

Corporate Peer Challenge **Elmbridge Borough Council**

14th to 16th June 2017

Feedback Report

1. Executive Summary

Elmbridge Borough Council (EBC) is recognised as being a high performing council, with a longstanding good reputation and a strong track record, particularly on financial management. Resident satisfaction is very high and EBC delivers services that are valued by residents, including some not typically led by district councils, for example community centres.

The council has a well-respected senior officer team and passionate and enthusiastic cabinet members who are on top of their portfolios. Overview and scrutiny is generally seen to be effective and makes a positive contribution to the council. EBC benefits from having committed and enthusiastic staff, with a very positive culture across the council, and staff are keen to step up and take on more responsibility.

It was clear to the peer team that the administration is ambitious for Elmbridge. In its first year the new administration made a deliberate choice to focus on a small number of tangible and visible priorities to demonstrate to residents what can be delivered. The cabinet is now turning its attention to longer-term strategic goals for the borough. The council is starting to develop a new 5 year vision, which provides an ideal opportunity to clarify priorities for Elmbridge as a whole that are strategic in scope, and local in impact. The process to develop that vision is an opportunity to bring together members, officers, partners, and the community to shape the vision.

The council has a comparatively healthy financial position and this presents an opportunity for EBC to take bold decisions to secure the financial sustainability of the council for the future, working on a three-year forward plan. This work should involve determining the council's political and managerial appetite for further commercialisation, income generation and use of assets.

The council is seen as a good and trusted partner, and there is an appetite from partners for the council to provide greater leadership of place. To help with this, the council could consider how it undertakes strategic thinking and horizon scanning in a holistic way, as well as focusing on short term delivery and local areas. It would be helpful for EBC to consider re-establishing a strategic partnership vehicle that could serve this purpose and create opportunities for partners to come together to talk to each other, as well as the council.

Working relations between senior officers and members are generally positive. However there is a need to develop greater clarity on roles and responsibilities to ensure the effectiveness of these relationships are maximised.

The council has made a great deal of progress on economic development. This work could be given greater visibility, both within the council and outside, with greater read across to other policy areas to demonstrate the interdependencies between economic development and those policy areas. These might include, for example, housing, transport, leisure, tourism, and bringing forward infrastructure such as broadband. EBC would benefit from bringing greater clarity to the ambition and strategy for Elmbridge's economy, by developing a clear written, economic development strategy that dovetails with the new vision that is in train, and that seeks to link up other council priority workstreams. It is also important to continue to increase member involvement in economic development plans and activity.

The peer team was impressed by the wide range of good practice it saw across EBC. It is important that the council lets others know about these strengths, both internally and across the local government sector.

Finally, there are opportunities for the council to be more proactive to get the best deal for Elmbridge, by being clear about what is needed to achieve the council's ambitions for the borough and making the case to secure that support. This can include acting as an advocate on behalf of local people to take forward wider issues of concern to residents, especially if these are issues that do not fall within the remit of the borough council.

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. **Maximise the opportunities presented by the new 5 year vision work** – Use this project to bring together council members, officers, partners and residents to develop a clear set of priorities for the future of Elmbridge. Ensure that the resulting vision captures the principle of being both strategic in scope, and local in impact.
2. **Capitalise on the council's healthy financial position to continue to plan for the future** – Take the opportunity now, while the financial position is robust, to make the clear and bold decisions which secure financial sustainability of the council for the future, working on a three-year forward plan.
3. **Determine the council's appetite for commercialisation, income generation and use of assets.** Ensure that there is political and managerial clarity about the council's appetite, and identify skills needed and any gaps to be filled to deliver against this ambition.
4. **Bring greater clarity to the ambition and strategy for Elmbridge's economy** – Develop a clear written, economic development strategy linked to the new vision that seeks to link up other council priority workstreams and engages relevant partners.
5. **Put Elmbridge on the map** – There is a lot of good practice across the council. It is important that the council lets others know about it, internally, across the local government sector, and beyond.
6. **Bang the table to get a better deal for Elmbridge** – Be clear about what is needed to achieve the council's ambitions for the borough and be proactive in making the case to secure that support.

