

Corporate Peer Challenge Hinckley & Bosworth District Council

21st – 23rd September 2016

Feedback Report

1. Executive Summary

Hinckley and Bosworth Borough Council (HBBC) is an ambitious council with a positive outlook. It is well-managed with a can-do culture; people want to come and work here, and are committed to making a difference to people's lives.

This council is highly regarded by its stakeholders as a trusted and willing partner. This includes influencing others effectively in areas where it is not responsible for delivery, such as transport infrastructure and education, and the tenacity to stick to long term ideas and make them come to fruition, such as the tourism partnership and the re-development of derelict sites.

Recent successful regeneration projects in Hinckley, together with future plans for more rural areas, are helping to deliver vibrant communities. The high need for housing in the sub-region means that HBBC is using imaginative ways to identify and encourage house building, including re-vitalising previous retail and industrial areas, as well as creating the potential for new garden villages. The council has a good track record of major commercial, housing, leisure and infrastructure projects that link with the Council's ambition for the district. There is a measured appetite for risk in this area which has already seen a good rate of return on investment.

Members are engaged in their ward and committee roles, and have had good induction training following the change of control in 2015. However, a more comprehensive member development programme would be welcome, particularly on local government finance and risk management, in order to give members a clearer view of the longer-term financial situation, and the strategic impact they can have. Involving relevant ward members and portfolio holders as well as Scrutiny in early stages of policy and service developments would help speed up the decision making process.

The Scrutiny function, particularly around finance, is considered to be effective by officers, members and the external auditor. Reports, policies and initiatives are brought to Scrutiny at a pre-decision stage enabling members to explore options, challenge and mitigate proposals. However, this can sometimes lead to a lack of key member engagement at an early stage (for example, relevant ward councillors or executive members) and reportedly led to examples where ward members have required detailed information at a late stage in decision-making. This risks decisions taking longer than expected or planned.

Although improvements have been made on providing digital access to services by residents and businesses through the Council's Channel Shift programme, there is an opportunity to develop a comprehensive digital strategy, leading your ICT partners to consider digital access to a wide range of council services. This could enable HBBC to be a transformational council because it could fundamentally change service delivery and be more efficient by using more online technologies for back-office and frontline services.

HBBC has strong senior management and leadership. The cultural shift to the new structure will need some work to be developed and fully embedded to ensure the minimum disruption when the time comes. The council has a happy, loyal, enthusiastic workforce, where staff feel encouraged to develop their skills and capabilities. There is a high level of retention and good training and progression opportunities, although it is not clear how

strategically planned this is. As the council moves forward and increases the commercial and digital focus, it will be important to clarify what staff development is needed to deliver the vision.

Although the Leader has a vision, this is not yet clearly articulated through strategic documents and plans such as the medium term financial strategy or the housing growth strategy. The story of HBBC's journey and future direction is not currently clearly articulated in one single source. For example, it appeared that there is more than one interpretation of the priorities in the Council Plan. Staff, members and partners were not consistent in telling us the council's priorities.

HBBC is working well to create the conditions for economic success, recognising that sometimes this means influencing others to act rather than taking action directly. The authority is empowering communities to succeed, by listening and responding to their needs, and helping to provide the relevant services. The council is working with others to create the right climate for individuals to find education and employment opportunities locally, and provide the appropriate housing at different stages of people's lives. There are examples of excellent work with national recognition, such as the Endeavour project helping to address anti-social behaviour, or the successful strategic development work around the A5, including MIRA Enterprise Zone.

However, we picked up some concerns that risks were not always fully understood or addressed at a corporate level. For example, it was not clear if all the risks have been explored relating to reduced central government grants.

Overall, HBBC is an open transparent council, working well with partners, and supporting its staff to deliver the best it can for the communities in the borough. Regeneration is bringing financial as well as community benefits, all of which helps to improve the lives of the residents of Hinckley and Bosworth Borough Council.

2. Key recommendations

1. Establish a clear single vision and council plan
2. Establish consistent communications to ensure this single vision is clear to staff, residents and other stakeholders
3. Explore with partners future skills for the borough and for HBBC and identify how you will meet any skills gaps.
4. Continue to support and develop your staff to ensure they are resilient, flexible and adaptable to meet future challenges.
5. Further develop the digital agenda and take the opportunity to lead your IT partners, exploring ways to transform delivery and community support through digital means.
6. Clarify the Corporate Plan and keep delivering the ambitious programme you are setting.
7. Ensure you fully appraise and understand the impact and risks (financial and otherwise) of major long term decisions before you commit to action.
8. Consider how timely Member communication and involvement can lead to good policy development and decision-making.

