

Corporate Peer Challenge **Three Rivers District Council**

12th – 15th March 2019

Feedback Report

1. Executive Summary

The Corporate Peer Challenge (CPC) team were made to feel very welcome during their visit on 12th – 15th March 2019 to Three Rivers District Council (TRDC). The team spent four days at the council, attending over 40 separate meetings, engaging with circa 120 people made up of members, staff, partners and stakeholders.

TRDC is a Council that strives to deliver high quality public services, with a strong customer service ethos. The community is central to all plans. Working with reduced budgets the political administration are clear that high quality public service delivery must continue and thus serves as a basis for organisational focus.

The vision for TRDC is delivered through its Strategic Plan and Community Strategy.

TRDC has increased ambition for commerciality, income generation, self-financial sufficiency and housing & business growth. There is a clear political aspiration for housing growth to deliver circa 45% social and affordable homes to ensure the next generation of communities can thrive and live fulfilled lives. Delivering housing growth will come with challenges as the community currently enjoys the natural environment being surrounded by green belt (76%), whilst target housing numbers have increased significantly. Members and staff believe there is a direct link with the ambition for delivering more income and the provision of high quality public services.

TRDC is a financially stable Council achieved through a competent approach by members and officers. Levels of reserves are healthy. To create stimulus for improving further financial sustainability the Chief Executive has challenged the organisation to deliver an additional £1m of income; although the target is clear, the rationale for doing so is not understood and could benefit from much greater communication to ensure there is transparency and could also benefit from member debate to determine whether it is desired and needed.

TRDC is at a junction point, wanting to be more commercial in the way the organisation operates, whilst driving further ambition for growth. Current members' thinking is congruent with this approach; there is an increased appetite to borrow for investment / commercial purposes. Members and staff are behind this approach rather than pursuing an alternative journey of delivering savings and efficiency and cutting services to balance budgets.

Financial self-sufficiency is an ambition of TRDC. Increasing commercial activity is part of achieving this goal. However, the ambition for increased commerciality is not consistently understood and could be improved by clear articulation of the purpose and strategy in a medium term plan and/or agreed narrative.

Partnerships within the district are very effective. Positive outcomes are being achieved through close working, taking joint accountability and sharing resources. Partners are clear about the work they are immediately working on, although were unable to relate to the future direction of the Council, it's vision and its ambition for growth and commercialisation.

An example of this positive partnership approach is best demonstrated at a sub-regional level where the Leader of the Council is positively contributing to the South West Hertfordshire joint strategic planning collaboration. TRDC are part of a wider group of regionally located Councils jointly working on a vision for future housing and business growth. This approach will support the region in taking a collective view on infrastructure requirements, ensuring sustainable communities are developed. Such arrangements are rare so TRDC are applauded for their approach.

The peer team were informed that Three Rivers has no obvious dominant centre and is therefore defined by a series of communities. There is a perception that people know about neighbouring Watford, but less so of Three Rivers. Members are passionate about the communities they represent and seek to work closely with citizens and partners to deliver positive outcomes.

Member and staff relationships are effective and enabling targeted outcomes to be achieved. Staff are proud to work for TRDC, with many describing the culture as friendly akin to a “family”, where colleagues are supportive of each other, accountable for delivery with a ‘get it done’ mind-set. The challenge going forward will be to retain the key dynamics of this organisational culture whilst ensuring a more collegiate, commercial approach is built, enhancing behaviours such as constructive challenge, decision-making and risk taking.

The peer challenge confirmed TRDC’s operational performance is positive with examples of exceptional delivery with high customer satisfaction being reported. Financial performance is positive and auditors see TRDC as a low risk council. TRDC is at a junction point, aspiring to be more commercial in the way it operates and invests, whilst also driven to maximise the benefits of growth for the communities it serves. Going forward, TRDC is in a positive position to build on its current performance and achievement by investing in the development of strategy / plans and the alignment of people, governance / oversight processes, systems and resources to fulfil its ambitions for continuing to delivery high quality services, maximise commercial opportunities and delivery growth that is congruent with the administration’s policies and political objectives. Bringing in external capacity and specialist skills in the short-term would boost and support the Council with preparations for the next phase of its ambition.

