Corporate Peer Challenge

East Hertfordshire District Council

December 2012

Report

Background and scope of the peer challenge

On behalf of the team, I would just like to say how much we enjoyed spending time in East Hertfordshire to work with you on the recent corporate peer challenge. The team very much appreciated the welcome we received, the openness and honesty with which people engaged in the process and the support provided in the lead up to, and during the course of the challenge.

It is testimony to the spirit of East Hertfordshire District Council that it invited and commissioned the peer challenge. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

- Ruth Marlow, Managing Director, Mansfield District Council
- Councillor Neil Clarke, Leader of Rushcliffe Borough Council
- Rachel North, Director Communities and Localism, West Lindsey District Council
- Nick Sharman, Director of Local Government, A4e Ltd
- Neil Shaw, Programme Manager, Local Government Association

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 and transformation?

❖ Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

The council shaped the process to examine three specific issues:

❖ Members as community leaders

❖ Developing the organisation

❖ Customer Service – 'Here to Help'

The first two of these themes fit into the guiding questions all corporate peer challenges explore (leadership and organisational capacity). 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 we were in Hertford and, in particular, expanding upon those areas that we highlighted as likely to benefit from some further attention. This report sets out those findings.

Executive summary

East Hertfordshire District Council has undergone substantial transformation and continues to do so. It is a sound council, delivering good services with a high level of satisfaction from residents and underpinned by a healthy financial base. It is well focused on the residents and communities it serves.

It has already achieved much by making structural changes, sharing some services, streamlining services and remodelling its approach to customer service.

The council has articulated a bold vision for elected members to be community leaders and to become a more enabling organisation, supporting residents beyond the boundaries of district council service delivery and this is captured by the council aspiration of 'Here to Help'.

The council has begun to further develop the community leadership role of members by developing ward profiles, having for some time been providing small grants to support local community groups, working with the district's town and parish councils and using its community development team to support activities at a very local level. The council invited the peer challenge because it wanted to do these things even better.

To take this work to the next level, the council needs to convert this aspiration for greater community leadership into stronger delivery. The Leader's clear vision for community leadership has yet to fully translate through to all members and the council more widely. The council needs to clarify the community leadership role and examine how the organisation can better support members to put the role into practice.

Further progression towards a community leadership approach will need the organisation to continue to change. This is likely to mean clarifying the process for handling local issues that come back into the organisation from members, aligning council resources to support the role and providing supporting officer capacity.

The council needs to ensure its organisational culture supports the transformation of the organisation. There is a 'friendly and helpful' atmosphere throughout the organisation. The council can learn much from its coal face led approach to managing change in areas like the parking service. Replicating this approach with on-going and meaningful engagement with staff, putting frontline staff's experiences at the heart of the solution and having a clear focus on customer service, could be a model for handling future change in the organisation. Sharing services with other organisations also needs to be explored more extensively to build resilience in services.

The concept of 'Here to Help' needs to be defined more sharply. This includes outlining the stages by which it will be implemented. It needs to be shaped around the needs and demands of individual services. IT should be a significant enabler of this future approach. This is currently not the case and the council needs to develop a clear IT strategy which

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includes how IT will be used to shift service channels, support the back office, co-ordinate information in a joined up way across the organisation and enable different services and sites to work together seamlessly.

As well as evolving some of the systems and processes, the future council will need to be underpinned by staff that are empowered to be flexible, adaptable, and innovative

Detailed findings

Members as 'community leaders'

The Leader of the Council and Executive members provide strong political leadership. Although the Corporate Management Team (CMT) has only been recently formed with its current membership, a good relationship exists between Executive members and CMT. Senior officers and staff demonstrate strong commitment to providing good services.

The council has aspirations to develop and embed the community leadership role of members. A number of developments have taken place upon which the council can further build the community leadership role, including:

- delivering a member development session dedicated to understanding community leadership
- the development of ward profiles mapping local groups and contacts
- long established small grants available to facilitate and support local community group activities
- on-going working relationships with the district's town and parish councils
- a highly regarded community development team supporting work and activities at a very local level
- an active and ongoing member development programme, including a member action learning set
- a member information bulletin

However, there is not a common view of what community leadership might mean for members and the council in general. The key challenge is to convert the council's aspiration for community leadership into delivery.

