



# Corporate Peer Challenge **East Herts District Council**

*4 – 6 December 2018*

Feedback Report

## 1. Executive Summary

East Herts District Council (EHDC) is a lower tier council covering 184 square miles which is one third of the county of Hertfordshire. East Herts is predominantly rural with five major settlements (with populations over 4000) and over one hundred villages and hamlets.

Residents in East Herts enjoy one of the highest qualities of life in the country – in particular, a good level of health and life expectancy. There has been steady growth in the number of businesses over the last few years.

There is great ambition for East Herts. The District Plan (Local Plan) has recently been agreed and will deliver 18,500 new dwellings over the next 15 years to 2033.

Three new towns of Stevenage, Harlow and Welwyn Garden City are major employment destinations for the East Herts region, although London is the major commuting destination, providing challenge for local recruitment and retention.

The Corporate Peer Challenge Team spent 3 days in Hertford between the 4<sup>th</sup> and 6<sup>th</sup> December 2018. The peer team spoke to a wide range of stakeholders including councillors, officers, peers and partners from across the EHDC public sector system. The peer team were made to feel welcome and from the outset, councillors and officers spoke openly and honestly about their experiences, perceptions and ideas concerning organisational performance, improvement and future challenges.

EHDC is a high performing and well respected council, this was evident through speaking to a wide range of external partners and peers. Partners enjoy working with EHDC and strong relationships have been formed. The council is recognised for its bold ambition and there is a clear view internally and externally that the Leader and Chief Executive are at the forefront of driving the growth agenda in Hertfordshire, although potentially there is an over reliance of their involvement, questioning sustainability.

With so much ambition requiring transformation and investment in key projects, there is a significant amount of work to complete as well as ensuring the day-to-day business as usual work is delivered. Recent prioritisation and rationalisation of projects has still resulted in a significant number of projects to resource. Resourcing is challenging given the current 25% vacancy rate, which is higher in areas such as planning. Staff cannot always relate to the priorities and need support to understand the future vision. Developing a narrative that clearly articulates the future vision would help orientate staff and partners over the next 12-18 months with the key work priorities and better connect with how their role contributes to the bigger picture and development of place.

Staff understand the requirement for modernisation and internal transformation, however would appreciate some clear and consistent principles for change. There are perceived to be high volumes of projects and initiatives with some staff struggling to meet the expectations and demands. Staff do not always see the connections with their work to the corporate plan and council priorities.

There is a consistent message that people describe councillors and staff as open and friendly. The workforce is adaptive and committed. Councillors care about their communities. The council is ambitious and has undergone a number of changes that contribute to the feeling that the council is operating at a fast pace which is impacting the way the council operates. Changes over the past 24-months include management restructuring, new appointments and roles including service area restructuring and changes to operational practice.

EHDC's financial position is strong. Robust financial management has led to a balanced budget being delivered and the medium term financial plan sets out a balanced budget across its term to 2021/22. There is a clear understanding of the financial context by staff and councillors which has given the impetus to look at alternative income streams including the recent set up of a property company. Staff and councillors are taking more accountability for finance and work together through a joint financial sustainability working group, as well as attend workshops ('Have your say') which involves looking at alternative income and reduction in expenditure. EHDC is effective in securing external funding and has an ambitious capital programme.

EHDC is on a positive footing having accelerated change and transformation over the past 2 – 3 years. The financial position is positive and there are strategies in place to generate income and operate on a more commercial basis. Partnerships are strong with established relationships. The aspirations and ambition for EHDC is bold with a desire to develop the region and grow in a sustainable way ensuring communities continue to enjoy a high quality of life and opportunities to thrive. Communities are supported by councillors who are seen as effective community champions.

## **2. Key recommendations**

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, 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. Expand your positive ambition into a narrative that focuses on people and place, to support members, staff and partners to understand and use as a framework for future work planning and prioritisation.
2. Support internal transformation through the development of a strategic, integrated and resourced Organisation Development Plan setting out a clear vision and mission for staff and members for the next 3 years.
3. Re-engage all staff in the transformation agenda by ensuring that staff at all levels are shaping and delivering it.
4. In the short term ensure that the whole organisation is clear on priority work and align resources accordingly.
5. Disperse some leadership roles and responsibilities to enhance capacity and develop organisational resilience.