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. Develop a clear new vision with a medium / long-term plan.
2. Review governance and financial oversight in light of a growing commercial agenda.
3. Create a commercial strategy, directed through a member led commercial board and shareholder function.
4. Bring in external support to prepare the Council for the next phase of its ambition.
5. Review existing and future property and income opportunities to ensure they are optimised.

6. Establish a transformation fund to support the development and delivery of the Council plans and priorities.
7. Strengthen the management board to include all heads of service and the monitoring officer.

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 are previously agreed with the Council. The peers who delivered the peer challenge at Three Rivers DC were:

- John Jory - Chief Executive, Reigate and Banstead Borough Council
- Councillor Ruth Dombey – Leader, London Borough of Sutton
- Councillor Peter Fleming – Leader, Sevenoaks District Council
- Helen Kemp – Director of Economy and Planning, Hambleton
- John Rice – Director of Commercial Services, Runnymede Borough Councils
- John Sampson – Corporate Director for Resources, Redcar and Cleveland Council
- James Mehmed – 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 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?

In addition to these questions, you asked the peer team to consider/review/provide feedback on:

- **Planning for growth** – examining your growth plans and associated approach.
- **Commercial agenda** – provide insight on your current approach, including risk taking.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focused and tailored to meet individual council 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 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 4 full days onsite at Three Rivers District Council (TRDC), during which they:

- Spoke to more than 120 people including a range of council staff together with councillors and external partners and stakeholders;
- Gathered information and views from 42 separate meetings, visits to key sites in the area and additional research and reading;
- Collectively spent circa 210 hours to determine their findings – the equivalent of one person spending more than 6 weeks in TRDC.

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 on 15th March 2019. 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

Members and staff are clear that Three Rivers is a geography which most people do not directly relate to as a place. Members and residents relate to their specific places such as South Oxhey and their local community. The geography of Three Rivers was described on a number of occasions as smaller distinct communities, often defined by other places, as well as its proximity to London which brings many benefits as well as challenges.

Members are highly passionate about their places and work closely with members of the community to understand local need and help inform future place shaping.

The peer team heard as a result of reduced budgets the political administration with officers questioned what they stood for and placed priority on the delivery of high quality public services and value for money. This objective is well understood within the organisation with staff at all levels repeating this key message. This demonstrates that political prioritisation is running through the organisation and impacting the way service areas, teams and staff go about their jobs. The customer service Omnibus questionnaire confirms that there is a high degree of customer satisfaction with service users.

Commercial opportunities taken to date, including investment in a property portfolio are generating income which is part of a strategy to be more financially self-sufficient and to ensure funding can go back into public services and community priorities. The Chief Executive's £1m target for additional income generation is part of this ambition, and is a positive challenge to the organisation however it is not consistently understood across the organisation and could benefit from clearer articulation of the rationale and could benefit from member debate to determine whether it is desired and needed.

Members understand their communities well and have an appreciation of the tensions that exist over future growth and the impact on the environment given some housing is likely to be built on existing green belt (76%). Whilst the community recognise the outcomes of the current cost of housing and connection through difficulties in resourcing key roles such as school staff, they retain concerns about housing growth impeding on the green belt. The administration has an ambition to ensure 45% of housing growth is affordable and social housing. There was a clear message from the Leader and members that housing growth is not just about the built environment, but more about building communities and families having the opportunity to stay intact through accessing new housing that will be built over the next 15 years and beyond. Dialogue has started within communities over the Local Plan.

The partnerships TRDC has within the district are very strong and effective. There was a consistent message from partners that working with TRDC is easy and productive with many staff being highlighted for their exceptional performance and contribution. Partners were asked by the peer team to define the future direction of the Council. There is clarity around the short-term; partners understand the objectives and outputs

required of current projects and joint working but lack a longer-term strategic view of the future direction.

Partners are receptive to TRDC setting a long-term vision for place. Developing a place based narrative and vision will ensure all partners, stakeholders and the Council are directing resources, strategies and energy to the same objectives, ensuring alignment. Following this development, all existing TRDC plans will need to be cohesively aligned to deliver the vision.

