

Corporate Peer Challenge **Kingston upon Hull City Council**

26th-29th June 2018

Feedback Report

1. Executive Summary

Kingston upon Hull City Council is a hugely ambitious organisation with an impressive track record of delivering some very significant regeneration projects. The 'UK City of Culture 2017' status acted as a catalyst for the Council to bring the City together and turn it around. There is a visible difference in the City and it looks and feels confident and in control of its destiny. The Council has made massive progress over the last five years on physical regeneration, developing strong collaborative relationships with its strategic partners and building self-confidence across the Council. Everyone the peer team spoke to was able to talk about the journey and they all understand where Hull has come from, where it is now, and what the successes have been. There is a lot of self-confidence within the organisation and across all partners.

The Council is now in a strong position with a clear understanding of its place, people, the priorities it needs to pursue to deliver its ambitions and the challenges it must overcome. There is a very strong sense of place in Hull where everything and everyone seem to have Hull running through them. The Council is forward looking and has positioned itself on the front foot in relation to its place in the wider regional and sub-regional setting. Its strategy of keeping options open around City Deal, LEPs and Devolution look to be absolutely right. The peer team would encourage the Council to remain on the front foot by keeping a close eye on developments and being really clear about what is needed for the City. It should continue to carry out some sophisticated scenario planning around how things may play out and start thinking through possible responses to those scenarios.

Elected Members and senior officers provide top quality leadership to the Council and more widely to the City. This is complemented by the very strong and effective partnerships with open, trusting and collaborative relationships which have delivered some impressive results. Nonetheless, the peer team did look in detail at the Council's existing partnership landscape and found it to be overly complex and resource intensive, thereby creating some confusion and tension within the system. People are not sure about which board does what and how the governance arrangements all fit together. This is an area where the peer team would encourage the Council to do some work in order to rationalise the number of boards and bring clarity to the roles of the boards it wishes to have going forward.

Whilst the Council and its partners are to be commended for the huge ambition they have for Hull, there is a danger that going forward ambition may not match financial and workforce capacity. Championing aspiration and managing expectations is a fine balancing act, particularly in view of the ever shrinking financial budgets across the sector.

The Council is currently refreshing its City Plan and developing a Corporate Plan. As a result of this work in progress, plans and priorities may not yet be clear to all stakeholders. So it will be essential to ensure that everybody understands and is clear on how all the plans and priorities fit together and, more importantly, what their responsibilities are in delivering them.

The biggest challenge for Hull now is to deliver - what it terms as - 'Fair Growth' by addressing the 'doughnut of deprivation' which surrounds the City Centre. The Council has already done much work around physical regeneration and building community capacity on the back of its 'UK City of Culture 2017' status. There is recognition that the big task now is to develop Hull as a connected city in order to attract businesses, create well paid jobs for local people and ensure that economic development touches all sections of the local population. This will involve gearing up local people to grasp the opportunities emerging from the investments made in physical regeneration. It also means using the community capacity already built creatively so that the momentum and legacy of the recent past is not lost.

The Council should do some further work to align its communications and city marketing strategy to that next stage of its journey. This will be about connecting with communities and ensuring that the right messages are sent out to all the stakeholders locally and to the outside world about where Hull is heading. It is about bringing clarity to what the City's brand will be post 'UK City of Culture', what 'Fair Growth' means, how it will be delivered and who needs to be involved. It must also be about bringing clarity on how the Council will work with its strategic partners, what the governance arrangements are and where the communication lines are.

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) ***Focus relentlessly on 'Fair Growth' and find ways to unleash latent community capacity.*** Fair and inclusive growth is the next stage of Hull's journey and this should now be tackled on an industrial scale so that all local residents can benefit through meaningful jobs and decent homes.
- 2) ***Finalise the City Plan and Corporate Plan and communicate those well.*** These are important documents to help galvanise all stakeholders to the priorities for the City and the Council. Securing buy-in to the vision and priorities and developing a shared narrative about Hull's future will be key.
- 3) ***Review and clarify local, regional and sub-regional partnerships and boards to support and deliver of your priorities, including scenario planning for regional positioning.*** This should include clarifying the difference between a partnership and a board and developing an understanding that a partnership may or may not have a board and that boards may or may not be a partnership. This will enable the Council to release capacity so that people use their time more productively rather than servicing partnerships and boards. It will also help to place the Council in a strong position to enable it to benefit from future regional and sub-regional deals.