6. Create a Task and Finish Group comprising members and officers of all levels to develop proposals of how EHDC can become an employer of choice.
7. Build on existing relationships to ensure stakeholder and community engagement happens at the earliest opportunity.
8. Work with the National Association of Local Councils (NALC) to support investment in your Town & Parish Councils through provision of good quality planning training.
9. Produce a consolidated medium to long term Capital Strategy.

### 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 on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at East Herts District Council were:

- **Lead Peer** – Sandra Dinneen, Chief Executive, South Norfolk Council
- **Member Peer (Conservative)** – Cllr Harvey Siggs, Leader, Mendip District Council
- **Officer Peer-** Jo Yelland, Director, Exeter City Council
- **Officer Peer-** Sal Khan, Head of Service, East Staffordshire Borough Council
- **Officer Peer-** Richard King, Director of Place and Community, Lichfield District Council
- **Shadow Peer-** Catriona Coyle, Events Manager, Local Government Association
- **Peer Challenge Manager** – James Mehmed, 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. These are the areas we believe 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**

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' 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. 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 current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge every 4 to 5 years. EHDC had a previous Corporate Peer Challenge in December 2012.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3 days onsite at EHDC, during which they:

- Spoke to more than 100 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 40 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 160 hours to determine their findings – the equivalent of one person spending more than 5 weeks in EHDC.

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 (6<sup>th</sup> December 2018). In presenting feedback to you, 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. We appreciate that some of the feedback may be about things you are already addressing and progressing.

## 4. Feedback

### 4.1 Understanding of the local place and priority setting

EHDC's vision for place is captured in the corporate strategic plan which was developed and adopted by councillors. The plan focuses around three core themes – people, place and prosperity.

EHDC is an ambitious council with aspirations to ensure the projected population increase is managed well, ensuring housing and business growth is sustainable. Given the recently adopted local plan, referred to by the council as the 'district plan' there was clear evidence demonstrating a strong understanding of the future requirements of the built environment and infrastructure for key towns.

EHDC is working positively across boundaries, recognising that the planning, impact of housing and economic growth is not mutually exclusive to the East Herts geography. There is a strong recognition that the council is part of a wider functional economic management area and have worked collaboratively with Uttlesford, Epping Forest and Harlow on joint strategic housing needs assessments and employment forecasts to build a strong evidence base to underpin the district plan.

Partners are pivotal to shaping future communities. There was a strong sense of how future local growth could impact existing communities as EHDC works with town and parish councils. The council meets each quarter with town clerks which was seen as positive, as well as the support the council has given to the development of neighbourhood plans. Consider increasing the frequency of Town and Parish Forums to encourage greater cross tier involvement. Town and parish councils would benefit from specific training on planning, to ensure their contribution adds value to planning processes. The peer team understands EHDC has regularly provided this opportunity and encourages an approach to ensure the offer is reaching the councils if the perception of support is different.

EHDC has led from the front by engaging communities in the development of the local plan, this was seen a real success. Councillors play a key role is engaging their communities, seeking the views and opinions of residents on a range of council business serving as a conduit between EHDC and their constituents. There was a high degree of flexibility being deployed by some councillors to ensure their communities and residents are engaged in place shaping; an example involved councillors offering to collect residents to ensure they were able to be at a consultative meeting, demonstrating flexibility and the importance of local democracy.

The council is represented by 50 elected councillors. There are also a number of councillors who have two or more additional councillor roles, either as a member for a town or parish council, the county council or both. There were a range of views on the benefits and associated challenges of double and triple hatters as each council they represent will be driven by separate political and organisational priorities. Double and triple hatters were often seen as assisting with the flow of information and as having a positive influence, although in some circumstances councillors found it difficult to

differentiate their roles particularly with issues relating to towns when decisions had to be made.

Given the ambitious growth plans for the East Herts region, continued community engagement and consultation will be essential to building sustainable communities and ensuring EHDC's priorities are fulfilled. There was a feeling from some communities that engagement could be improved. EHDC has moved away from regular annual consultation with residents through a county council led residents survey and from 2016 moved to a model which is more targeted on specific issues, for example public engagement events on Old River Lane and the Hertford Urban Design Study. There could be an improved understanding of the differences between consultation and engagement to ensure future change and policy shaping has a stronger input from partners, communities and residents. Smaller parishes sometimes feel that consultation and engagement could be improved to ensure the process is meaningful. This would be helped by ensuring a feedback loop- i.e. what changed, because of consultation and engagement.