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 Elmbridge's 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 Elmbridge Borough Council were:

- James Blake, Chief Executive, St Albans & District Council
- Cllr Mike Haines, Leader of Independent Group, Teignbridge District Council
- Cllr Fran Wilson, Leader, Maidstone Borough Council
- Karl Dalgleish, Director, KADA Research Ltd
- Ellie Greenwood, Senior Advisor, Local Government Association
- Kate Herbert, Programme 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, EBC asked the peer team to provide feedback on the council's approach to **economic development**.

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 planning. 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 3 days onsite at Elmbridge Borough Council, during which they:

- Spoke to more than 85 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 180 hours to determine their findings – the equivalent of one person spending more than 5 weeks in Elmbridge Borough 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 (14th to 16th June 2017). In presenting feedback, 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 the council is already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

Members and officers of Elmbridge Borough Council (EBC) have a very strong sense of the different places and communities across the borough and a strong basis of engagement activity. As a matter of course, EBC engages with residents more proactively than many councils, and there is an opportunity to bring a more strategic focus to this work, and this is explored below.

Cabinet members are clearly passionate, care a great deal about the people they represent, and want to get things done at a local level. It was clear to the peer team that the administration is ambitious for Elmbridge. In its first year the new administration made a deliberate choice to focus on a small number of tangible and visible priorities to demonstrate to residents what can be delivered. Although understandable, this does mean that there has been a limited focus by members on longer-term strategic goals for the borough as a whole. It was apparent to the peer team that members of the Cabinet are confident about the priorities they want to focus on going forward and therefore in a position to look to the longer-term, larger-scale vision for Elmbridge. Work is just beginning on developing the vision and priorities for 2018-2023 to provide a clear road map for the council.

There is a strong base of community engagement activity led by the council which is admirable. There are opportunities to do more in this area and to bring a strategic focus to this work. For example, the work to develop a new vision in itself will provide an opportunity to make stronger connections with local people. Drawing together the strong sense of local identity that exists in the various town and villages across the borough into a vision for the place of Elmbridge as a whole will help the council create a strategic plan for the borough that can be shared with members, staff, local people and partners.

There is also an opportunity for the council to be more prominent in promoting the good work it is doing and to lead key campaigns related to council priorities, capitalising on new media channels.

Recommendations

- Use the new 5 year vision work to bring members, officers, partners and residents together around a clear set of priorities that are both strategic in scope, and local in impact
- Build on the good practice examples of effective community engagement across the council, and involve residents and partners in shaping the new vision, for example public facing cabinet roadshows
- Develop a proactive communications strategy linked to the new vision, to include more significant use of campaigning, new media channels (videos, stories, hashtags, awards), and publicising achievements

4.2 Leadership of Place

Elmbridge Borough Council is seen as a good partner across the board – within the borough, by neighbouring borough councils, the county council, and beyond. The Leader attends the Surrey Leaders meetings and has recently reviewed his other commitments outside the council to be able to give more time and capacity in order to widen the reach of his role. The Corporate Management Board are well-respected, and have the confidence of the residents and partners the peer team interviewed. There is good engagement by senior officers and members with partner networks and organisations.

The council employs a collaborative approach to issues of shared concern, for example the older people forum, work with police, and interfaith work. The peer team heard a number of examples of the council leading and driving partnership projects, including work around Family Support, the joint waste contract, and the development of the new sports hub.

