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9 March 2015

Dear Karen

### **Surrey Heath Borough Council - Corporate Peer Challenge**

On behalf of the peer team, thank you for your invitation into Surrey Heath Borough Council to deliver the recent peer challenge. The team felt privileged to be allowed to conduct its work with the support of you and your colleagues who were open and engaged with the process.

You asked the peer team to provide an external view of the council and give recognition of progress made; and supportive challenge and feedback on how you are prepared to meet future issues and opportunities for Surrey Heath.

You also asked the team to provide specific feedback on testing the council's thinking on:

1. The sustainability of the Council's new organisational/staffing model [being a matrix management type structure that does not have traditional service heads]
2. The understanding and deliverability of the Council as a business – in particular, its readiness to borrow to invest and create income generating opportunities
3. The above points linked to the Council's medium term financial plan/strategy.

In addition the peer team considered the ability, resilience and capacity of the council to deliver its future ambitions by looking at:

- Understanding of local context and priority setting: does the council understand its local context and has it established a clear set of priorities?
- 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?
- Political and managerial leadership: does the council have effective political and managerial leadership and is it a constructive partnership?
- Governance and decision-making: are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
- Organisational capacity: are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement plans. The peers 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.

This letter provides a summary of the feedback that was presented at the end of our recent on-site visit. Recommendations are made in the body of the letter and are collated as a set at the letter end.

In presenting this report the peer challenge team has done so as fellow local government officers and members, not professional consultants or inspectors. Our intention is to provide recognition of the progress Surrey Heath Borough Council has made in recent years while also stimulating debate and thinking about future challenges.

### **Overall message**

The Council benefits from political stability with all-out elections every four years. This provides a sense of continuity and supports longer-term planning and delivery. The council has successfully negotiated a difficult period of increasing austerity funding cuts. In doing so it has achieved the savings required and has retained services.

However, the cuts have undoubtedly reduced organisational capacity. This is difficult enough for ongoing business as usual but on top of this the Council has an ambitious set of transformation projects to realise further savings to achieve future balanced budgets.

The Council is engaging more with neighbouring councils to co-deliver services and although not always delivering savings it is building service capacity and resilience. This will be an important model of service delivery for the future but is currently developed in an ad hoc way. The peer team recommend that this be developed into a strategic approach working with other Surrey councils.

Financial pressures have led the Council to consider a shift in approach to investment, with a bolder outlook emerging. This is at an early stage moving away from traditional financial investment, currently offering low returns, to considering investments offering an improved rate of return. There is also a recognition and interest in exploring opportunities to develop income streams, which may help to offset future Government funding reductions.

The Council's 2020 Strategic Vision and Sustainable Community Strategy were both developed in 2008-09 [the former has been revised recently]. With changes that have occurred since then, nationally and for Surrey Heath, it would be beneficial to review these, particularly to refocus ambition and priorities, in light of reduced resources and capacity. The timing for such a review will also be important, given the all-out elections in May 2015 to elect a new administration.

The Council would benefit from priorities and projects being supervised by a more rigorous programme management approach; in particular so that projects can be

managed with an appreciation of resources available, instead of everything tending to run at the same time. The current approach lacks a recognisable programme framework, setting out clearly the scope for benefits realisation, with project sponsors and leads taking on responsibility and accountability, supporting the successful delivery of planned projects and priorities. The peer team strongly recommends the Council move to a rigorous programme management model to support project delivery and transformation.

Despite the reduction in capacity the Council is still working to a highly ambitious programme and remains committed to subsidising some services while taking on additional discretionary services. For example, the Council is committed to a subsidy for the provision of older adult services, a discretionary service where local demand is growing, as it is nationally. Similarly the council is providing a financial subsidy to Camberley Theatre with this steadily being reduced from £600k in 2012-13 to a projected £225k by 2018 with this planned to form part of a cultural quarter hub for the town centre regeneration.