Residents and members of the public do not always identify where the accountability and responsibility for public services sits. Town and parish councils (48 in total) although separate organisations from the EHDC, are part of the public sector system in East Herts region. Frequently town and parish councils are the first point of contact on resident issues. In some cases the responsibility for resolution is with EHDC; in these cases representatives from the town and parish councils refer the issue to EHDC to hand over or to provide a response so the town and parish council can pass on advice. This process was seen as inconsistent, with some positive experiences and others less so. Establishing a more consistent approach or 'front door' for town and parish councils to direct customer queries could help with tracking requests and ensuring a positive customer experience is delivered to residents. There was also recognition that the high vacancy rate and churn of staff may have adversely impacted the level of response and accuracy of advice, as new staff learn processes and local policies.

In recent years under new leadership, EHDC has significantly increased the ambition for growth and transformation. As such EHDC is operating at an increased pace with a number of large scale projects drawing on a finite amount of resources. During conversations and meetings with partners and staff there was a consistent theme around prioritisation and connection with the overall corporate plan.

Developing a strong narrative around place, ensuring the vision and ambition is well understood will provide a framework for staff and partners to connect with, supporting greater engagement and as appropriate being able to identify the dependencies with other work across the system. This could also provide a 'golden thread' demonstrating to staff how their work relates to EHDC's vision and corporate priorities. Staff the peer team met were busy working on projects but not always clear how these linked with the council's priorities.

EHDC is delivering positive work and should consider how it could better measure the outcomes and impacts to ensure it celebrates and communicates success to staff, partners and more openly to the sector to share best practice.

## 4.2 Leadership of Place

The strength and effectiveness of local leadership was consistently recognised through partners and staff. The EHDC Leader and Chief Executive relationship was described as strong, committed and impactful.

Impactful leadership has resulted in EHDC firmly being put on the map for driving the growth agenda in East Herts and across geographic boundaries. The Council Leader is also able to influence broader economic, housing and infrastructure decision making through a board membership role on the Local Enterprise Partnership and the Innovation Corridor.

EHDC knows its place well and has ambitious plans to ensure communities and places evolve as emerging trends and social impact factors require fresh thinking. For example as consumer trends continue to change, the purpose of town centres is shifting away from a reliance on retail and moving towards more leisure and entertainment. EHDC is investing into leisure facilities and the theatre and arts to repurpose the town centre of Hertford and to provide communities with great places adding to their quality of life.

Partners reported that they were able to pick up the phone to both Council Leader and Chief Executive and to have a trusted conversation; accessibility was described as positive and attendance at key meetings was acknowledged and effective in resolving issues and accelerating decision making. Although the leadership was seen as positive, when asked who else partners engaged with outside the Council Leader and Chief Executive there were few names cited, potentially implying that there may be an over reliance on both leaders which may not be sustainable in the long-term. A more distributed leadership model may be required to ensure executive capacity is released for future change and transformation of the council, place and communities. There was some concern raised by partners as to EHDC capacity to timely deliver on so many large projects.

There has been a clear focus on investment in key growth areas, with a strong understanding of what is required with an approach to future proof the place and not be left behind. The Harlow and Gilston Town project was referenced frequently in peer meetings, given its scale with an allocation of 10,000 new homes in the district plan. As a key strategic site with proximity to Harlow town, there is a broader impact to the sub-regional economy rather than just in the East Herts region. To ensure this site is fully maximised a jointly appointed Director will provide leadership to take this work forward. This was seen as positive collaborative approach.

The East Herts region is set to grow significantly over the next 15 years. Place shaping to deliver vibrant prosperous communities will require community and partner engagement and consultation. Partners would like more early involvement to ensure they are engaged early in the process to support meaningful shaping and development of the vision and subsequent planning. The peer team heard from some partners who described the symptom of pace as being “left behind” and often not making a timely input into early planning.



There was a positive recognition for the effective engagement of communities in delivering the local plan. Feedback received demonstrated the council understood people's views and responded in such a way to demonstrate that those views were listened to. Residents did not always get the result they wanted but understood why. This was seen as strength in building trusted relationships within the community.