- 4) **Ensure future financial plans are focused on delivering your priorities.** This is essential if the Council is to deliver its ambitions around 'Fair Growth'. It will also ensure that capacity is utilised more effectively and people are clear on how they need to contribute.
- 5) **Develop the workforce strategy to match your ambitions.** This is about ensuring that the Council remains fit for purpose and can sustain its capacity to deliver the hugely ambitious agenda it is developing. The workforce strategy should also include regular staff surveys so that the Council's responses to its workforce issues are kept under review.
- 6) **Review your marketing and communications strategy and make sure it is aligned to the next stage of your journey.** This includes developing a brand for Hull post 'UK City of Culture'. Delivering an ambitious programme of work requires everyone to pull in the same direction, and this requires sophisticated communication, marketing and promotion so that people are clear about what they need to do to contribute. It also sends out clear messages about the City to the outside world about why they should consider a stake in the City.

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 the Council. The peers who delivered the peer challenge at Kingston upon Hull City were:

- **Tracey Lee** (Chief Executive, Plymouth City Council)
- **Cllr Simon Blackburn** (Leader of Blackpool Council)
- **Althea Loderick** (Strategic Director of Resources, London Borough of Brent)
- **Claire Upton-Brown** (Assistant Director of Culture and City Development, Portsmouth City Council)
- **Siân Millard** (Oversight and Governance Manager, Plymouth City Council)
- **Satvinder Rana** (Programme Manager, LGA)

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, the Council asked the peer team to consider / review / provide feedback on the following:

1. Are the priorities, structures and partnerships appropriate for the challenges the council faces and are they focussed on the right issues?
2. Has the council identified all of the areas in which it needs to improve? Does it have the systems in place to identify and pre-empt issues becoming Challenges?
3. Is the council effectively prioritising scarce senior Councillor and officer time between its multiple partnerships and improvement programmes in order to achieve its priorities?

These points have been addressed in the main body of the feedback report.

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 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 days onsite at Kingston upon Hull City Council, during which they:

- Spoke to more than 80 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 30 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 225 hours to determine their findings – the equivalent of one person spending more than 6 weeks in Kingston upon Hull City Council.
- 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 (26th - 29th June 2018). In presenting feedback to the Council, 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. The peer team appreciates that some of the feedback may be about things the Council is already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

Kingston upon City Council has a clear understanding of its place, people, the priorities it needs to pursue to deliver its ambitions and the challenges it must overcome. There is a very strong sense of place and civic pride in the City and at the Council. Everyone the peer team met was proud of Hull and what it has achieved over the last few years – “We don’t need to be any other city - we are Hull”.

It is evident that some very impressive progress has been made in the last five years on the economy, collaboration and self-confidence of the Council and the City. A huge regeneration programme on the back of its ‘UK City of Culture’ status has been delivered. For example, multi-million pound investments in Hull Ports, Energy Works – Spencers, Reckitt Benckiser and by Siemens together with regeneration projects around the City such as the exemplary and enviable Fruit Market redevelopment, the Amy Johnson Development, and the Cecil Gardens Extra Care Housing have all radically changed external perceptions of the City.

It is also evident that there is clarity of ambition and focus and a strong rationale behind these. The Council is very self-aware and has developed its future plans based on needs, evidence and deliverability. Members are fully engaged in developing the vision and strategy and are now consulting with their strategic partners on their priorities going forward. Members are also firmly rooted in their communities and are strongly committed to engagement with their residents. At a local level they work with their communities through Area Committees, Ward and Neighbourhood Forums and through

the award winning Tenant Participation engagement to find ways to improve service standards and address local issues.

Council staff are absolute advocates for the City. They identify with the City, they can articulate a sense of ownership of the City and they are able to demonstrate a stake in its future – “Employees reflect the personality of Hull”. The City’s size gives it an advantage where people know each other professionally and they know the different communities that live across the City. Self-confidence, openness and collaborative working across the Council and its partners has got the Council to where it is now. Its collaborative style of working both internally within the Council and externally with its partners is paying dividends. Everyone wants to do their best to deliver, they want Hull to succeed and they want its communities to prosper. These are real strengths and ones which the peer team would encourage the Council to promote and celebrate.

The Council is an active participant on the wider regional and sub-regional front and as the Council goes forward there is clear pragmatic vision of the potential outcomes in terms of City Deal, LEP and Devolution footprints. Its position as a port city gives it strategic advantage for attracting inward investment as well as possible government grants in the future. This is a good place to be in but the Council must continue to carry out some sophisticated scenario planning and developing its responses to those scenarios.