This level of support may not be sustainable in the longer-term and it would be worth considering future delivery options. For example, once the operation of the Theatre is made more efficient, that is subsidy is reduced, options could be developed to consider transfer of ownership/operation. For older adult services, as this is a shared issue across Surrey authorities, then it would be worth considering initiating a debate for a county-wide approach with all councils and the third sector.

The new management structure is working well. It is well understood within the Council, it is leaner, is promoting accessibility and more flexible working. However, it still has considerable potential to deliver more by a refocused set of priorities, clearer lines of delegated authority and clarity on the functions of Corporate Management Team (CMT) and Management Board.

Finally, transformation is a Council priority. This recognises that the funding pressures on local government necessitate a radical rethinking of delivery models. However, the peer team believe that successful transformation will require dedicated strategic capacity, in particular a specialised set of skills and expertise, to make the breakthroughs being sought.

### Sustainability of the new structure

The new structure, characterised by matrix management, was introduced in September 2013. It is acknowledged to be leaner and more accountable and has achieved savings of £100k. The flatter structure means officers find that they can get things done more quickly. It has improved access to senior managers and that this is expediting decision making and strengthening project working arrangements.

The new structure supports the ethos of 'One Team' and has much to offer: for staff to work to a manageable and prioritised programme of projects; opportunities for cross-service working; and closer project working between and across services. Much of this potential is still to be realised and is, as might be expected at this early stage of the new structure, work in progress.

However, as much as this structure enables the Council to be more fleet of foot and agile, in responding to a rapidly shifting local government environment, the Council's ambitious programme of change and service delivery is heavy on staff capacity/resources. As explained further in this letter, in some parts this capacity is being stretched.

The peer team believe that the matrix management working arrangements would be enhanced, at a time of resource and capacity pressures, by a stronger application and understanding of project and programme management. This would prioritise projects, evaluate the resources they required and programme these accordingly.

There is widespread uncertainty and lack of clarity over roles and responsibilities of CMT and Management Board. The latter is a carryover from the previous structure but appears anachronistic in that it involves some but not all of CMT. While it is accepted that the Management Board is changing its role to become more of a Programme Board, the respective roles are not yet distinct or well understood, either at senior officer or member levels. In addition the nature of a Programme Board will need representation from across the Council to ensure interdependencies and resources are managed effectively. The current Management Board membership is too limited to act in this way and the peer team recommend consideration is given to the Programme Board's remit and composition.

With the new structure it will be important to develop further the resilience and sustainability of leadership. The Chief Executive is regarded by partners as a potent figure for the Council to make decisions and get things done. However, this presence and authority is not so well established for other senior staff and needs to be developed. One means to address this could be to designate clear project leads, with authority delegated to them to represent the Council.

Good as the new structure is at delivering 'business as usual' it needs focus and resource to lead transformation and change. Transformation is a critically important element for local government to change public service delivery in the face of huge funding pressures. As part of this process it will be essential to extend engagement with the community and community organisations for a dialogue on future services and how these may be delivered. The objective should be for the Council to 'reinvent itself' and to redefine its relevance to local communities.

The importance of local government transformation for Surrey Heath is evidenced by the priority given to this in the new structure arrangements and the designation of an executive head with this responsibility. A Transformation Consultation Group has been established with senior members and officers and this is a potentially important group to develop the concept of transformation in the Council's context, in relation to new ways of working to make better use of diminishing resources, and in monitoring its implementation.

However, transformation will require a dedicated resource, with specialised skills, to ensure that the agenda of transformation can be delivered. Not to set this at the appropriate level risks interpreting transformation as efficiency savings, rather than genuine innovation.

Finally, the new structure's enlarged CMT gives the opportunity to embed the values of a collaborative 'One Team' ethos. However, the view of the peer team is that this will require:

- an agreed set of prioritised corporate projects
- skills and resources to lead on transformation and programme management that balances priorities with resources
- allocated responsibilities at programme and project levels
- a scheme of delegation set at the appropriate level with the objective of facilitating decision making
- clearer forms of reporting to committees and the Executive that greatly shorten the current decision making time frame.