EHDC was described by partners and staff as undertaking a high volume of projects and work activity. A project review has recently taken place, ensuring only priority projects were taken forward. This resulted in a small number of projects being stopped. Capacity is an issue and future ambition should be set within the context of available council and partner resources. There is a link between the earlier observations of partners being engaged early enough to ensure resources can be subject to prioritisation and forecasting future need.

Growth was often described as the delivery of new homes, infrastructure or in economic terms. The peer team felt that the vision and narrative of place could be more inclusive of people and communities, ensuring the aspirations for specific outcomes were clearly articulated, such as health and digital connectivity.

There was also a recognition that the scale of growth and house building in some communities would significantly impact those residents in terms of how they currently live their lives and sense of belonging to that place. EHDC may benefit from overtly talking and communicating an approach that is sympathetic to acknowledging the past, whilst having a bold future ambition focused on building new stronger and resilient communities whilst retaining what is special about those places.

### **4.3 Organisational leadership and governance**

There are good working, impactful relationships between officers and councillors. Staff and councillors work closely to ensure target outcomes and desired impacts are delivered.

EHDC's executive meets informally each week to keep engaged on each member's weekly interactions, as well as discuss emergent work and policy. The peer team were able to join an informal executive meeting whilst on-site. The meeting was well attended with timely updates being reported that assist the executive in understanding each other's interactions and the impacts to collective work.

High profile projects are all led by councillors and have models of governance designed to ensure projects move forward with pace and that decision making is effective.

Not all decision making was perceived to be timely. Staff suggested that it was not always clear if decisions had been signed off and agreed. Decision making protocols, or levels of authorisation although in place were not clearly understood and were driving staff to question who has the authorisation to make decisions and to what level of independence before collective senior decision making was required. Sometimes staff feel like they are waiting for a decision making outcome, unsure of timescale which puts into question a requirement for a framework that clearly defines decision-making to ensure that the speed of transformation required can be achieved.

Outside of the council's executive, non-executive councillors undertake the role of 'champion' and lead on priorities where EHDC is a key partner and where there needs to be influence, action with stakeholders and the public. This was seen as positive ensuring non-executive councillors contribute to the wider council business.

There is a recognised model for councillor learning and development based on an external accredited charter, though the decision not to apply for "charter plus" status might be reconsidered as it externally demonstrates the journey and achievement the Council both councillors and staff have undertaken. Learning and development has positively impacted councillors, whilst ensuring each new councillor receives an induction programme to support them in being effective in role. Officers also spoke about how they contribute to the induction programme, for example making inputs on council finance to support the ongoing understanding of the finance context and commercial agenda.

EHDC has a strong majority with 45 out of 50 seats making up the administration. There is little opposition which generated a variety of views on the impact to council policy decision making and performance, for example – how does EHDC push its performance? How does EHDC ensure there is challenge and robust thinking on policy related decisions? Scrutiny has recently been reviewed which will play an important role given little formal opposition or challenge will come from the councillors outside the administration. Preparedness for a new Council in May 2019 ought to look at a more meaningful and inclusive role for councillors outside of the ruling group.

EHDC collects a range of performance data; the peer team understand that the performance data was rationalised two years ago to ensure only relevant performance data and information was being collected and reported on. It was unclear how the performance data and reporting was being used to drive and push operational performance and improvement to public services. The performance data has not changed in two years. It was suggested that the performance data could be reviewed, along with reporting arrangements, to ensure the process was adding value to EHDC and driving performance related conversations ensuring there was a robust basis for challenging council performance. Consideration should be given to undertaking external performance benchmarking, enabling EHDC to obtain a broader perspective on financial and service performance. Councillors should continue to hold officers to account and use the Performance, Audit and Governance committee (PAG) more effectively to ensure the council pushes performance outcomes.

There has been a positive investment in EHDC's leadership team. The team is relatively new with a mix of new staff and those that have longer service. The leadership team talked positively about their learning journey and the investment in taking time to understand each other in greater detail. The impact has been a more effective corporate team as well as improving functional leadership in each of their respective service areas. Coaching and mentoring has been used positively as a development tool to support leadership effectiveness.

