



Corporate Peer Challenge **Harborough District Council**

14th – 16th March 2018

Feedback Report

1. Executive Summary

Harborough District Council (HDC) understands its communities through a combination of good business intelligence and partnership working. Officers are visible in various settings, including working with local networks of parish councils and the voluntary sector to better tailor and explain its services to residents and service-users.

HDC has managed its finances well, through efficiencies and partnerships. This has enabled it to continue to deliver high quality services. It has a buoyant business rate and council tax base, with a high level of valuable properties, large numbers of small and medium enterprises (SMEs) and a significant business park in the west of the district near the M1 (Magna Park). Magna Park brings in around 45% of the council's business rates revenue, with several multinational businesses based there, and is the UK's first, and Europe's largest, dedicated distribution location. This provides economic growth and income for the council, which, with continued good financial management, should support its ventures in future.

HDC's strong financial performance has, however enabled a cautious and risk adverse approach to commercialism. There have been limited commercial explorations, but to date these have focused on income generation streams and opportunistic shared services arrangements. Officers are working to a long-term goal of being financially sustainable through building the business rates and council tax base, to continue to deliver good quality services to local communities. Expanding the approach for commercial activity will help contribute further to achieving sustainable long-term finances; the approach needs to be shaped more strongly and overtly by members.

As well as providing a steer for the council's income generation activities, members can add some clear value to the longer-term ambition and strategy for the council's economic growth aspirations. This will help to ensure that planning and other strategic decisions are working towards the direction.

Members are very focused on ward interests, and are good at responding to residents' concerns. This was reflected in their discussions with the peer team about how residents' views determine how members vote on individual issues. Members need to be given the support to also focus on strategic priorities, and ensure that they are acting in the best interests of the whole district.

HDC has good, dedicated, highly motivated staff who are well thought of, by each other, members and partners. Staff are professional, knowledgeable, and enjoy working for the council. They appreciate the investment in their skills and knowledge, and in turn work hard to deliver members' programmes. However, responding to member requests for detailed information has an impact on their capacity, and can divert limited resources away from strategic priorities. Clear discussions and awareness around the Member/Officer Protocol may be needed to achieve a good balance between answering members' detailed requests, and focusing on customer service and strategic priorities, which are also important to members. This means councillors need to be open to appropriate and robust challenge from officers when needed. Similarly, officers need to be empowered to

pushback where necessary, able to support members' strategic role, and resist the temptation to share day-to-day operational details with councillors.

Business and project planning, delivery and decision-making processes could be more efficient. There is a lengthy approval process for projects and reports, and this impinges on staff capacity due to the high project administration burden.

HDC is the largest contributor to the Leicestershire Local Enterprise Partnership (LLEP)'s pooled business rates, yet it is not always clear to everyone what they get for that contribution. Officers and members need to be able to challenge partners, such as those in the LLEP, particularly around efficiency, the council's expectations for the return on its investment and the commercialism agenda.

The change in leadership provides an opportunity to build on strategic relationships with the partners, including with Leicestershire County Council, and to explore areas of common interest and benefit, and clarify how both councils will work with each other.

Having new political leadership also provides a timely opportunity to build an administration and political leadership team which can articulate and achieve the benefits of its long-term strategy. An area for investment should now be to consider how senior members will work together, and with officers so that they can collectively deliver that strategy.

2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' (see Appendix 1) and practical actions. This is in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the council:

1. **Clarify the council's approach to commercialism and where this fits within its overall approach to finances.** Developing a more commercial and income generating approach will not create sustainability on its own, but could be more clearly thought through and build opportunities for the future.
2. **Develop a strong team approach within the Executive.** Use accredited tools (such as Myers-Briggs Type Indicator (MBTI), TMS personality types or Belbin team roles) to identify and understand team skills, preferences and ways of working. This could be a precursor to the executive being clearer on its vision. The LGA can support you with this. Such work could then be extended to include the Corporate Management Team (CMT), and other members in key roles, such as the Chairs and Vice-Chairs of the council, of Scrutiny and of Planning. This would help to ensure that officers and members are working well together to deliver the best for the District.
3. **Develop a partnership approach to economic growth for the district.** The council should work with partners to explore and agree a new strategy to set out the long-term aspirations for the area.
4. **Consider the Head of Paid Service title.** Changing the job title from Corporate Director to Joint Chief Executive could clarify and recognise the position of the role as a shared post at the very top tier of management.
5. **Streamline project and programme management systems.** There are several major projects running at the same time, often managed by a small number of people. Streamlining processes and prioritising projects through programme management, and perhaps some rationalisation, will ensure an efficient use of resources and release some capacity.
6. **Clarify and simplify report processes.** Reduce the levels of approval needed to get a report agreed, and have a single template with a cover sheet that can change for different audiences. Using a good proof reader who is not a senior officer will improve efficiencies. Reports presented to member committees and full council should be presented by Portfolio Holders, with officers in support for technical input if required.
7. **Improve attendance at member development sessions.** For example, by holding sessions immediately prior to other council meetings or committees. Ensure members are regularly updated on changes to council roles, responsibilities and opportunities. This is particularly relevant to mandatory training (such as planning and licencing).
8. **Robust conversations are needed.** Seek new methods of communicating and negotiating internally and externally. Officers need to be able to challenge and negotiate