### Understanding and delivery of council as a business

There is a strong Council-wide desire to develop new approaches to developing income streams. This is supported by members who are open to considering options carrying increased risk and offering greater return on investment.

This is of critical importance for the Council in terms managing continuing financial pressures while maintaining its commitment to protecting services. The return in council investments is low due to the maintaining of low interest rates. The outcome of this is that the investment income for Surrey Heath for 2014-15 is projected to be just £185k when, by contrast, this achieved £1.5m in 2006-07. It is for this reason that a revised Treasury Management strategy has recently been implemented to obtain better investment returns.

It is also important for the delivery of Council priorities where the return on investment can take two forms. One is where investment in property or commercial development will offer a financial return and/or income stream. The second where the investment provides benefit for residents and businesses. An example of the latter is the priority of Camberley town centre regeneration where the council will consider financial borrowing to invest, as part of a multi-partner financial package, with the benefit being the boost provided for the local economy.

There are different examples of investment. Pembroke House is a redundant office block owned by the Council. A development proposal was assembled with Tesco to occupy the ground floor and housing association homes above. This was supported by the Executive but refused at Planning Committee. The Council acknowledges that there are lessons to be learnt from this experience; in particular to ensure that members understand the implications of economic growth, with tangible development proposals supported across the Council and followed through to meet agreed corporate priorities.

More likely for success, and as a model for future development, is the proposal to use M3 Enterprise (Local Enterprise Partnership – LEP) funding to purchase another property; to retain the ground floor shop units and convert the floor above into flats. It is estimated that this could offer a healthy return on investment and contribute to the regeneration of Camberley town centre.

Similarly in modelling the Camberley town centre regeneration there would be value in reviewing the Atrium scheme for learning points. The actual income from the Atrium has been considerably less the rental targets.

It was evident to the peer team from meeting staff and members that there is a widespread understanding that Camberley town centre regeneration is the number one priority for the Council. Camberley has been designated as a 'step up' town by the LEP - M3 Enterprise - which sees the potential for it to become a regional shopping centre, aiming to be one of the country's top 100 towns by 2018 and a lynchpin for economic growth in the borough.

The priority of Camberley town centre regeneration is a huge project, which carries a high level of risk. It will need a great deal of advance preparatory work to structure a financial package that the Council can commit to and provide partners with the evidence to ensure they have confidence that the regeneration scheme is viable and will proceed.

It will be important to evidence what options are available to the Council, and what risks have been assessed, if the proposed development falters and/or retail partners pull out. For example, the principal focus to date is of an anchor store underpinning the development. However, discussions with this store have been ongoing for six years and a positive response is still awaited. The timescales for implementation are also ambitious bearing in mind the number of significant interdependencies, which reinforces the point made earlier about improved arrangements for project/programme management.

The Council would benefit from developing an Investment strategy, which could include traditional forms of financial investment and also incorporate use of assets for house building and commercial development as part of a wider strategic approach. The current approach to development investment is supported by the Council's adopted Local Plan, Asset Management Plan and Property Acquisition strategy. The latter could be further developed within an Investment strategy to set out how assets could be used for construction based development to derive an income.

However, the new approach to investment could be further diversified to evaluate income generating opportunities beyond property-based income streams. These could include joint venture house building with registered social landlords, the use of innovative financial vehicles, commercial investments, the joint provision of housing for older people etc. This may become a necessity as the Council acknowledges that its property portfolio is small compared with neighbouring councils. A range of alternative options could be incorporated into an Investment strategy to provide a structured way to develop, agree and progress business cases that the Council could consider.