In order to build more resilience in to the management structure, succession planning would ensure a level of continuity should senior leader capacity be required through

attrition or other absence. There was recognition by the leadership team that a similar investment is required to support their direct reports, referred internally as 'service managers'. A development plan (part of the recommended organisational development plan) would support service managers to bridge the gap between leadership and operational management roles. This approach could lead to increased engagement through job enrichment as role holders grow their skills and experience to support them being 'role ready' for future leadership roles. This approach may also lead to increasing capacity for leaders to involve service managers in more corporate work as well as dispersing leadership accountabilities down the line.

Staff value the Chief Executive all staff sessions and gain a sense of connection with EHDC's priorities and future vision. This is seen as an important forum given staff feel the pace of change and volume of transformation projects can sometimes drive the feeling of being unsure how their work connects with the EHDC's priorities. The peer team advise doing more employee engagement through this approach given it is highly valued by staff and to consider delivering some of those sessions with the Council Leader to ensure a political perspective can also be achieved.

The Chief Executive and management team has a programme of 'back to the floor' sessions. The sessions involve joining a team to join in and undertake their role and service function for a period of time. This is seen as positive and impactful in building closer relationships and for a shared understanding on local service delivery. The peer team see this approach as a positive staff engagement tool to be taken forward as the clear narrative, a focus on agreed corporate priorities, part of a wider staff engagement approach following a recent staff survey.

Structures in recent years have been reviewed and EHDC now operates a flatter structure with less management posts. Staff felt that there was still silo working; when asked, they were confident in describing the priorities of their own service function but couldn't always make the horizontal connections across the organisation. Silo working could be reduced through addressing some of the root causes highlighted in this report such as capacity, resourcing levels, decision-making, more corporate working and joined up project resourcing.

#### **4.4 Financial planning and viability**

The medium term financial plan is in place and covers a period up to 2021/22 and sets out a future balanced budget position.

The current financial performance at EHDC is good with past trends indicating that the council has a history of delivering services with a balanced budget. EHDC is no longer in receipt of revenue support grant and has handled reductions well over recent years. This is within a context of a five year council tax freeze.

There are strong levels of reserves and to date EHDC has not been heavily dependent on their use.

Budgets are monitored on a monthly basis involving budget holders forecasting spend against their allocated budgets. EHDC's leadership team, executive and PAG committee review financial performance reports and take the necessary actions to ensure a balanced budget position is delivered. Financial information shared with the peer team whilst on-site indicate a forecasted small end of year underspend (as at quarter two – December 2018).

There is an improved level of financial awareness and overall financial performance is much better understood in recent years. There is a stronger narrative around financial challenges and the requirement to operate from a more commercial footing. First steps have involved the setup of a commercial housing company 'Millstream Property Investments Ltd' which is projected to provide an additional long-term source of income for EHDC to support broader service delivery.

Future funding sources will remain a priority as demand for services is set to increase whilst the outcome of the fairer funding review is still unknown. EHDC are successful in attracting external funding and should continue to maximise these opportunities where practical.

Future financial challenges are being explored positively by a joint officer and councillor working group who are specifically looking at financial sustainability and growth. This approach fosters a collaborative approach to exploring future options and solutions to growth, income generation and cost efficiency. This was a further example of the positive working practices between officers and councillors.

A further example of how EHDC is ensuring staff and councillors engage with financial accountability is through a facilitated workshop referred to as 'have your say'. This format sees officers and councillors come together over a weekend to assess two categories of service delivery; statutory and non-statutory and work through options for reducing expenditure as well as options for growing or developing income. This work feeds into broader financial planning completed by the EHDC's executive.

'Have your say' was seen as positive way of continuing to drive a culture of financial awareness and accountability through engaging staff and councillor's from executive to non-executive councillors.

Despite the EHDC's financial position being positive, it was not always clear to see a strong link between the spending profiles, budget allocations and operational delivery. The peer team felt there could be a stronger 'golden thread' that demonstrates how EHDC's corporate plan and priorities translate through to operational delivery. This would support staff in further understanding EHDC's priorities given there is a high demand and ambition for transformation and development through projects.