Staff and members had inconsistent views of the future vision and TRDC's purpose and role. Resetting the vision and providing clarity will ensure all resources are being used objectively and support future prioritisation.

Beyond internal communication, there is an opportunity to improve the effectiveness of external communication through the local media. The local press would benefit from understanding TRDC's future vision, understand a forward agenda of key decisions and developments. There is an opportunity to further develop the relationship with the local press from transactional press release practice to a more joined up approach linking current community concerns with anticipated outcomes.

4.2 Leadership of Place

The view from staff and members is TRDC has strong leadership from the Leader and Chief Executive. Staff and members talked about the Chief Executive's open style, regular floor walks, state of the Nation communication events and open door policy.

Partners spoke positively about the role of the Leader in convening groups of partners to work together on community issues such as the Local Strategic Partnership & Community Safety Partnership (LSP & CSP) which is chaired by the Leader and delivering positive outcomes. There were complimentary messages from staff and partners regarding accessibility to the Chief Executive and Leader as well as members.

Members hold regular forums to engage with residents and feed emerging needs into policy making, existing plans and projects.

Partners have clarity around existing current work objectives to ensure outcomes are delivered, but lack a longer-term perspective and are unclear on future vision, objectives or ambition. Some partners see the Council about doing more of the same, whereas others see more ambition. The financial position and austerity impacts are clearly understood, with support for more income generation being accepted, however the ambition for the place of Three Rivers is less clear. There is an understanding that housing and business growth will impact the place, but partners were unable to explain further beyond this point.

Sharing a vision and ambition will allow TRDC and partners to develop longer-term strategic plans which would be more inclusive of anticipated growth.

The Leader and Chief Executive has been actively involved in a sub-region initiative focused on joint strategic planning and place shaping for South West Hertfordshire. This work has involved a significant commitment to attend intensive facilitated sessions with Council Leaders and Chief Executives from four other District and Boroughs. Joining this group has enabled both Leader and Chief Executive to influence and shape how South West Hertfordshire can accommodate housing and business growth in a sustainable way and ensuring there is community cohesion and infrastructure to support the requirements and ambition of existing and new businesses.

Working together on place shaping will bring many benefits from sharing costs for business case development, evidence and data gathering. Working together will proactively demonstrate to Government a joint vision for a larger geography and infrastructure requirements for housing and business growth have been considered in the round.

The Leader represents TRDC at the Hertfordshire Growth Board and is well positioned to ensure the interests of the Council are clearly represented and ensuring local place shaping and engagement with the community are represented and influencing policy and decision making.

TRDC has displayed leadership at County level through working with partners in areas identified by members and officers as being essential to influence. There are many examples of representing the District and Boroughs at Countywide boards such as the Drug and Alcohol Board, Domestic Abuse Partnership and attendance at the Hertfordshire Leaders Group, LEP and the PCC Community Safety Board as some examples, there are many more.

Given growth will be inclusive of business sites and infrastructure, there could be a stronger focus on engaging the business community in more regular discussion. Business leaders can support shaping the thinking around future provision which would feed into broader requirements around the types of skills and workforce needed for future business growth. This in turn links to housing requirements to support local people and obtaining employment within the community.

Uniquely, Warner Bros Studios are predominately located in the District. The studios are recognised amongst the best in Europe and have hosted significant successful films, including one of the world's most successful and globally recognised film franchises, Harry Potter. There is a positive working relationship between the Leader and representatives of Warner Bros, however there was limited reference to the studios from staff, which came as a surprise to the peer team. The peer team believe that TRDC is not fully maximising the opportunities hosting the studios within the District can bring, in terms of tourism, related housing and growth. Staff made reference to a map that was developed detailing its prestigious place and community assets; this was not implemented or made public. TRDC could consider how it promotes itself to the community and visitors of the place as part of its future vision and ambition.

4.3 Organisational leadership and governance

Member and officer relationships were reported as being positive and effective in delivering outcomes. Staff at different levels of the organisation have access to members, Cabinet committee chairs and the Leader as and when required.

Both the Leader and Chief Executive were described as being accessible in terms of being able to request meeting time and inputting into staff work.