The Leader's clear vision for community leadership has yet to fully translate through to all members. This is understandable as the aspiration is challenging and bold. For community leadership to work the council needs to grapple with two headline issues: the clarity and definition of the role and how the council can support members to put the role into practice.

The council needs to develop its own definition of community leadership and decide how far along the spectrum of community leadership it wishes to go. East Hertfordshire has vibrant, aspirational and well informed local populations. This is fertile ground for greater community leadership based around the different communities of the district.

It is for the council to define its own vision for community leadership. However, this is likely to centre on the following aspects of the role:

- working even more with other agencies and other local 'agents'
- exploring opportunities to commission and co-produce services
- empowering local communities
- supporting the vulnerable to have a 'voice'
- building relationships and networks
- influencing direct service delivery from the district council and other organisations

More extensive community leadership will need the organisation to change. The council is largely progressing on 'business as usual'. A decision on where on the community leadership spectrum the council wants to be is key. Depending on the range of community leadership models the council wishes to embrace, it will need to ensure its services evolve the appropriate flexibilities to be supportive of the approaches adopted.

The council will need to more effectively support members in embracing their community leadership role including supporting members to agree their own understanding of the community leadership role. This is likely to mean that the role is undertaken in different ways by individual members, guided by some overall principles about the role. The council needs to determine specifically what this support might mean.

Depending on the model adopted it may be helpful to:

- agree some overall principles for members to help guide possible community leadership roles
- clarify the processes for handling local issues that come back into the organisation from members
- align district council resources to support the role. Part of the New Homes Bonus and existing small grants might be used to pump prime community led activity
- possibly provide the community leadership role with supporting officer capacity – based around senior officers and using the community development team to support activities on the ground (although the resources required for this approach would need to be carefully considered)
- introduce ward walks with senior officers and ward members
- use IT to better support ward profiles
- use informal member development sessions to explore the role and learn from good practice within (and from outside) East Hertfordshire

The council is undertaking some interesting work through its scrutiny function. Scrutiny members now need to set their own agenda for work programmes more assertively; build on some of the successes of scrutiny and use opportunities for scrutiny to be more focused and more outcomes orientated while considering how officer support could be best utilised.

Developing the organisation

This continues to be a council on a positive journey. It has achieved much by making structural changes, sharing some services, streamlining services and achieving a number of financial savings. An overall streamlining of management and the reduction in posts has helped the council be a leaner organisation.

The external Investors in People assessment highlighted a range of positive work the council has undertaken to develop its workforce. This includes implementing flexible working and home working in some key services. The council positively supports apprenticeships and has been recognised locally by Hertford College for its work.

The peer team explored the council's organisational culture. A full summary of the exercise, based on feedback from 53 members of staff, is attached as an Appendix. There is a 'friendly and helpful' atmosphere throughout the organisation. Staff have a generally good understanding of where the council is trying to go, recognise that the council has undergone significant change recently and overall would recommend the council as a good place to work. These are good positive elements on which to build further.

The council has taken positive action to further improve its approach to working with staff, including; refining the appraisal system, undertaking systematic all staff briefings and offering training and development. Overall, there are positive indicators that staff morale is generally good, especially given the changes that have taken place in the organisation.

To make further progress, a reappraisal of strategic HR policy and practice is needed to reflect the future challenges in particular how the council will adapt its corporate communication systems and staff support arrangements in the light of new ways of working such as home working. This needs to be in place prior to embarking on significant further change.

Supporting staff through change is always challenging. The council can learn much from the whole team approach to managing change in the parking service. Replicating this approach with on-going and meaningful engagement with staff, putting frontline staff's experiences at the heart of the solution and having a clear focus on customer service, could be a model for handling future change in the organisation. The recent changes to the delivery of the revenues and benefits service would have benefitted from a similar approach. The council needs to consider how it can move quickly to address some problems that have arisen relating to workforce corporate communications and support in the light of these recent changes.