The Council is progressing new ways of working, notably a joint waste partnership proposal with Waverley, Woking, Elmbridge and Mole Valley councils. This has potential to deliver £240k+ savings for Surrey Heath with contract implementation scheduled for 2017. The peer team considered this to be a well-managed project, supported by a project manager and governance/reporting arrangements, providing a good model for future project working.

The shift towards higher risk investment activity will require the counterbalances to be in place to ensure that appropriate due diligence is carried out and that higher risk is actively managed.

## Local context and priority setting

The Council has a clearly set out strategic vision in a published 2020 Vision which sets out the strategic aspirations for the future. This vision is underpinned by the Medium Term Strategy and an Annual Plan. The vision strapline is 'Great Place, Great Community, Great Future'. The more detailed objectives of the Council are set by the Executive, meeting with the CMT on annual away days.

Surrey Heath is a good place to live and work. It is one of the least deprived districts in England and has recorded 15<sup>th</sup> position in the annual Halifax Quality of Life survey. The Council's first objective is to make "Surrey Heath an even better place where people are happy to live".

The Council is in the process of arranging consultation events planned for November and March to engage with communities on service provision and priorities. Community engagement has not historically been a strong feature and could be an opportunity to discuss future service provision and priorities. In light of the continuing spending pressures on local government the peer team recommend this as a productive dialogue to encourage.

The Council's Media and Marketing team are very driven, focused and innovative. They are making good use of Mosaic and social media to target messages for more effective external communication. This team will be enlarged with the Council's intention to merge service marketing with the central service and will provide an important resource for community engagement and consultation.

This will be important as the Council will need to consider future working arrangements with the private, community and voluntary sector organisations to co-produce and co-design future services and their delivery. This is currently at the very early stages and provides an opportunity for development. The LGA is aware of a great deal of work by other councils in this area and would be pleased to point the Council to these.

The Council has declared itself 'Open for Business' to support economic growth. This is a positive development for proactive engagement with developers and potential investors to demonstrate that the council will support and enable growth that benefits residents, businesses and the local economy.

The Council has managed successful engagement with the LEP M3 Enterprise, resulting in successful bids for Local Growth funding which will contribute towards Camberley town centre regeneration. This will also make an essential contribution to transport infrastructure works, supporting the town centre regeneration. The Leader of the Council sits on the LEP board to represent Council interests.

Transport funding could provide an opportunity to make some breakthroughs. Transport is identified as a major issue, as recognised within key priorities 2 and 4 of the Annual Plan. One clear reason why is the high level of car ownership and dependency – more than 58 per cent of households have two or more cars, where the national average is 29 per cent. Related to this is the low level availability of public transport, rail shortcomings in providing faster connectivity to London and, despite the high proportion of green belt and heathland, low level development of cycle ways and routes. The town centre regeneration could be an opportunity to introduce a more balanced transport offer.

Housing is an important corollary to economic growth. It is also important for the New Homes Bonus that currently forms an important part of Government funding to the Council (£918k for 2014-15). However, Surrey Heath's budget report for 2014-15 stated that the Council had delivered the lowest housing numbers in Surrey over the previous four years and the 5<sup>th</sup> lowest in the SE7 group (Brighton and Hove, East Sussex, Hampshire, Kent, Medway, Surrey and West Sussex). A contributory factor for lower housing numbers is likely to be the high proportion of green belt and protected heathland, although the previous difficulty of achieving Local Plan housing numbers, and a five year housing land supply, has since been overcome by the recent planning permission of 1,235 homes at the Deepcut site.

Perhaps more of an issue than housing numbers is that of affordable housing to support the future local economy. Affordability is, as would be expected, a big issue with Surrey Heath ranked 267<sup>th</sup> out of 376 districts in England and Wales. A question in planning future economic growth will be how and where lower paid workers will live? The Council does not have a Housing Strategy and the peer team recommend that one is produced to set out parameters for future housing provision, affordable housing numbers, potential sites and which partners the Council might work with to deliver these.