Cabinet and Management Board meet regularly to discuss key projects, corporate performance, challenges and policy development. The peer team recommend strengthening the management board by extending membership to all heads of service and inclusive of the monitoring officer; this will contribute towards collective ownership and challenge relating to all corporate actions as well as building the new organisational culture. Key priorities are established for Management Board to implement through service plans. Progress is measured through agreed performance indicators against set targets. There is a connection between organisational priorities and individual staff objectives.

The culture of the organisation was consistently described as friendly, like a family and supportive. The Chief Executive runs an annual 'State of the Nation' event, which serves as a communication vehicle to bring staff up to date with key organisational developments, performance, priorities and context. Staff like the update and talk about it in a positive way. There is an opportunity to further develop this communication vehicle with input from the Leader and the Cabinet; this would ensure the update is fully rounded ensuring staff receive both an officer and a political perspectives.

Twice a year the Management Board is extended to all managers to ensure that key projects, challenges and performance are discussed.

Aspiring managers and leaders are supported to complete the 'step up' programmes. Staff can join a cohort to 'step up to management, or 'step up' to leadership. Most staff reported this development experience to be positive and inclusive but some staff felt excluded.

Governance and oversight has improved with a stronger member audit challenge through the Audit Committee. It was positive to hear that the impact of policy decisions are measured post implementation, for example the Customer Omnibus survey was able to measure the impact of charging for green waste.

Some operational policies were in need of review to ensure they are fit for purpose; it may be helpful to have all policies on a register with target review dates to ensure there is a rolling programme of review and amendment as required to ensure the organisation is fit for purpose.

Council performance reporting was found not to be part of a formal committee, although information is distributed to all Councillors. As a political objective exists to ensure high quality, value for money public services are delivered it would be beneficial to have a more formal approach to ensure political oversight and challenge is achieved.

To ensure members continue to have the skills to hold the Council to account and ensure the right level of oversight is undertaken, a revised organisational development plan should identify any skills gaps that may exist, with new and existing members. Although the member development budget has recently been increased to £5,000, starting with identifying the requirements should be the priority and then followed by the forming a timely action plan and rolling programme of development. As commercial activity increases and with existing shared service arrangements ensuring members have the right skills to ask the right questions will be pivotal to ensuring there are correct checks and balances are in place for decision-making and policy development. The peer team asked officers if members have personal objectives, this was unclear and if they do exist officers were unaware. It may be prudent to review objective setting for members and to share outcomes with officers. There should be strong alignment with the administrations ambitions and overall priorities that flow into individual Cabinet member / member objectives. Arrangements also need to be put in place to ensure officer arrangements are put in place to better support positive challenge, and to call out unacceptable behaviour.

As part of achieving alignment to support the future vision, it would be prudent to examine if current management structures actively support resourcing TRDC's objectives. A review should include resourcing levels, structure and relationships with existing teams. TRDC has moved forward positively with commercial activity, but culture, skills, resources or process and systems are not aligned leading to conflicting managerial styles of leadership behaviours. Some newly recruited roles have been made, strengthening capability. Bringing in some external support for external challenge as well as capacity may help TRDC move forward at pace with this objective.

There were a number of references made to projects slipping and not delivering on time. The peer team recommend more clarity around reporting major project progress to support member and supportive officer challenge and holding project sponsors / managers to account.

4.4 Financial planning and viability

Financial self-sufficiency is the ambition of TRDC and follows the current strong and competent financial performance which is inclusive of healthy reserves. External audit see TRDC as a low financial risk Council.

Over recent years members have increased their appetite for borrowing for investment purposes, providing an active revenue income stream from this investment. Members have a clear objective of ensuring that the budget is geared towards funding community ambition and ensuring high quality public services continue to be delivered across the District that represents value for money.

Strong financial performance and competent management to date, has led to no immediate requirement or 'burning platform' to respond to in regard to financial sustainability. The Chief Executive has set a target of increasing income by £1m to galvanise members and officers in this shared objective. Although the challenge of

generating £1m of additional income could result in efficiencies or more chargeable delivery, staff and members are unclear of the intention, how the additional income will be used and associated governance arrangements. Financial objectives should be clarified and formally adopted and clear internal communications to ensure there is a consistent understanding.