It would be worth the council considering how it can ensure it is undertaking its strategic thinking and horizon scanning in a holistic ‘whole place’ way, as well as focusing on short term delivery and local areas. It would be helpful for EBC to consider re-establishing a strategic partnership vehicle that could serve this purpose. This might be a formal strategic partnership or some other mechanism where partners could collectively develop and commit to strategic policy and undertake joint problem solving across the borough. This would also help the council increase its ‘place shaping’ and enabling role, by creating opportunities for partners to come together to talk to each other, and not just the council. As an example, the peer team interviewed some partners who had never met each other before, despite working in complementary fields. There is an opportunity for the council to act as a broker and enabler in such situations.

The peer team was not clear about the extent to which the council champions and takes forward wider issues of concern to local people, especially if these are issues that do not fall within the remit of the borough council. These might be, for example, around local rail services, or street lighting. Good examples exist of where overview and scrutiny have done some valuable work on such issues (eg rail services and Heathrow). Given that residents often look to their local council as the port of first call so, as part of clarifying the council’s role as the leader of place, it would be worth considering how the council can advocate on

behalf of residents on such issues. This might also include a role for overview and scrutiny to continue to investigate and lobby.

Recommendations

- Re-establish or re-brand to create a clearer strategic partnership to lead the place, perhaps chaired by the leader of the council, to enable wider, strategic and collaborative leadership.
- Campaign on behalf of Elmbridge residents to challenge other organisations to respond to local concerns

4.3 Organisational leadership and governance

Senior officers making up the Corporate Management Board are well thought of, visible and involved across the organisation. Members are enthusiastic and have worked hard to get up to speed on their portfolios.

Overview and scrutiny is generally seen to be effective, with a wide range of task and finish activity and there are helpful examples of cross-party working groups (for example the cross-party property acquisition group which enables the council to make decisions on acquisitions at speed) to help drive forward key projects. There are opportunities to build upon this cross-party working to help shape policy development, for example through group leaders meeting, and a heavier emphasis on the 'overview' part of overview and scrutiny.

The council has very strong performance monitoring information and a lot of it. It would be worth considering how to simplify this in order to ensure that the performance monitoring reporting arrangements focus on the key issues that concern members and support effective member oversight of key priorities.

The working relationships between officers and members are generally positive. The peer team picked up that there had been some initial tensions in member/ officer relations following the May 2016 elections. This is common following a change of administration as new relationships are established between officers and the new political leadership. Although this is broadly agreed to be settling down, the peer team did hear about some individual instances of tensions remaining.

The relationship between senior members and officers is crucial if the council is to achieve an ambitious agenda. The peer team stressed that officers and members must demonstrate an understanding of and respect for each other's roles and responsibilities. Senior officers need to recognise that a new administration may do things differently both in tone, content and style, compared with previous administrations. Similarly, members of the new administration can have confidence and trust in EBC's strong officer team, and need to avoid getting too involved in operational matters. Maximising the effectiveness of this relationship will be increasingly important as the financial challenges facing all of local government continue to bite. There is a need to prepare the ground now for the difficult decisions which will need to be taken soon (for example on budget setting, and the local plan).

The peer team saw that there are a number of staff who are keen to share ideas to help shape the future direction of the council. It would be helpful to create more opportunities to

enable them to do this, including through more formal opportunities for Cabinet Members to hear directly from staff.

Recommendations

- Consider setting up meetings of all group leaders to discuss important, but non-politically contentious, issues relating to the long-term future of Elmbridge to generate wider buy in
- Create opportunities to involve overview and scrutiny more in 'overview' mode to help get more cross-party consensus into policy making
- Simplify performance monitoring arrangements to ensure effective member oversight of key priorities
- Create more formal opportunities for Cabinet members to hear from staff
- Consider reviewing and refreshing the scheme of delegation
- Introduce a clear programme of locally-tailored political awareness training for officers, and also a workshop for members on how to get the best out of officers.

4.4 Financial planning and viability

It is evident that Elmbridge Borough Council has benefitted from careful and impressive financial stewardship over many years. The budgets – both revenue and capital – are in a comparatively very healthy position, and have benefitted from significant year on year underspends. According to the Residents Panel Survey, an impressive 75% of residents think the council provides value for money.