Although there is published a vision and priorities, the 2020 Vision dates back to 2008-09, as does the Sustainable Community Strategy. However, these were produced immediately before the financial crash of 2008 and before the deleterious impact that this subsequently had on public sector funding. The peer team recommend that this vision be revisited in light of ambition matching greatly reduced Council resources, with priorities adjusted accordingly. The Council has all out elections every four years with these next occurring in May 2015. The peer challenge team recommends that the incoming political administration works with officers to refresh the Council's future vision.

There is evidently a strong organisational understanding of the priority of Camberley town centre; however there is not a consistent understanding of other council priorities. This is despite posters setting these out on the walls and in lifts of Surrey Heath House and the Council having good internal communication arrangements. The peer team think that this could be because the internal focus is almost entirely on Camberley town centre regeneration. The Council may wish to consider how this might be rebalanced.

The Medium Term Strategy sets out an ambitious programme of projects. These set out projected savings to be obtained. However, the programme management arrangements to support this are underdeveloped and result in a lack of clarity and certainty around delivery. The provision of training to more widely instil the principles of programme management will be important so that project resources, timelines and outcomes can be aligned to ensure delivery. The projected savings did not appear to be robust and the peer team believe there would be value in undertaking further work on these, as part of the programme management approach, with these then linked to the MTFs.

### Management and political leadership

Both members and officers describe the working relationships across the Council as good. Senior management were described by staff as being accessible with a genuine 'open door policy'.



There are monthly meetings between the Leader and the Executive to review and discuss ideas. This is an important means of communication in a fast moving local government environment.

However, it is undoubtedly the case that there's a lot going on within the Council and communications to members could be improved. The objective would be to ensure awareness of, and progress on, priorities is widely and consistently understood and contributes towards a strengthened and shared commitment.

This would be especially beneficial for the opposition groups and for backbenchers. For example, it was made clear to the team that many members desire to have more influence and earlier involvement in decisions which would lead to greater member buy-in. At the same time the peer team were informed the function of Overview and Scrutiny at the Council was "cosy" and would benefit from greater rigour to provide challenge and support to the Executive. This is important as part of a wider piece of work to consider the role of the backbencher councillor, how they are informed of new initiatives at Surrey Heath and how their role can contribute to Council priorities.

For the new political administration to be elected in May 2015 it would be worth considering:

- the optimum forms of communication to all political groups and backbenchers
- a review of the function of Overview and Scrutiny
- a review of the backbencher role and how this might be enhanced by an increased community leadership function.

The Chief Executive has a high and positive profile with external partners, which demonstrates to partners the Council's senior level commitment to partnership working and engagement. This shows partners that the Council takes this seriously. The Chief Executive assumes a pre-eminent role in the organisation and has shown leadership through a difficult transition period; the next phase of organisational transformation will require the new CMT to work collaboratively to achieve corporate objectives.

External partners are complimentary about the Council's increasing willingness to engage in partnership working. For example, effective shared delivery arrangements on environmental health are in place between the Surrey Heath and Mole Valley Borough Council. Similarly there are shared working arrangements between Surrey Heath and Reigate and Banstead Borough Council on health and safety services and with Runnymede Borough Council on Supporting Families. The benefits from such partnerships are not solely around financial savings but also around increased service capacity and resilience in the face of financial cuts.

There is an evident willingness to extend such partnership arrangements and the peer team believe this will be important to extend service resilience and capacity and also to achieve savings. One neighbouring authority said they thought these partnership arrangements had been arranged in an ad hoc way across the county and that now might be the time to reflect on current arrangements and develop a more strategic county-wide co-ordinated approach.

Finally, the Council is viewed positively by both political and officer leadership at Surrey County Council. The County Council is promoting a programme of working across the two tiers of government through Surrey First. Surrey Heath is responsible for the asset management work stream which is working to create a database of public sector assets and, from this, to then identify those that lend themselves for use through collaboration. This highlights the potential for enhanced future two tier working across the county.