Getting the City ready for the ‘UK City of Culture’ led to some impressive physical regeneration which created jobs and delivered results. That physical regeneration is going to continue but making sure that fairness and growth works for everyone across the City is the big challenge for Hull. Therefore the Council’s objectives for delivering ‘Fair Growth’ now needs to take pole position while physical regeneration continues beside it. Making the City work for the 14.2% of residents who are on some sort of welfare benefits should be the primary focus in the near future. This is a huge task in the current economic climate but if anyone can make headway it’s Hull, simply because it has a track record of delivery and has a lot of the community capacity to help with this already in place.

The work done to get people into employment by the Greenport Growth Hub is impressive and it has achieved good results, but this alone will not be enough to deliver jobs to local people and achieve ‘Fair Growth’. What Hull will need are major strategic interventions around skills and employment to improve market accessibility and mobility for the local resident working age population i.e. a comprehensive infrastructure of employment support for local residents of working age that national employment programmes currently lack. The basis of Hull’s City Deal to get work programme money should help with this.

The other big task for Hull is to creatively align its communications and marketing strategy to those objectives and ambitions. The primary aim of the Council’s communications and marketing strategy should be to help continue attracting inward investment to help deliver the ambitions around jobs and housing. Communication and marketing should be focused on ensuring that the right messages are sent out to all the stakeholders locally and to the outside world about where Hull is heading. It should be about helping to set the destination, while engaging, involving and inspiring staff,

partners and communities to be part of that journey. For example, communication and marketing should now focus on what the City's brand will be post 'UK City of Culture', what it can offer to potential investors, what 'Fair Growth' means in practice to people living in the City, how it will be delivered and who needs to be involved. This will inevitably require the Council to work with its business partners to get them to help promote and market the City.

Communication and marketing should also be used to strengthen the Council's lobbying position for better transport links to and from Hull so that it becomes a better connected City. In addition, good communication will need to be about bringing clarity around the partnership boards and communicating this clarity on how the Council will work with its strategic partners and where the governance, communication and responsibility lines are.

4.2 Leadership of Place

The Council is an integral part of the fabric of the City with an effective convening, influencing and place shaping role. It is making a massive difference to what happens in the City and how it happens. These are some very high order skills that the Council has and this is in no small way due to the top quality leadership provided by the Leader and Chief Executive. Both the Leader and the Chief Executive are key players in Hull and many of the people the peer team spoke to attributed the City's recent success to their leadership. They are both hugely respected and valued internally within the Council and externally by partners.

The refresh of the City Plan and the development of the Corporate Plan are underway. Everyone was able to share the narrative about where they have come from and where they are now – they now need to be able to articulate and share the narrative about where they are going next and what that feels like. This will involve communicating the plans to staff, partners and the community to ensure wide and deep buy-in to the new vision. The Council's workforce should be seen as critical to the communication and promotion of the vision and strategy given the proportion of Council staff who are local residents and thus capable ambassadors for the Council. The peer team acknowledge this is work in progress and would encourage the Council to keep a focus on this as the plans get embedded in the City and work towards developing very simple messages which can be shared easily.

In addition, the peer team would recommend the Council to use its Voluntary, Community and Social Enterprise Sector to help further develop an already strong position around 'civic pride' and aspiration within communities. This will enable ownership of the vision for 'Fair Growth' to be strengthened across the local population and will enable the Council to demonstrate what it all means for residents on the ground and in their local areas.

There are strong and effective partnerships with open, trusting and collaborative relationships in Hull – "trust is the bedrock of collaboration". The relationship the Council has with the Clinical Commissioning Group (CCG) is exemplary. This has led to joint commissioning, pooled budgets and an integrated governance structure across

the health and social care system – “the discussion now is not about who pays for what, but what can we deliver in partnership”. Business partners are also in tune with the Council and show empathy with the challenges and problems facing the Council and the City, and they want to help. There is significant appetite from partners to collectively take opportunities and solve problems.

The peer team got the sense that partners are part of a ‘living system’ in Hull and do not appear to be hierarchical in how they work together. However, some people did find that hard to grasp and instead they were looking for defined leadership. They seem to be seeking clarity on who is in charge, what they need to do and where they need to report into. Partnership working is all about striking a balance between operating as a ‘living and fluid system’ to work out creative solutions to shared problems and stepping in to provide good leadership when needed in order to ensure delivery of outputs and outcomes through the system. Therefore some leadership and guidance, particularly for those who are not at the table for everything, will help with the next stage of the journey.