The reduction in overall council headcount has squeezed staffing resilience in some service areas. Sharing services with other organisations is a route to maintaining or improving service quality, staffing resilience and potentially a financial saving in the longer-term. Examples already include a shared procurement function with North Hertfordshire and revenues and benefits with Stevenage. Although the council does share services with other organisations, this could be taken further.

Although no specifics were identified specifically during the peer challenge, the organisational culture exercise and other feedback from staff indicate that some parts of the organisation are not all that good at working well together across service boundaries.

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This needs exploring in more detail which the peer team were unable to examine in detail. However, the organisation culture exercise indicates a disparity between senior and operational officer views in terms of understanding how staff feel valued by the organisation and the council's ability to see change through to a conclusion effectively. Whilst these are only perceptions, they are important in terms of how the council views future significant change. Further detail is available in the Appendix.

There needs to be a greater focus on behaviours which will underpin the council in the future, including; building trust, flexibility, adaptability, enabling/empowering and innovation. Anecdotal feedback from the staff the peer team engaged with indicates that staff would have greater confidence in senior officers if they were more visible, received more feedback, were more approachable, got staff more involved (asking staff opinions) and valued operational staff to a greater extent.

Financial planning and viability

Although the council did not ask for a specific focus on finance, this is a core component of the LGA's corporate peer challenge model. It also complements the examination of how the council has the financial capacity to address its future challenges.

The council's current financial position appears sound. This is a considerable achievement in a time of significant public sector spending reductions. Last financial year the council managed its revenue spend effectively with all services managing expenditure within their budget limits. There is a sound reserves position.

The council has a clear Medium Term Financial Plan (MTFP). Overall savings targets have been achieved to date and the council is on track to achieve future projections. Budget pressures and risks have been identified and accounted for in the MTFP. The council is planning for future financial challenge including the next Comprehensive Spending Review.

Although there is a clear financial plan, issues around the resources and savings programme are not as well understood by all members and some senior officers as the peer team would have liked.

There are potential risks of not communicating the financial pressures around the organisation. The future risks around funding reductions needs to be actively managed and risk mitigated, for example, the future use of the New Homes Bonus to support the council's revenue budget.

The council is likely to experience challenges from the impact of welfare reform. The council is aware of this, but this is still likely to be a significant financial challenge with the introduction of universal credit in 2013 and the council needs to continue to plan for the impact of this. Going forward, in reviewing future priorities and budgets it will be important for all councils to continue to:

- test resource allocations against priority outcomes

- consider pump priming new methods of early intervention to change demand for services in future
- ensure value for money through on-going effective contract monitoring and management of contracted services
- explore future opportunities for asset rationalisation, customer service channel shift and greater and more agile working

Customer Service – 'Here to Help'

The council describes itself as an organisation that is 'Here to Help'. Transactional customer service is good. Customer satisfaction is also high, with around 77% of customers thinking their contact was 'good' in 2012. This is a good platform for the broader initiative to help local people. The closure of the Bishop's Stortford office and redevelopment of the customer service centres at the Bishop Stortford and Hertford sites has given the council a more seamless and joined up approach and better facilities to deal with customer service issues. The sharing of the Bishop's Stortford centre has included shared site costs with Circle Anglia. Feedback from the community groups the peer team interacted with was positive in respect of their interaction with the council's Community Engagement team. The groups commented on the support they receive in terms of grant applications. The organisation culture exercise also identified that operational staff believe they are currently delivering good quality customer service.

However, there is a need to define the concept of 'Here to Help' more sharply. This includes outlining the stages by which it will be implemented. Staff do not fully understand and in many cases do not support the principles of the council being 'Here to Help' especially as there are fears that it puts the council's reputation at risk in relation to service's for which they do not have responsibility.