with members, and members should be open to this challenge. Officers and members need to be able to challenge partners, and hold each other to account.

3. Summary of the Peer Challenge approach

The peer team:

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected because of their relevant experience and expertise and the team was agreed with you. The peers who delivered the peer challenge at Harborough District Council were:

Patricia Hughes:	Joint Chief Executive, Hart District Council
Cllr Duncan McGinty:	Leader, Sedgemoor District Council
Terry Collier:	Deputy Chief Executive, Spelthorne Borough Council
Kirsty Wilkinson:	Business Management Partner, Newcastle City Council
Joe Garrod:	Regional Programme Manager, One Public Estate, Local Government Association
Emily Hackett:	NGDP Graduate Trainee, Mayor's Office, West Midlands Combined Authority
Becca Singh:	Peer Challenge Manager, Local Government Association

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas the LGA believes are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

The peer challenge process

Peer challenges are improvement-focussed and tailored to meet individual council's needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals and it is not an inspection. 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 for the peer challenge by reviewing a range of documents and information to ensure they were familiar with the council and the challenges it is facing. The team then spent three days onsite at Harborough District Council, during which they:

- Spoke to around 80 people: a range of council staff, councillors and external stakeholders.
- Gathered information and views from 24 activities: meetings, phone calls, visits to key sites and additional research and reading.
- Collectively spent around 300 hours to determine the findings; the equivalent of one person spending nearly nine weeks in HDC.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (16th March 2018). In presenting feedback, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. Some of the feedback may be about things that have progressed since the team was on site.

4. Feedback

4.1 Understanding of the local place and priority setting

HDC has identified three strategic priorities which are:

The Place: An enterprising, vibrant place

The People: A healthy, inclusive and engaged community

Your Council: Innovative, proactive and efficient

The peer team heard how HDC is maximising the value and benefits of leisure and culture, valuing and promoting economic development and delivering the Local Plan as ways to deliver on these strategic priorities.

The Harborough Innovation Centre has provided Small and Medium Enterprises (SMEs) with start-up space and is highly successful with 90 percent occupancy rates and a significant number growing their businesses. SMEs are keen to encourage HDC to explore how it can provide grow-on space within the district and the District is working proactively to advance this agenda. This is a good and productive idea that the team considers to be notable practice.

Imaginative engagement methods are used to inform and consult with residents. For example, to reach every household effectively, HDC used tags on bins to explain and promote the consultation on leisure services. This approach generated a high level of responses and the team feels that HDC could consider this as a means of engaging communities on other areas of the council's business.

The recent Residents' Survey was the first for several years. The peer team encourage HDC to carry this survey out on a more regular basis. Currently, HDC appears to rely on census data for population information although more recent indicative demographic data is available. A more frequent residents' survey could provide HDC with an even better understanding of the district's communities.

Business intelligence could be used more consistently and effectively underpinned by a clearer and more widely shared understanding of its value. The peers found that some council teams were not aware of business intelligence and the value of utilising this effectively. The peer team encourage the Business Intelligence Team to consider holding regular update training for the various teams in the council to improve the understanding of the benefits of deploying and using intelligence. On a more ongoing basis, the Business Intelligence Team may wish to consider attending other team meetings to discuss how its work could add value to the work of other teams.

4.2 Leadership of Place

HDC is in an enviable position of being geographically well located. It is growing economically whilst managing to maintain its attractive green spaces and rural heritage. HDC has good rail and road links. The district also benefits from a highly educated working-age population which compares favourably to other Leicestershire districts. Harborough District Council is therefore better placed than most other areas to take advantage of the commercial and economic growth opportunities that could be available in future. The district would benefit from having a strong narrative and clear strategic

approach to manage this growth. Stronger management of major developments such as the Magna Park extension and the Strategic Growth Plan provide an opportunity for Harborough to remain in full control of its future growth.