TRDC benefits from high collection rates for both Council tax and business rates.

Income and cost efficiencies are explored and actioned by TRDC. Recent examples include co-location of shared services and optimisation of the HQ building. This will provide better desk ratios which will permit letting of Council floor space for income generation purposes as well as creating a public services hub for further partnership working. There is no member or staff understanding of why the Council's Revenues and Benefits service is being brought back into the HQ building or its business case. TRDC was one of the first Hertfordshire Council's to establish community infrastructure charging; there is now a significant sum of money accumulated for spending on future infrastructure development.

Current financial management practice includes month to month budget overspending being off-set against additional budget funded from reserves and/or additional income; this practice is then approved by the Policy and Resources Committee. There is evidence of member oversight and scrutiny of budgets. There is no evidence of budget managers being held to account for in-year changes or managers constructively challenged by colleagues. As TRDC are on a pathway to a more commercial culture and operating model, it is essential to manage overspend more effectively and ensure they are properly accounted for and managed down for example decreasing demand, better forecasting, negotiating existing contracts or examining reduction in general operating cost, rather than having their adverse budget position being made good.

As TRDC defines its commercial agenda and plans, the MTFS should be updated to reflect projected income forecasts, assumptions around investment returns, borrowing and capital investment for example. As TRDC becomes more financially self-sufficient, more certainty in financial forecasting management will be required if risk is to be fully managed.

Given TRDC will be undertaking activities to transform services and realign processes and systems to a new vision and ambition, it would be prudent to create a transformation fund to provide a budget for 'invest to save' initiatives, pay for specialist resources or consultancy, fund new systems or hardware. Funding bids could be managed alongside a process to prioritise projects, resource allocation and funding. This transformation fund would be in addition to current project by project funding and decision making.

4.5 Capacity to deliver

TRDC is seen as a positive place to work. Staff and members describe the current organisational culture as a “friendly place to work”, people feel proud to work for the organisation and take ownership for their work delivery whilst supporting others. The behaviours experienced contribute to the organisational culture and help galvanise the workforce. The challenge going forward will be to retain those components of organisational culture that continue to enable good performance, whilst ensuring new behaviours are acquired that support a new direction of constructive challenge for staff. As commercial activity increases and commerciality runs through the organisation there will be a requirement for more risk taking, robust analysis and decision-making. There were examples given around management being supportive, whilst some felt there was a tone of blame culture. If TRDC wants to pursue more commercial activity it will need to find the balance between taking risks and drawing learning from experience, creating the conditions for members and staff to be innovative and progressive in their thinking.

The Council is well resourced with comparably low staff turnover and sickness levels. Positive partnership working has enabled TRDC to access and leverage resources and ensure where possible joint solutions can be achieved to delivery positive outcomes, ensuring future demand is manageable. There are many good examples of staff working within their partnerships to obtain funding; in some cases making initial funding available to enable match funding from external sources.

Nationally organisations experience above average turnover with customer service roles. To reverse this trend and bring about enhanced organisational benefits, TRDC has implemented a Customer Service Centre Academy. The academy has been running for 12-months and had already delivered positive outcomes which are recognised across the organisation. It was impressive to hear how some colleagues had progressed from initial customer service roles and then moved into other specialist technical roles such as finance, legal and planning. The academy is delivering a supply of talent into the organisation, supporting greater retention and is supporting a greater customer service ethos in service areas which remains a key objective for TRDC.

The opportunity to learn and progress is facilitated through a ‘step’ up programme which exposes staff to formal learning and development in the technical areas of management and leadership. Most staff reported accessing this development, with less staff citing that operational pressures impact their ability to participate. This initiative was seen as positive and encouraging a culture of progression, although questioned the transferability and impact of learning as not all staff could attain a future management or leadership position. As TRDC move towards a more commercial agenda, there may be the opportunity for staff to take on increased accountabilities and put into practice some of the skills they have acquired. Further application could be enabled through setting stretch objectives to encourage staff to push their performance into what perhaps are seen as traditional management or leadership accountabilities.