Clarifying the concept should draw out which issues 'Here to Help' is trying to address. This can build on existing thinking and planning which has already been undertaken moving services from being largely reactive to an approach to customer service which takes a more holistic approach to the issues raised by local people at the point of contact with the council. This thinking should include how the council can help local people solve their own problems.

The aspiration of 'Here to Help' is not translated through to the front line in its intended sense. Staff feel it is a contradiction in light of the reduced resources on the frontline and some growing demand and complexity of the service issues being presented. 'Here to Help' is generally viewed as a reactive process to complaints and enquiries.

'Here to Help' needs to be shaped around the needs and demands of individual services. There needs to be a clear vision about how 'Here to Help' is different, how it will be delivered and resourced. The council needs to engage with the frontline to plan how this will work for each service area and identify how this will work 'on the ground'. It also needs to explore the supporting back office infrastructure to support this, including how the council uses its people and how this is supported by an effective IT infrastructure.

Major parts of East Hertfordshire's services are contracted. The implementation of 'Here to Help' needs partnership and agreement that the appropriate values and behaviours are embedded with contractors' frontline and supervisory staff.

Management of external contractors is a key issue where their policy needs to be better articulated and shared. In general there are positive relationships with the key contractors. However, there is no clear overall vision of the challenges of partnership working with suppliers which would enable the 'Here to Help' philosophy to be implemented at the front line. The future approach should be underpinned by the council developing a clearer framework for contract management officers working with contractors which emphasises the need to build strong operational and strategic partnerships with providers. This will include further drawing in contractors to discuss both policy issues and their implementation at operational level.

IT is not being used effectively to enable services. The council is developing a shared IT service with Stevenage and needs to address some fundamental issues which should be part of the shared services agenda. At its heart, this will require a clear IT strategy which would include how IT will be used to shift service channels, support the back office, co-ordinate information in a joined up way across the organisation, enable different services and sites to work together seamlessly.

The shared IT service arrangement will take some time to commence and begin to make an impact on improving IT on the ground. It is likely that the council will need to take some interim action both to create an outline IT strategy and to make some carefully though through investment in IT to improve customer oriented services over the next 6-12 months.

There are likely to be benefits from exploring if the council can integrate more extensively with other agencies and co-locate. Possible examples might include with the police, health agencies and other organisations. The existing models of space sharing with HM Revenues & Customs and with Circle Anglia Housing Association are good examples on which to build further.

Finally, we would like to thank colleagues and members at East Hertfordshire District Council for their support in the lead up to the peer challenge and during the challenge itself. The council embraced the challenge positively, transparently and openly.

We have discussed the benefit of a follow up visit from members of the peer team. This is aimed at building on the outcomes from the peer challenge and enabling the council to reflect on the outcomes from the challenge. The council is still in the process of determining the need or focus of the follow up visit and we will explore this over the coming months.

Yours sincerely

Ruth Marlow
Managing Director, Mansfield District Council (Lead Peer)

East Hertfordshire organisational culture sample

I understand where the council is trying to go
1 2 3 4 5 6 7 8 9 10

Different parts of the council work well together
1 2 3 4 5 6 7 8 9 10

The council provides good customer service
1 2 3 4 5 6 7 8 9 10

I feel valued by the council
1 2 3 4 5 6 7 8 9 10

I trust senior officers to make decisions that will improve the council
1 2 3 4 5 6 7 8 9 10

Elected members are providing good leadership
1 2 3 4 5 6 7 8 9 10

The council is good at working in partnership with other organisations
1 2 3 4 5 6 7 8 9 10

The council has changed a lot in recent years and is handling the change process well
1 2 3 4 5 6 7 8 9 10

The council is flexible and adaptable
1 2 3 4 5 6 7 8 9 10

The council explains clearly why the organisation needs to change
1 2 3 4 5 6 7 8 9 10

The council is good at seeing change through to a conclusion
1 2 3 4 5 6 7 8 9 10

I would recommend East Herts as a place to work
1 2 3 4 5 6 7 8 9 10

Senior staff (Head of Service or above)
Operational staff

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