### Financial planning and viability

The Council has done well in recent years to achieve the savings required through efficiencies without major cuts or impact on the standards of frontline services. The policy position of the Council is to continue to protect services from future cuts.

In response to the austerity programme the Council is making good use of its building assets. The accommodation is shared with the police, the Clinical Commissioning Group (CCG) and Surrey County Council's Adult Services. This not only provides an important rental income source (circa £100k) but is also promoting partner synergies in working together on areas of shared importance, for example with the CCG on the health and wellbeing agenda and pooled budgets.

Surrey Heath benefits from strong financial management. The Medium Term Financial Strategy (MTFS) illustrates the council's shift from being risk averse to becoming risk aware. This is illustrated by, "The current reforms to local government finance means that those councils that support and deliver construction-led development are those that benefit most from the new fiscal environment" (MTFS). This appetite for risk is also epitomised in the Camberley town centre regeneration proposals, a revised Treasury strategy that allows wider scope for investments and a more open approach to asset management.

However, this shift in risk is also balanced by a keen awareness of the impending financial pressures, a financial gap of £1m+ and a challenge to CMT on the viability of proposed savings. It is certainly the case that difficult though it has been for local government to achieve savings over the last four years, those required over the next five years will be even more difficult to deliver. The Council's strategic understanding of key future savings has identified four principal areas: the proposed joint waste partnership, further office sharing, a more business-like approach to efficiencies, and ICT enabled change.

Despite this the savings target for the next financial year has not yet been confirmed. The peer team came across different figures for this, from £0.8m in the MTFS to £1m+ in a CMT meeting. At a CMT meeting, attended by the peer team, it appeared that the delivery of savings for 2015-16 could present a significant challenge and risk.

Surrey Heath enjoys a healthy reserves position with circa £21m in useable but not uncommitted reserves. This could be important in smoothing out some of the financial pressures for the 2015-16 budget and allow time to prepare a longer-term savings strategy. Just as important it provides the resource for the council to shift its investment strategy to obtain a higher rate of return, as previously outlined.

Within the Council there are different understandings on whether it is likely to receive a financial return on the Camberley town centre regeneration project. One reason for this

uncertainty is a viability analysis and appraisal, commissioned by the owners of the Camberley Mall and submitted to the Council in December 2012. This analysis sets out a number of options for a return on investment.

However, in order to progress the Camberley town centre scheme an independent business case and options appraisal needs to be procured. This will assist the Council to understand the range of investment options, the level of investment risk, the scale and assembly of the financial package and the implementation timescale.

### Capacity

The peer team met a range of staff in different meetings and found all to be well motivated and engaged, hardworking and enthusiastic. This is supported by external partners who describe staff as responsive, practical and open-minded.

This is complemented by significant potential within middle management who the team found were fizzing with energy and ideas. A challenge for Surrey Heath will be how it can unlock the potential of middle managers to deliver more of its ambitious programme of activity. This would not only empower middle managers but could release CMT capacity.

However, related to this was the issue that the delegation of activity can be accompanied by micro-management. One explanation given for this was that delegation carried a risk of task failure that could lead to criticism of the person who delegated. Whatever the reasons, the failure to delegate and let go is debilitating and staff should be empowered, through the commitment to 'One Team' working, by more effective delegation.

It is also clear, and to be expected, that with the reduction of resources (the number of full time equivalent staff reduced by 18.5 per cent over the last eight years) has had an effect on organisational capacity. It has led to a reduction in staffing resilience; with some areas reduced to 'fire-fighting'. One described services "running as fast as they can to stay still".

Another telling quote was that "ambitions don't always match resources", where the loss of resources and capacity has not seen a corresponding reduction in demand and expectations. It also reflects that working to an ambitious programme of activity is stretching the organisation.