EBC has effectively used the council office building to generate income accommodating three commercial tenants, with Surrey County Council, Surrey Police and Elmbridge Building Control Mutual all paying rent. The new joint waste service – although only recently launched when the peer team was on site – will also generate savings on top of delivering a better service. The council is sensibly looking down the line to plan for the impact of potential Surrey County Council decisions, for example the reduction in funding for community centres.

The council's financial situation means that it has managed to avoid doing things that other councils have had to do to balance their books. This provides a strong basis for EBC to 'weather the storm' ahead. It also gives the council choices. There are opportunities that the council could now look to exploit to generate more income and change the way some services are delivered to relieve pressures on council tax and protect wider services. It is also important to flag that the council's strong financial position could lead to EBC putting off tough decisions, and care should be taken to mitigate against this. The new vision exercise will need to dovetail with the medium term financial strategy to ensure that resource allocations support organisational priorities, and the peer team recommend moving to a detailed three year budget planning exercise.

The council's investment strategy is now paying dividends and investment in property is now becoming more strategic, with plans in train to diversify the council's portfolio and to combine sites for housing. The property acquisition member working group works well to drive the programme forward. It would be worth considering working jointly with Surrey

County Council on property (for example, through One Public Estate) to develop a joint land and asset strategy to help accelerate delivery of investment.

It was not clear to the peer team what the council's view is regarding commercialisation outside of investment in property. There is a need to have a strategic view as there are more routes that could be pursued, supported and driven by an agreed strategic approach to commercialisation for the whole organisation. The council might consider setting up a commercial board with key members and officers to oversee and drive this work.

Similarly, the council's appetite for risk was not clear to the peer team and the council should undertake an exercise to determine this, in line with council strategic priorities. It is also essential to ensure appropriate risk monitoring arrangements, including member oversight, for example through quarterly reporting. On both of these issues, there are opportunities to learn from how other councils have already done this so that EBC can benefit from their learning.

Recommendations

- Develop detailed 3-year financial planning exercise linked to the new vision exercise
- Explore how to work jointly with Surrey County Council on property to develop a joint land and asset strategy
- Develop a commercialisation strategy for the council, and consider setting up a Commercial Board with key members and officers linked to budget planning.
- Ensure that the council has the necessary skills to support the commercial agenda
- Determine the council's appetite for risk, in line with council strategic priorities, with appropriate risk monitoring arrangements.

4.5 Capacity to deliver

The culture of the organisation is generally described as friendly, inclusive, hard-working, enthusiastic, progressive and approachable. The peer team met a number of passionate and positive staff who see EBC as a good employer, a 'can do' organisation, and a council that takes care of its staff. This is evidenced by continued investment in the learning and development budget, and staff the peer team met said they felt motivated and supported by the organisation. It was noted however that there has been inconsistent take up of learning and development opportunities. Managers need actively to encourage staff to take up these opportunities and staff need to make the most of this offer.

Staff told the peer team that they feel the council is well-run and that the CMB has a strong organisational grip. This positivity from staff is reflected in the council's staff survey results. The peer team noted that staff sickness and turnover statistics for Elmbridge Borough Council are slightly higher than average, which appears to be odd given the positive culture at EBC, and the council may wish to explore this further. Discussions with the staff suggested that this may be due to stress caused by changes associated with cuts and austerity. Staff felt that there was management awareness of this, as the council had already taken steps to put in place support around wellbeing.

Communications with staff are generally good, with a number of ways in which the organisation engages with staff, for example the use of staff forums, intranet, and staff lunches. However, communication flows are sometimes inconsistent and the council

should ensure this is addressed. Again, it appears that there is already recognition of this as the peer team heard that communication skills training is being planned.

There are a number of cross-departmental working groups at different levels, such as the culture group and leadership group, although attendance is sometimes sporadic (for example departments are not always represented at the communications group). These, along with cross-department training opportunities, are used to help to break down silos which is to be commended.