In addition, the peer team also found there to be a complex web of partnerships and boards that need clarifying and reconfiguring, particularly around the Health and Wellbeing agenda. It would therefore invite the Council to review its partnership landscape and clarify where each partnership and board is and get them to see how they are linked to the shared objectives and holding everybody accountable for the delivery of those objectives. This can be done by mapping out all the partnerships and boards so that there are clear terms of reference, governance arrangements, accountabilities and reporting lines; and where there is duplication then that should be addressed in order to release capacity.

4.3 Organisational leadership and governance

Kingston upon Hull City Council is a very well run organisation with a collegiate style of operating and approach. This has helped to set a culture where people are committed to the City and feel empowered to get things done. The peer team found the culture of the organisation to be open, transparent, and with two-way communication and this was considered to be an important contributing factor to the Council’s success over the last five years. The strategic importance of the City is a rallying call for all stakeholders, including opposition Councillors who all share the ambitions for the City, albeit from different policy perspectives.

There are strong member-officer relations together with good decision making and internal control structures in place. These are good indicators of organisational discipline. Cabinet and the corporate leadership team meet once a week and the Chief Executive meets with each Cabinet Member every 2 months. These are the hallmarks of a successful Council that is demonstrating solid leadership to deliver great things across the City. The Council has come a long way in its journey and the improvements it has made in this regard are clear to see. Members and officers, whilst challenging of one another, do work very well together through shared goals and mutual respect. This is backed up with clear decision-making that enable them to get things done in a collaborative and transparent way.

That said, the peer team does think that there is an opportunity to strengthen the overview and scrutiny function so that it puts greater focus on policy development by further aligning its work programme to key priorities. Overview and scrutiny has delivered some good work through Task and Finish groups, for example, street cleaning but there is room for it to be more strategic and policy driven. This means focusing overview and scrutiny to look into whether the right policies are being developed for Hull, whether those policies are being delivered effectively and whether they are making an impact on the ground. By doing this the Council will be maximising its capacity and ensuring that impact and outcomes are driving all it does. It will also enable the overview and scrutiny function to scrutinise those things that are important to the public to demonstrate its impact to residents.

In addition, there are opportunities to work more closely with partners to understand and address key risks that may affect the City, region and nation. Risks associated with things such as Brexit and any future downturn in the nation's economy could have a profound impact on Hull. The Council, together with its partners, needs to develop an in-depth understanding of what impact that might have on imports and exports on Hull as a port city and what that might mean in terms of the local workforce and the quality of jobs available to local people. The work that is currently going on with partners to review the City Plan is an opportunity to work on a wider footprint to think through the risks and opportunities for the City and developing solid responses through scenario planning.

4.4 Financial planning and viability

Over the past three years the Council appears to have managed its finances reasonably well. Like most authorities it too has experienced significant reductions in Government grant and has had challenging savings programmes to deliver. The outturn position since 2014/15 has been close to balanced each year without drawing significantly on reserves. However, there are signs of strain within some services and in particular Adult Social Care which has consistently overspent over this period due to rising financial pressures. Alternative savings have been brought in to offset these cost pressures. In some cases these have been one-off and not necessarily sustainable in the longer term.

The Council is trying to get a handle on demands and pressures in the system, and this was evidenced by re-basing the adults and children's services budgets. This allowed the Council to make service improvements and meet statutory obligations in a different way as well as managing to balance the delivery of efficiency savings against the duty of care for residents. For example, the Council has developed a new operating model for Adult Social Care that maximises independence, prevents and reduces the need for more formal services, whilst remaining in line with statutory requirements. This meant the Council could make substantial service improvements and savings rather than continue with small changes and savings.

The Council carries relatively low levels of general reserves, although earmarked reserves are more substantial. There could be some concern that the Council is

vulnerable with little scope to manage variations. However, the Council is aware of this and is planning to increase the level of reserves over the next three years.

There is a really good and pragmatic approach to financial management within the Council. That approach and culture has been set by the senior team with a clear eye to delivering savings and mitigating risk. The “thrive and not survive” approach to investing for the future has set a very positive tone to the Council and thereby creating an environment where morale is high and people want to achieve; they want to drive things forward and want everybody to succeed. It is refreshing to see such positivity fuelling ambition and creativity among staff and partners.