During the time on-site the peer team were surprised to hear no mention of 'demand management'. This is an area being explored by councils across England, in response to funding pressures, to improve understanding of service demand and to rethink forms of service delivery. This will be a key area to give attention to as part of the transformation programme.

Managing staff capacity will also be important. For example, the demand on resources for town centre regeneration will be significant and likely to increase exponentially as it moves into the delivery phase – the peer team were informed resource has been bought in to undertake some of this specialist work. It will be important to manage this so that sight is not lost of other important elements of the Council's aspirations for economic growth. This will need clear priorities to be set within the emerging Economic Growth strategy, with resources allocated for delivery.

It may also require strategic workforce planning to balance times of high activity and demand to provide options. These could include: shifting internal capacity; external expertise brought in; the use of interim professionals; shared services etc. This should be part of a wider approach developed further in the Workforce Planning Model and Worksheets currently being drafted.

Moving more services to be dealt with online and by citizen self-service, rather than the more resource intensive face to face meetings and telephone contact, is an important development. This is one of the four key platforms for financial savings with a target of 37 per cent of business to be conducted online. Such 'channel shift' will need a clear strategy and action plan, with measurable efficiency targets, to enable and deliver project success. This is capable of releasing significant capacity but may initially carry a need for resources in the short-term.

It was clear to the peer team that CMT capacity and resilience is being tested. This is due to the reduction in capacity in recent years, increasing expectations and an ambitious programme of Council activity. The team recommend a review of this programme to reconsider priorities, resources and delivery dates along with a review of delegation arrangements discussed above and also below. A rebalanced programme would be beneficial for CMT effectiveness, working to the One Team ethos, and in enabling delivery.

Such a review could also anticipate the changes that might occur with the elections of 2015. Although the political administration is unlikely to change the composition is. Actively managing this process, and recognising the need for continuity, is likely to assist in minimising disruption.

### Governance and decision making

The Council's governance arrangements appear robust and respond to audit recommendations. There are no standards complaints which points to the effectiveness in understanding different officer and member roles and how they interrelate.

The Chief Executive and Executive Heads in the current organisational structure are aligned with portfolio holders with regular communication between these. The Council's arrangements for measuring performance against objectives are monitored through quarterly performance management reporting to CMT, Overview and Scrutiny and Executive and followed through to individual staff appraisals. This is supplemented by an annual End of Year Review.

It was evident to the peer team that there is an appetite for change from members. This is not just in the attitude to investment and risk, already referred to, but also to setting an ambitious programme for the Council on behalf of residents and businesses.

An important component to deliver Council priorities and progress speedier decision making will be the work being undertaken to devise a new scheme of delegation. This should be directed by the imperative to delegate to the most appropriate officer/member and to expedite decision making.

Consideration should be given to how more effective challenge by Scrutiny might be enabled. The potential of Scrutiny, to challenge the way services are delivered and to

provide support on policy development, is not being realised. With a new political administration, in May 2015, there is an opportunity to review the working of Scrutiny so this can both provide effective challenge and input into Council decision-making.

Decision making within the council, specifically in reference to the production, agreement and dissemination of council reports by officers, is widely perceived to be slow, unclear and bureaucratic. The team were told of many instances of reports having to be submitted months in advance before going forward for determination. One repeated explanation was that poor use of English would result in reports being referred back. The peer team believe that this is an issue related to the earlier one of task delegation and micromanagement. The peer team believe that it would advantageous to set out:

- the approved route for report writing
- a template for report writing, with guidance on length and format
- delegation of responsibility to Executive Heads to approve reports for their area of responsibility.

The Council's Risk Register needs to be updated so that existing and future risks can be more effectively identified, managed and escalated. For example, the current iteration does not refer to the town centre regeneration or to the financial gaps in future financial years.

Finally, the current support and development programme for elected members is effective for regulatory services, for example planning and licensing. However, it will be important to extend this to establish a more comprehensive programme to reflect the challenges the organisation is facing. The opportunity is to develop this now so as to have this ready after next year's elections.