Staff have a strong appetite to step up and lead more. The leadership group is one way of galvanising this capacity, but it would be worth considering how EBC can do more to empower staff at all levels. For example, are heads of service and managers involved enough in priority setting? Are there opportunities through the new vision exercise to engage staff across the organisation more? Could heads of service attend the culture group periodically? How is the council ensuring that succession planning and knowledge transfer is well-established, especially where the council has single points of expertise?

The council is clearly capable of delivering complex, multi-disciplinary projects, as evidenced by the development of the sports hub. However, the peer team picked up that project management is a little inconsistent across the organisation. EBC should consider how to tighten this up to ensure that the delivery of projects is not compromised as a result.

The peer team heard a number of times about frustrations caused by the council's IT infrastructure and this warrants some attention.

Recommendations

- Consider the scope for CMB to delegate more – might there be a role for the re-established Leadership Group, for example?
- Ensure that all Departmental members of the Communications group attend regularly to ensure representation across all departments
- Develop a consistent approach to project management, capitalising on skills you already developed internally
- Consider how to increase take up of learning and development opportunities

4.6 Economic Development

Elmbridge is starting from a position of strength. The borough has a dynamic and successful economy, with a highly skilled workforce, and a high number of business start-up. The area is generating significant business rates, and there are a number of major assets across the borough. It was clear to the peer team that the council's approach to and pace of economic development has improved significantly over the last two years, including appointing a dedicated Economic Development Officer to support the wider team. All this work has culminated in the *Building a Smarter Future* strategy document and a vibrant civic improvement agenda in town centres.

EBC has forged good relationships with local business networks, the Enterprise M3 Local Enterprise Partnership, and Surrey County Council, and has recently established a local business leaders board. The Community Infrastructure Levy scheme is being directed to local priorities and infrastructure, and is a helpful tool in engaging businesses strategically. There is clear evidence of EBC playing a range of roles in economic development –

‘steering and cheering’ for business, supporting and enabling local businesses, and lobbying on issues of concern. While there is clearly a lot of activity going on, the peer team struggled to find a clear, written down expression of the council’s strategic aims and objectives underpinning its work on economic development. For example what is the strategic vision for Elmbridge’s economy? What kind of economy will Elmbridge have in the future and for what purpose? What kind of development is needed to support the achievement of this vision? What are the implications for business, infrastructure and skills?

There is a need to ensure greater visibility both within the council and outside on economic development activity and support greater read across to other policy areas. It is valuable to continue to increase member involvement in economic development plans and activities.

Strengthening the council’s position on economic development would enable EBC to make the most of opportunities to promote Elmbridge on this agenda and to attract investment to the borough in a focussed and planned way, which supports wider council priorities. Indeed, the strategic vision work gives an opportunity to link together economic development plans with the property acquisition strategy, housing, regeneration and Local Plan priorities.

Recommendations

- Use the wider vision exercise to provide an opportunity to clarify the vision for the Elmbridge economy
- Involve members and others, including businesses, in developing a clear, written overarching economic strategy, supported by position statements in key areas, with clear links between aims, evidence and objectives, and a strong economic narrative
- Explore opportunities to expand economic development to incorporate other complementary work areas, for example sport, workforce skills
- Ensure clear and visible leadership from Cabinet on this agenda and greater promotion and communication of economic priorities
- Need to ‘steer, cheer and enable’ strategic investments, for example masterplanning on key strategic sites, identifying and promoting investment priorities
- Articulate more clearly the inward investment proposition to attract high quality investment opportunities to Elmbridge

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. Mona Sehgal, Principal Adviser is the main contact between your authority and the

Local Government Association (LGA). Her contact details are:
mona.sehgal@local.gov.uk 07795 291006

In the meantime we are keen to continue the relationship we have formed with the council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

Follow up visit

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

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the council will commission their next Peer Challenge before 2022.