There has been a clear council focus on supporting and growing SMEs. HDC provides good support to SME business innovation and growth, including developing the tourism sector. The team heard very positive feedback from SME occupiers of the Harborough Innovation Centre. For example, occupiers clearly saw the benefits of the council-backed Pioneer 10 programme, a free business award and growth coaching programme for entrepreneurs in Harborough.

There is a significant concentration of large automotive and logistics employers in the district, which are key to long-term financial sustainability. Magna Park is strategically important to the logistics sector and Bruntingthorpe Proving Ground to the automotive sector, both locally and nationally. HDC's officers have built good relationships with these employers and have helped them to engage with local communities about future developments. This is through the Magna Park community liaison group and open days for residents at Bruntingthorpe. HDC could further expand this work with large employers, to develop sector plans and link them to the LLEP's Logistics and Distribution Growth Plan.

There would appear to be **opportunities for members to engage more with the relationships at a sub-regional and regional level.** To do this more effectively, the team believes they will need to focus more on district-wide, strategic issues than on the local impact at a ward level. They may find themselves better placed than has been the case to more fully understand the long-term effects of all council decisions. One such example was the LLEP plan to establish an Institute of Technology on the proposed Magna Park extension. The initiative would have been likely to benefit the wider district and its residents and had support from Planning Committee and Planning officers. However full Council rejected the extension proposal and LLEP is exploring locations out of the district meaning the opportunity for growth in Harborough appears to have been missed.

There have been some early successes in delivering new affordable housing, using sites that the council owns. HDC has worked with a local developer to build small-scale developments at the Great Glen former garages site, and with Waterloo housing through co-development or joint financing schemes. The lack of a five-year land supply means that a sustained effort will be needed to continue meet HDC's affordable housing targets.

Partners from different sectors, including neighbouring councils, enjoy working with HDC. Organisations from the voluntary and community sectors, along with parish councils, highlighted the support and flexibility that the district council provides. Some felt that more support would be useful where services have been devolved to them (for example play areas) but overall consider HDC to be a good partner.

The Corporate Directors are well-known and respected by partners. However, there is sometimes confusion externally over what their role is, with comments that the authority has "no-one at the top", especially since the change of Leader of the council. Partners indicated that the external perception of leadership at HDC would improve if the

Corporate Directors' job title changed to Joint Chief Executive, which in effect is the role that they fulfil.

There is an opportunity to further develop a better strategic relationship with the County Council. The HDC Leader's forthcoming meeting with the LCC Leader is an ideal opportunity to develop this, by making this a regular, strategic, meeting. Harnessing the knowledge of members who are county as well as district councillors, encouraging them to make the relationship two-way, will increase HDC's visibility at the county level, and ensure that district councillors better understand the more strategic role of Leicestershire County Council.

HDC is a major contributor to the pooled business rates fund at the LLEP. The team heard the view from several sources that HDC may not be getting as good rate of return as it might from this contribution. Robust conversations are needed between partners to clearly explain how the council feels about what it is getting from the LLEP and explore what can be changed or improved. There appears to be an opportunity for the council to encourage Harborough businesses to engage more proactively with the LLEP.

4.3 Organisational leadership and governance

The new Leader's collaborative approach offers many opportunities for members to engage with decision making processes and this has been welcomed. Backbench members feel included and able to influence policy, irrespective of their political group. They regard this as a positive development. Some members and officers described his approach as "a breath of fresh air". Now is a timely opportunity to build a senior political leadership team who can articulate and sell the benefits of the growth agenda as its long-term strategy.

Members are representatives of their ward and focus on local issues, although this can be at the expense of district-wide strategic issues. All members the team met were clear that decisions they take should be based on what the residents tell them that they want. However, the team's view is that the role of councillors is also a strategic one in which they use their local knowledge and experience as elected representatives to take decisions that set the direction of the council across the whole district. Members developing and communicating a long-term vision would be a strong message for the community and for partners. This includes them being open to appropriate and robust challenge, and understanding how decisions taken now will have an impact for many years to come. The LGA can support this future scanning process, bringing all members together, along with senior officers, to establish a clear ambition and commitment.

Decision-making processes can be cumbersome, and outcomes are not always clear. For example, public engagement at Planning Committee is not currently equitable, and is weighted more towards objectors than applicants. This means that planning committee members, and the public who attend the committee, will not always have balanced views on applications. The council should finalise the 'Constitutional Review', and ensure that the scheme of delegation is fit for purpose providing members with the confidence to make timely decisions. A constitution can be a living document which develops and evolves as circumstances change. Individual elements could be changed without having to review the whole constitution.