### **Moving forward - suggestions for consideration**

Based on what we saw, heard and read we suggest you consider the following actions to build on the council's undoubted successes. These are things we think will help you improve and develop the effectiveness and capacity to deliver your future ambitions and plans.

#### Principal recommendations:

1. The council will need to continue to update its 2020 Vision and review its priorities to better match to available resources
2. Continue the community debate across the borough on what individuals and communities might take on themselves for future service delivery, where traditionally this might have been provided by the council. Consultation with communities will be essential to shape the new vision to understand future demand and manage expectations.
3. Invest in a dedicated resource to support the delivery the Council's transformation programme
4. Invest in skills and expertise to strengthen project and programme management

5. Complete the review of delegated authority with the principles of responsibility, accountability and enhanced decision making at the fore
6. Clarify the distinctive roles and responsibilities of CMT and the Management Board. If the latter is to serve a Programme Board function then ensure that working arrangements are supported by reconsidering membership composition and ensuring terms of reference are in place.
7. Provide clarity and certainty on the means of reporting to committees and the Executive to shorten the current decision making time frame.

Specific recommendations:

8. Review arrangements to support the member role in readiness for the new administration elected in May 2015:
  - Commit to enhanced communication to all political groups and backbenchers on Council priorities and programme delivery to ensure awareness is widely and consistently understood and contributes towards a strengthened and shared commitment
  - Enable Overview and Scrutiny to more effectively challenge the way services are delivered and to provide support on policy development. The LGA offers to support the Council on this via the Centre for Public Scrutiny (CfPS).
  - Evaluate the backbencher role and how this might be enhanced by an increased community leadership function.
9. The understanding and deliverability of the Council as a business – in particular, its readiness to borrow to invest and create income generating opportunities:
  - A. Procure an independent business case and options appraisal for the Camberley town centre regeneration to assist the Council to understand the range of investment options, the level of investment risk, the scale and assembly of the financial package and the implementation timescale
  - B. Develop an Investment strategy, incorporating the current Treasury Management, Property Acquisition and Asset Management strategies
  - C. Ensure that the shift towards higher risk investment activity is counterbalanced by checks and balances to ensure that appropriate due diligence is carried out and that higher risk is actively managed via the Risk Register
  - D. Produce a Housing strategy setting out the parameters for future housing provision, affordable housing numbers, potential sites and which partners the Council might work with to deliver these.

We have attached a set of slides that summarise the above feedback. The slides are the ones used by the peer team to present its feedback at the end of the onsite visit.

## Next steps

You will undoubtedly wish to reflect on these findings and suggestions made with your senior managerial and political leadership before determining how the council wishes to take things forward.

As part of the peer challenge process, there is an offer of continued activity to support this.

We would also wish to offer an improvement and prioritisation workshop to the council to take place some time after this letter is received by the council. I look forward to finalising the detail of that activity as soon as possible.

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. Mona Sehgal, Principal Adviser (South East) is the main contact between your authority and the Local Government Association. Mona can be contacted via email at [mona.sehgal@local.gov.uk](mailto:mona.sehgal@local.gov.uk) (or tel. 07795 291006) and can provide access to our resources and any further support.

In the meantime, all of us connected with the peer challenge would like to wish you every success going forward. Once again, many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation.

Yours sincerely

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On behalf of the peer challenge team:

- Rob Cottrill, Chief Executive, Eastbourne Borough Council
- Councillor Neil Clarke, Leader, Rushcliffe Borough Council
- Caron Starkey, Head Of Change, West Dorset District Council and Weymouth and Portland Borough Council Shared Services Partnership
- Allison Westray-Chapman, Joint Assistant Director Economic Growth, North East Derbyshire District Council and Bolsover District Council
- Andrew Godfrey, Programme Manager, Integrated Care, Hertfordshire County Council