The budget for member development has recently increased; there is a need to ensure a programme of ongoing development is actively supporting members, chairs of the committees and the Leader to ensure there is sufficient political oversight and holding the organisation to account. Increased commercial activity, housing and business

growth will require evolving skills and capabilities to ensure members are providing the appropriate challenge and oversight to decision-making and policy development. The development plan should be part of a joined up organisational development plan to ensure members and officers learning is focused on the same outputs and outcomes.

Health and wellbeing of staff and members was seen as highly supportive with progressive support for diversity and mental health. Implementing mental health responders was seen as a positive, as this approach will seek to support staff with early intervention and help to prevent staff going into crisis and keeping them healthy, well and at work.

Operational IT service delivery is resourced internally with an outsourced IT help desk. Experience of IT satisfaction was mixed. TRDC respects that it is on a pathway of improving IT and working towards supporting agile working with supportive unified communications. Agile working will enable improved organisational flexibility and support working away from the office location. This is essential to achieve greater desk occupancy to enable parts of the HQ building to be let to partners. Staff IT champions are seen as positive, providing a voice on the ground and opportunity to shape future provision.

As the commercial agenda increases there will be a requirement to invest in appropriate systems and technologies to ensure information, data and modelling can be undertaken, for example a property asset database and linked financial tools to forecast associated maintenance costs and renewals.

As a relatively small organisation there is an increased risk of experiencing single points of failure with technical specialist roles that are performed by one role holder.

Succession planning would support managing these associated risks and should be part of an integrated organisational development plan. A minimal requirement would be to establish all 'critical roles' that expose TRDC to the most risk and plan for how the role could be covered should it become vacant in the future.

There was positive evidence of investment into new roles that provide TRDC with skills and capabilities that actively support the delivery of TRDC's objectives, for example the Head of Property role to manage the current portfolio of investment properties.

Staff spoke about how projects are started by using a PID (Project initiation document) and a bid process for funding. Currently all projects are resourced and are delivered. There was some evidence to suggest that although processes to support project delivery are in place, some projects do not have clearly defined objectives, timescales or outcomes. This should be strengthened going forward along with appropriate checks and balances to ensure projects are appraised for congruency with future direction, dependency with other projects and prioritisation. As TRDC do more, capacity will be challenged and prioritisation of work and projects will need to be more robust with increased political oversight. Existing arrangements to appraise project viability were seen as positive, ensuring highest scoring projects were given priority for resourcing and capacity. This will be important as transformation activity increases.

Staff and members are delivering lots of work, going forward there may be a requirement to ensure what is delivered is adding the most value and delivering the

administrations objectives.

To ensure TRDC is maximising its organisational effectiveness there will need to be a resetting of the organisational development and learning plan to support the delivery of new skills and capabilities to drive culture, growth and commercial outcomes.

Once the place narrative and vision have been redefined and plans aligned, there should be a work-stream that reviews the effectiveness of existing processes, systems with a view of improved integration to drive efficiency and continue to provide a positive customer experience, which is a core objective of members.

4.6 Planning for growth

Nearly 80% of the Three Rivers District is green belt, which includes 260 hectares of public woodland. There are many conservation areas, 700 historic assets and Areas of Outstanding Natural Beauty. The current population is 92,700 compared to a 2011 Census of 87,317. There are 40,849 households.

Housing target numbers have significantly increased from 200 to 620 per annum.

Residents of Three Rivers currently enjoy the character and natural environment the District has to offer. Members and staff respect the sensitive nature of accommodating housing growth within a high green belt environment.

Members and staff have embraced this challenge and are taking control through the Local Plan process as well as place shaping with the South West Hertfordshire Council's.

Members spoke passionately about the political ambition to delivery circa 45% of social and affordable housing. Members are determined to deliver this objective to ensure families and communities can stay intact through the provision of affordable housing, also ensuring there is enough of the right housing type to support the retention of skills to serve the current and future requirements of business and the public sector.

The peer team suggested TRDC could drive more commercial opportunities through the Local Planning process and be ambitious in that endeavour. There is no current corporate growth agenda / plan beyond the initial property investments made to date. Developing a corporate commercial agenda and plan would support decision making and flow through to medium term financial planning. This approach would contribute towards TRDC's goal of being financially self-sufficient.