Professional relations between members and officers are generally cordial and constructive. There is some awareness of the Member-Officer Protocol although the team heard that both are reluctant to use it. Officers said that they are keen to be helpful, responding to members' queries. However, the level of detail members request has a significant impact on staff capacity and potentially, service delivery. The peers suggest that HDC should, alongside the Constitutional Review, ensure that member-officer relationships are discussed more openly. Senior officers should be able to push back to members when they are asking for details over strategy and policy, and particularly over every day service management. Members and officers are a team, working on behalf of the residents in the district and it is important that there is clarity on responsibilities, roles and delegation.

Officers believe that the Corporate Directors are open, positive and motivating, and that they have an effective working relationship with each other and with staff. The 'Head of Paid Service' role currently alternates every six months. This has caused some difficulties, when members ask to speak to "whoever is currently Head of Paid Service" instead of relating to both Corporate Directors as equal. HDC may wish to consider the title of Corporate Director and whether wording the post as Joint Chief Executive may describe the role better and avoid doubt with members and partners.

HDC has invested in staff and provided great levels of training and development opportunities. This includes a significant, valuable investment in leadership training, across the council, including ensuring all CMT have completed ILM level 5 in leadership and management. There are a range of different briefings and communications. The great physical working environment helps the effective engagement across all levels. Heads of Service and Service Managers all have effective relationships within their own groups. There is a good working relationship between Unison and CMT. The peers encourage HDC to consider providing opportunities for service managers and frontline staff to be involved in creating future strategy.

4.4 Financial planning and viability

The council is in a strong financial position compared to many councils. It has delivered net savings (more than £3m to date) through income generation and efficiency measures. It has healthy reserves, and has set aside funds in these reserves to support a managed approach in the medium term to close the budget the gap. Growth ambitions have been built into the 2018/19 budget.

There is a healthy growth in tax base, although with some exposure to volatility on business rates on appeals. The council has prioritised encouraging and developing the SME sector in the past, but has only recently begun working with the larger businesses in the district. The peer team encourage HDC to continue to build on this. The impact of losing even one major employer would be significant be on the council's retained business rates income streams.

The strong financial performance to date has encouraged a cautious and risk averse attitude to commercialisation, probably because funds have not been as stretched as in some other councils. There has therefore been limited consideration of a strategic approach to commercialism, despite a desire to be a more commercial council. HDC's geographical location gives it an advantage over other district councils of a similar size.

The council could consider developing a wide-ranging commercial approach by learning from others that are already a significant way along that journey. All decisions could be led by HDC's commercial approach. This could include a more robust challenge of partners to ensure value for money and the diversification of treasury management investments to improve returns (in 2016/17, the £99k income on £14m reserves could be improved on). This would maximise income and enable services to develop further. Every council must develop its own appetite for risk and return. Like many other councils, **Harborough would benefit from further consideration of its commercial approach to ensure it is fit for purpose and contributes to local vision and ambition.**

HDC is exploring setting up a housing delivery company with other councils. However, there is more work to do on clearly identifying the objectives of the company and using this to identify what structure will support delivery. The peers suggest that this, or another delivery model, is progressed as quickly as possible. This could enable Harborough and its partners to proactively shape development sites and new communities, generate income through the efficiency of working with others, and use the income to continue to deliver good services to residents and customers.

The current Medium Term Financial Plan runs until 2020. The team encourages HDC to look beyond 2020, and plan for a range of potential financial scenarios considering the general, sector-wide uncertainties beyond 2019-20.

Like many councils, HDC has kept Council Tax levels relatively steady. This will have introduced a degree of challenge in ensuring long term financial self-sufficiency, but has **clearly been balanced against understandable political considerations. Increasing self-funding is dependent on growing the Council Tax base (from new housing), but also on the level of any Council Tax increases (which compound over time). The peers encourage HDC to scenario plan different levels of housing growth and different levels of Council Tax increase (including no increase) over the next few years to help understand the risks and benefits of different approaches.**

4.5 Capacity to deliver

HDC has good, dedicated staff who are well thought of, enjoy working for the council and are clearly dedicated and passionate about working here. The peer team heard positive feedback from members and partners about officers. Staff expressed that they are happy with the current management arrangement and approach. Overall, staff at all levels were happy with the refurbished Symington Building and the remote working opportunities available to them. While staff appreciate the STAR staff awards, there appears to be more to do to ensure that staff not based within the Symington Building feel a part of this recognition scheme. More widely, **staff at all the council's various locations would welcome greater visibility and clearer engagement with management.**

The council has recognised that previous staff reductions have meant that there are some areas, such as planning and economic growth, that are under strain. It is using its relatively healthy financial position to invest in these key services to ensure that there is capacity to deliver major projects. Heads of Service are invited to put forward a business case which demonstrate the value of the extra funds or staff to the Corporate Directors. There are examples such as the reorganisation of the Assets Team, which demonstrate that a good business case will generally be funded.

