenda, additional capacity in the form of Business and Finance Managers has been made available to all schools on a cluster basis.

### **Case Study 3: Effective Scrutiny**

Members led the debate about how to modernise Scrutiny in the Council. By working closely with officers and with senior support from the Leader and the Chief Executive, Scrutiny arrangements were transformed from the traditional service based model to a much more holistic approach based on Performance, Communities and Partnerships.

*'Councillors have played a significant role in shaping the new scrutiny approach and many councillors (including scrutiny chairs) are committed to making it a success.'* WAO AIR 2012



#### **Case Study 4: Strong programme/project management**

Strong project and programme management systems have been championed by the Corporate Executive Team in response to what was a real deficit in the Council. All Council Projects are reviewed monthly at the Corporate Executive Team and there is confidence that all major projects and programmes are captured, progress reported and appropriate intervention action taken as early as possible. An extensive programme of professional training has been delivered to Senior and Middle managers. Executive leadership has ensured a transformation in the way that the Council delivers change and that proper systems are now used routinely. Some of the successfully completed major projects of the past five years have included:

- A major schools' review programme
- Completion of the Rhyl Harbour Bridge project – the largest single project the council has managed to date
- A major reorganisation of the council's structures
- Acquisition and development on 'risky' assets, e.g., The Honey Club in Rhyl

#### **Conclusion**

This paper has set out Denbighshire County Council's approach to leadership and aimed to explain how this model of leadership works and how it directly impacts on improved performance, better culture and enhanced capacity. The model is now embedded within the council's 'operating system' and is clearly one of its significant strengths.

The paper does not discuss whether or not the model is transferable to other settings, but it does offer a contribution to the current debate about leadership capacity, how we build such capacity and its importance in driving up standards.

The paper has not considered the impact of scale on either the quality or the capacity of leadership. However, what Denbighshire has shown is that leadership capacity can be built in a relatively small local authority and that this, together with clear local governance arrangements and strong local political support can make an enormous difference to the performance of an organisation.

Mohammed Mehmet

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