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Hinckley and Bosworth Borough Council were:

- Lawrence Conway, Chief Executive Officer, South Lakeland District Council
- Councillor Tony Jackson, East Hertfordshire District Council
- Joanna Ruffle, Head of People and Policy, Southend-on-Sea Borough Council
- Stuart Bobby, Director of Corporate Services, Gravesham Borough Council
- Frances Marshall, Member Services Manager, LGA
- Becca Singh, Peer Challenge 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 (and the wider place - e.g. economic and other partnerships beyond the District's boundaries and the wider place [e.g. Leicestershire, Combined Authority, the Region, the 'Midlands Engine']) through its elected Members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to consider/review/provide feedback on the steps which the Council, alongside partners, is taking to meet the interrelated objectives of:

- creating the conditions for economic success
- empowering communities and
- supporting individuals

This has been summarised through the council's aim of "Creating a vibrant place to work and live".

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 focus. 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 three days onsite at the Hinckley Hub, during which we:

- Spoke to more than 100 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 40 meetings and additional research and reading.
- Collectively spent more than 240 hours to determine our findings – the equivalent of one person spending more than six weeks in Hinckley and Bosworth 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 our on-site visit (21st – 23rd September 2016). In presenting feedback to you, we have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

Residents are at the heart of decision making and delivery. Partners, officers and members are clear that the council understands the needs of service users. Delivery is underpinned by high standards of customer care, prevention and successful outcomes for individuals as well as the council. A sense of fairness and customer care is apparent in the political and operational level of the council: we heard this from a wide range of staff and stakeholders during our visit.

Good and established relationships with partners in different sectors illustrate how HBBC understands the local context well. HBBC officers are regarded as having a positive influence at regional level, over and above what might be expected for a borough council. It is clear that the council has been the driving force and enabler behind many of the joint initiatives with partners such as services shared with other councils, the Endeavour programme (partnership work with police and county council to address anti-social behaviour), the Tourism Partnership (promoting the borough's visitor economy), and regeneration projects in the borough (such as the Crescent in Hinckley). HBBC has been instrumental in moves to develop the A5, despite having no responsibility for Highways, and has worked with developers, education providers, strategic and local Health interests and industry to develop sites along this key route. As a consequence they are seen as having a pragmatic, entrepreneurial approach which delivers results.

The council is prepared to blur and challenge the lines between district and County responsibilities in order to ensure that outcomes are delivered for residents, for example with the Endeavour programme. It will be important to constantly balance these aspirations with the challenge of ensuring that the council does not compromise its capacity to deliver.

The council has recognised the importance of the voluntary sector as part of the wider community development, as illustrated by the establishment of the local VCS Commissioning Hub. This is clearly supported by the Leader and officers. In addition, the council has immersed itself in this work so that it can understand the complex needs of the most vulnerable people in its communities. It is clearly learning from past experiences and wants to fully understand the needs of vulnerable people and help to meet them.

There is a flexible and pragmatic approach to opportunities that arise to invest in property and land that can be regenerated. , Officers and partners welcome the council's ability to be agile and react to change and economic opportunities. However it is unclear if this approach is underpinned by a longer term strategy for income generation and a long-term economic strategy. The development of a longer term economic vision would help to ensure that opportunities are adopted because they were part of an overall vision and strategic approach which brings maximum benefit brought to the area. This was agreed by Executive shortly after the peer challenge.

4.2 Leadership of Place

HBBC works extensively in partnership and are recognised as strong partners and key influencers who genuinely add value. A wide range of strategic partners and stakeholders gave us exceptionally positive feedback. They readily appreciate the influence that senior officers and the Leader bring to meetings, with feedback exceptionally positive about how they listen, engage and act on suggestions that are made, and work with others to find solutions to local challenges. A culture of cross organisational working is embedded at different levels of the authority, with strong relationships built upon a 'transparent and open attitude to problem solving' (partner view). The move to the Hinckley Hub has demonstrated how the council organises to meet customer needs.

Joint working with partners has been described as 'true collaboration' with HBBC understanding their role but taking a holistic approach to deliver what is needed. This is welcomed by partners and acknowledged by officers as part of a wider preventative agenda and commitment to customer care: moving forwards we think this approach should be extended to the council's wider strategies and financial planning. Support may be necessary from other partners where the relevant knowledge, resource and capability is outside the traditional district council remit.