Improving the return on investment for assets could be supported by developing an asset management strategy, including implementing systems that provide access to data and information to support decision-making on areas such as disposal, future investment and maintenance programmes.

Engaging more with the local business community may help inform the future requirements for business land development, ensuring the right facilities and infrastructure is factored into local planning. Through this approach, identification of

future skills needs may also inform conversations with local education providers, as well as reinforce the types of housing needs for the community over the next 15 years.

4.7 Commercial agenda

TRDC has been operating with an increased commercial approach across services and has an established income streams which flow into the MTFS.

Through speaking to members and staff there is not a consistent understanding of what commercialisation means for the Council or a clear definition of a Corporate Commercial Strategy. Members and officers should work together to create a clear narrative around what is meant by commercialisation and to develop an overarching Corporate Commercial Strategy that details how TRDC intend to generate income, along with a supporting commercial policy detailing scope for investment and including factors such as risk management, governance arrangements (ensuring robust political oversight) and performance reporting as examples.

TRDC has existing officer governance arrangements such as the Property Investment Board which consists of Senior Officers and Chaired by the Chief Executive. The peer team recognise that there is member involvement in approving policy, but recommend greater involvement in investment governance to ensure political oversight is achieved.

As part of preparing the organisational development plan, considerations should be made towards how a commercial culture can be nurtured and in time be embedded in everyday practice.

Some external recruitment has already taken place to acquire specialist commercial skills. Whilst developing a Corporate Commercial Strategy, it is recommended to review the required roles and plan for skills and capabilities to ensure they are being acquired in good time ready to resource future demand. Skills acquisition could be through internal development or through external recruitment. Following the success and impact the customer service academy has had to date, there may be some organisational learning that can be replicated and applied to the development of commercial skills; potentially a commercial academy for key roles and teams.

Alongside reviewing roles and skills, the peer team recommend a review of systems and processes to ensure both are aligned to your commercial strategy and are actively working for you, not against you. One area that was discussed during the peer challenge was the investment in a commercial operational database to ensure there is timely provision of information on condition of key assets, and for legal compliance reasons up to date information on asbestos, legionella and energy performance certification (EPC). This will help mitigate risks for claims of compensation, large repair bills and going forward re-letting the poorest energy performing properties will require improvement.

As information management improves there is an opportunity to maximise existing commercial opportunities through a full review of the commercial property portfolio to ensure there is full confidence that rents being charged are optimised through up to

date rent reviews and leases. The systems and procedures used by the property team and finance are not adequately coordinated to have confidence that the rent roll is correct. There is an invest to save opportunity to bring in a small team of interim private sector RICS qualified property specialists to check and completely update the property database.

The current financial methodology does not assist the profit and loss accounting approach required to understand if an operational asset (e.g. the theatre) or a commercial asset is making a positive contribution of funds or being resource dependent.

There are many assets within the District of Three Rivers, including the world famous Harry Potter studio tours at Warner Bros Studios; the peer team felt that TRDC could make more of this iconic place based asset for commercial gain, for example examining the viability of building a hotel to capture the tourist market and looking to retain tourism in the district to encourage local spending, supporting local business growth.

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 and Gary Hughes, Principal Adviser are the main contacts between your authority and the Local Government Association (LGA) and can be contacted on: Email – rachel.litherland@local.gov.uk or Mobile – 07795 076834 gary.hughes@local.gov.uk or 07771941337

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 March 2023.

Examples of good practice

Development of the Customer Service Centre

*The Council has developed a **Customer Service Centre Academy** as an approach to attract staff to the organisation.*

Following a period of time within the academy (circa 6 – 9) months, there is the opportunity for staff to progress into other roles outside of the customer service job family. Successes to date have included a number of staff progressing into technical specialist roles in planning and finance for example. The impact has been much higher levels of staff retention, when nationally customer service roles experience higher than average retention rate. This is reducing associated recruitment costs and time spent on inducting new starters. Staff with high degrees of customer service attaining roles in other technical areas is actively supporting the embedding of customer service across the organisation. The development was created internally and staff recognise the benefits the academy is having on performance.