There is an impressive track record, confidence and the skill set to deliver big projects and attract grants in Hull. For example, building of new homes at Amy Johnson Development in Newington/St Andrews and elsewhere in the City the Council exceeded the Government’s new homes target. The Council has already achieved a lot over the last few years and has developed ample capacity which is now in place to be used. This all stands the Council in good stead to grasp any opportunities that might come its way in the future. For example, the peer team heard about Homes for England phoning up to ask if the Council is able to spend a few million pounds and its ‘no problem can-do’ response generated some great financial dividends. This is a good place to be because if a council can deliver then people will come to it with exciting propositions.

Nevertheless, there is awareness that the Council cannot continue the massive injection of money into Capital projects through borrowing and therefore needs to find alternative sources of funding. It is also aware of the constraints it has on raising finances through taxation due to the council tax cap, uncertainties around Business Rates and the fair funding review, and because the City is dominated by Band A properties. There is therefore a significant value for money (vfm) risk relating to financial resilience which will need to be kept under review and the Transformation Team has been working to find ways to make sustainable savings through efficiencies and cultural change as opposed to cutting services or headcount.

4.5 Capacity to deliver

There is an incredible sense of purpose and public service among Members and officers at all levels in Kingston upon Hull City Council. This is helping to harness and deploy capacity to deliver against a very ambitious agenda.

Bold investments in leadership and management development across the Council are commendable and these should reap rewards in the future. This is also assisting the Council to grow its future leaders from within its workforce who have Hull running through them. Member development is also given importance and there is a Member Development Steering Group in place. Training for Members who have recently taken the role of chair and peer mentoring for new portfolio holders has been put in place.

The investment in leadership and management development should now be complemented with more formalised workforce planning for the future. This should include recruitment, retention, and skills development because the age profile of the Council’s current workforce poses a future risk. Some workforce planning is going on in

directorates but the peer team would encourage the Council to have more of a corporate approach to it. The Council is also encouraged to carry out a detailed staff survey, which has not been done for several years. This will provide it with a better picture of how it is performing as an organisation and enable it to respond to any emerging workforce issues.

The Council has been rightly commended for its high ambition and this ambition should be encouraged to foster creativity among the workforce and partners to continue seeking solutions to the challenges the City faces. However, there is a danger that, inevitably, this ambition will not always be matched by the financial and workforce capacity currently available. There is so much people want to do - especially Members - but some of the grants that have been available in the past might not be available in the future. The existing capital programme will become stretched and the Council needs to be mindful of the revenue implications as it goes forward. Some of the ambitions around improving the lives of local people will be revenue hungry and not necessarily capital hungry, though it is encouraging to note that the City Deal is focussed on getting revenue to deliver 'Fair Growth'.

Aligned to this is the capacity of corporate services (particularly, planning, legal and procurement) to respond to demand in a timely manner to support delivery of projects. Lack of capacity in these services can act as a bottleneck, thereby creating tensions and frustrations. There is, therefore, the need to think through how the Council's corporate services are able to support the demand placed on them through those high ambitions. Some of this is already being recognised and extra resources are being put into ICT for example. The peer team would encourage the Council to keep its corporate capacity under review and tightly aligned to its ambitions.

Looking at capacity more widely, Hull increased its de-facto 'workforce' by 2,500 volunteers which the Council recruited and trained for 'UK City of Culture' to step up and do things in communities. Those 'ambassadors' are still there and the peer team would urge the Council to try and double that number and then utilise that precious resource and get them involved in the next stage of the City's journey by giving them new projects. For example, this could involve getting them to work on the 'City as a Classroom' theme by getting them to listen to children reading in schools. This will require engaging with residents and creating the space to enable them to wrap around the City's schools and joining up the education sector across the City.

To boost capacity even further the Council should continue to be mindful about when it wants to co-produce cross-cutting solutions either collectively as a Cabinet; as a Cabinet with its corporate leadership team; collectively as a corporate leadership team; as a corporate management team with partners; or when people want to individually produce something, for example, a Cabinet Member or a directorate. Getting this balance right in terms of whole organisation versus directorate working and securing buy-in to the approach from all stakeholders will be critical to the Council.

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. Mark Edgell, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His contact details are:

Email mark.edgell@local.gov.uk and Tel: 07747 636 910

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 any signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration, as required.

Follow up visit

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

Next Corporate Peer Challenge

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



Satvinder Rana
Programme Manager

(On behalf of the peer challenge team)