HDC has a pragmatic approach to different delivery models. It has acted opportunistically, sharing services and individual posts and monitoring them to see whether they work for the district. This includes the Revenues and Benefits service (shared with both Hinckley and Bosworth Council and North West Leicestershire District Council), delegating the contact centre to Charnwood, establishing a Building Control partnership, and sharing enforcement work with the police. This has provided resilience, improvements and sustainability. This has grown organically, with HDC taking advantage of different opportunities that have presented themselves on a piecemeal basis. A more strategic approach, coupled with a strategic view on commercialism, could provide the council with even greater operating efficiencies.

Decision-making and planning processes are compounding capacity issues, whilst at the same time not being used consistently. Some teams have yet to fully develop team plans or have them challenged by CMT. The team heard on several occasions, at different levels of the organisation, that service planning and monitoring processes are time-consuming and stretch staff capacity. In some instances, it is not clear how the processes are enabling services to be more customer-focused and efficient. For example, the performance management system (TEN) is extremely detailed, and information can be presented in a thoroughly flexible way. This is an excellent tool for providing information on performance, but it was not clear to the team whether staff time needed to collate and input the data is providing value to help Heads of Service manage and improve performance. Key actions and performance indicators are set by CMT and teams are subsequently expected to define and identify their role in their delivery. CMT may find value in exploring different ways in which performance can be managed to give greater ownership and value at team level.

Reports to inform decision-making are also stretching staff capacity. Currently there are different templates for each stage of a report to members covering pre-executive, executive, pre-scrutiny, scrutiny, and full council. This means reports are revised or re-written for each stage in the decision-making process, even if no material changes have been made to the content. The peer team encourage HDC to agree on one template with a flexible cover sheet allowing one report to be used for different audiences and stages of the decision-making process.

Members' focus on detail, and ward-level issues, mean that many of them feel that they need lengthy, sometimes operationally detailed, reports to make decisions. All members (and all staff) have access to all performance data on the TEN system. Although this has been done to be fully open and transparent, it has had the unintended consequence of collating and providing information at a level of detail that may not be necessary for all members and teams equally. The peers felt that the priority is ensuring members have strategic information, whilst more operational detail is better deployed for service delivery and planning. The council would benefit from clarifying what the most appropriate levels of information need to be shared more widely than team level, and how to use this more effectively to improve services.

5. Next steps

Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on several of the areas for development and improvement and we would be happy to discuss this. Mark Edgell, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). He can be contacted by emailing mark.edgell@local.gov.uk.

In the meantime, we are keen to continue the relationship we have formed with the council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

Follow up visit

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 2 years.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the council will commission their next Peer Challenge before 2023.

Appendix 1: Quick Wins

- Move Leader's office to third floor.
- Install corporate vision materials in the lobby of the Symington Building so that staff and customers on the ground floor can see them, and the public will better understand what you are trying to achieve for them.
- Print a copy of members' photo profiles and have visible in council building
- Visit councils that are renowned for their commercial approach to help develop your own approach (e.g. Eastleigh, Rushcliffe).
- Assign a proof reader for all reports.
- Use one report template for all meetings, changing just the cover sheet.
- Skype all staff and core briefings to reach all staff in the building and other sites.

Appendix 2: Notable Practice

- Engagement reaching every household – use of tags on dustbins to inform residents of changes, or promote a specific consultation.
- The Lightbulb Project, which was recently recognised at the LGC awards (2018)
- Support for the SME sector:
 - Pioneer 10 programme.
 - The Harborough Innovation Centre is a great example. Unlike many similar facilities that are full of public sector and quasi-public-sector occupiers, Harborough's setup is solely tenanted by private sector SMEs, many of which are genuinely innovative.
- Harborough were also shortlisted for an LGC award (efficiency category).
- The Symington building as a hub for both public and private partners.

Appendix 3: Signposting

- Commercialism – Eastleigh Borough Council has a wide-ranging approach, including a Commercial Director post which is separate from the Section 151 officer role. Rushcliffe Borough Council has a different approach, with various examples of commercialism in different services and in decision making.
- Report templates – Hart District Council, Newcastle City Council.
- LGA Support to the Executive around the vision and priorities for the future.
- LGA Support to the Leader providing opportunities to engage more broadly outside the region.
- Constitution and Delegation to Officers - Mendip District Council.
- Public Speaking at Planning Committee – Sedgemoor District Council, Hart District Council, Spelthorne Borough Council