In addition to auditors providing an unqualified value for money conclusion, the peer team felt the council could use external financial benchmarking to determine if their operational costs or spending profiles were comparable to nearest neighbours. Taking this approach would help greatly in developing business case narrative with internal and external stakeholders particularly around future budget planning and service transformation.

EHDC is effective in securing capital funding and has a strong capital fund it can draw down for financing projects. Although individual projects have a clear funding strategy, the peer team felt having a rolled up single page view of all capital projects to develop an integrated capital programme would be helpful for visibility and financial performance monitoring, enabling a cross organisational view on capital expenditure.

EHDC has a number of shared service agreements in place, some more mature than others. Given the passage of time since the inception of some service provision agreements, it is recommended that each shared service is systematically reviewed to ensure they still deliver against the desired performance outcomes, whilst providing assurance they represent value for money under the current terms of those arrangements.

#### **4.5 Capacity to deliver**

The high ambition of EHDC has resulted in a high volume of projects and transformation work. The pace of change and volume of work is recognised as having increased. Despite the pressured working environment there are good working relationships. Staff describe the council as a good place to work with supportive and friendly colleagues and councillors.

There was a strong sense of public service values amongst staff.

Corporate values were less understood. When asking staff, many were unable to recall the organisation values and they appeared not to be at the forefront of everybody's minds. Those staff that were more aware of the organisational values were unsure how they applied to their role. The peer team understand that EHDC already has plans to further develop the organisation values and to integrate these within the staff performance management system; this is a result of feedback from a recent staff survey and demonstrates a positive feedback loop back to staff who raised this as an issue.

EHDC operates agile and flexible working arrangements to enable staff to choose where they work to be most effective. The application of agile and flexible working was reported to be inconsistent, where the provision is working for some and not for others. A review of ensuring agile and flexible working benefits the whole service and not just individuals might be helpful.

In some cases staff questioned their efficiency, particularly in respect of ICT, as they regularly experienced delays logging on to the network, preventing them from working effectively. Working from home was seen as a positive experience providing the opportunity to be more productive with available working time.

The peer team identified that the current ICT provision does not effectively underpin and support the business and digitisation and channel shift should be seen as a priority. The peer team understand that a new internal appointment has recently been made, providing a role that will be focused on current ICT issues and future requirements

which is already having a positive impact. The new role should ensure service leaders have an adequate level of ICT support including training provision, which was not seen as effective to ensure they are able to deliver their business operations, gain support for transformation projects and be advised on new ways of working going forward (digitisation and efficiency programmes).

EHDC manages its resourcing through establishment control. Current working practices include scrutinising all vacancies to ensure replacing like for like resources is the most effective use of resources. Councillors and staff referred to the vacancy rate being circa 25%, although some vacant roles are being resourced through temporary recruitment. In some functional areas the resourcing levels are contributing to low morale, as teams struggle to keep up with work demand whilst operating at reduced capacity. It is recognised that some vacancies are impacted by national shortages such as planning roles impacting many councils.

EHDC proximity to London provides resourcing challenges as the local employment market for specialist technical roles is limited, with higher salaries being paid in the City.

Developing an integrated organisational development plan, inclusive of developing proposals on how EHDC can become an employer of choice will contribute to attracting future candidates to ensure resourcing levels are best matched to work demands.

Working relationships up, down and across the organisations are generally positive although there were some examples where frustrations and tensions exist within tiers of management. Resolutions were seen to be top down, adding to frustrations whereas receiving tiers of management would value a more rounded approach and the opportunity to be more involved in arriving at solutions to working practice issues.

There is a strong willingness to collaborate although this is sometimes compromised by silo working. Silo working was seen to be driven by the day to day pressures of delivering 'business as usual' and transformational work and projects. Staff and managers find it difficult to lift their head up to have time to think and plan. Silo working may be reduced through further project rationalisation, work prioritisation and recruiting to some of the vacancies, ensuring capacity is better matched to demand.

Managing demand through prioritisation and deferring work may be helpful in order to ensure priority work is resourced. Effective communication would further support staff in understanding the rationale for prioritisation and help focus on the key deliverables for the council and its communities.

## **5. Next steps**

### **Immediate next steps**

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order 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 a number of the areas for development and improvement and we would be happy to discuss this. Rachel Litherland, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Contact details are: Email [rachel.litherland@local.gov.uk](mailto:rachel.litherland@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 2022.