The new Developing Communities Fund, providing financial support to parish and town councils in rural communities, should help to enable the council to further empower more local communities, building on the success of the Parish and Community Initiative Fund. The political leadership is determined that there should be 'fairness' in the process, although this needs to be more clearly articulated to ensure a common understanding of what this fairness will mean and how this will work. The mechanics and levels of available funding have yet to be determined, and it will be important to monitor the effectiveness of the Fund. This clarification of what fairness means would also benefit the council's strategic plans and its values.

Senior management are recognised as having played a significant role in persuading the Leicestershire LEP to develop Tourism and Culture and Sport Sector Plans as part of its Strategic Economic Plan. Councillors have begun to actively engage with the Hinckley & Bosworth Tourism Partnership and welcomed a recent presentation to identify how they can become more involved locally. It will be important for members, as well as the officers, to drive this agenda in the future in order to contribute towards creating a vibrant place to work and live.

Communications with stakeholders and partners is largely good, but this could be enhanced by clearer messages on key issues and future plans, for example on transport infrastructure, town centre parking and enforcement, as well as managing housing growth and rural impacts. The council may wish to consider an enhanced communications strategy that informs and engages the whole community on its long term planning and aspirations.

4.3 Organisational leadership and governance

In 2015 the council had a change in political leadership. The authority invested in member induction training following the election particularly focusing on introducing new members to how the council works, and their responsibilities within that. Member briefings are provided to Members on key issues and all Members of the Planning and Licensing committees are required to undertake fundamental training before they are allowed to serve on the committee. However, there has been no ongoing systematic programme of member development, and members indicated there are areas which they could benefit from further support, such as local government finance, licencing and planning matters.

The team recommend that a comprehensive development programme should be introduced in order to ensure that members continue to keep abreast of issues that have an impact on local government. This should be based on member and council needs and existing experience to ensure that councillors feel more confident about the impacts of decisions. This might include internal and external training, exposure to other councils and national networks, such as the District Council Network. We understand the council has considered working towards the East Midlands Member Charter as an aim and we would encourage this.

HBBC has benefitted from the stability of a long-serving strong and highly regarded Chief Executive, with loyal followership both internally and externally, and a strong Management Team. The internal appointment of the new Chief Executive provides an opportunity for further stability and continuity of approach.

The new structure of the Senior Management Team from January 2017 will consolidate current responsibilities into three directorates, with the aim of making the most of cross-departmental working and collaboration. There remain some areas of potential confusion for external stakeholders which may need some further clarification.

The council has a comprehensive scrutiny and committee process for the consideration and approval of officer reports and decisions, and this has been seen to be effective in terms of robust challenge of council-led initiatives. For example, members decided not to progress with a planned housing development via the Wholly-owned Company on the basis of additional information that was provided to Scrutiny. However, we heard that sometimes the scrutiny results in delays to decision-making with officers reporting that ward members are not always included early enough and subsequently ask for detailed information late in the process. Some consideration could be given to how to ensure decisions can be timely whilst still appropriately scrutinised.

The governance structure, with Executive Members appointed to take a leading role for key areas of service delivery and policy planning, has a positive impact on the organisation but HBBC would benefit from a more regular and systematic approach to strategic planning across the district. Early engagement with executive and relevant ward members would help them shape the direction of the council in a timely fashion, minimising delays by late member requests for detail. A more formalised and regular dialogue between portfolio holders and relevant officers, with performance reporting, would improve monitoring of their responsibilities and enhance strategic planning. HBBC may wish to consider refining

the constitution to allow for more delegation of responsibilities to Executive members (for example over non-key decisions) to enable the authority to continue to be flexible and opportunistic.

Whilst the Leader has a clear sense of priorities and direction for the borough driven by a sense of place and fairness, the clarity of message and shared ownership of these objectives was not always consistent by members or officers. This was reflected through discussions of priorities as well their expression in corporate documents such as the Corporate Plan. The team suggest more frequent meetings of the Executive Members to ensure a greater shared political vision, alongside regular away days with the Strategic Leadership Board/Management Team. HBBC could cement its vision and enhance its ambitions for the district by creating a single powerful narrative.

The new draft corporate plan outlines ambitious plans for the council, working alongside partner agencies for the greater good of the community. It links directly to the agreed Community Plan (of the Local Strategic Partnership). However, it may need to be revised when the council has agreed its vision. It is clear that HBBC is making a significant impact in local areas not traditionally associated with district councils (such as the A5 road improvements and the Endeavour programme), but it is important that there are clear policies to ensure proper risk management approach. Financial and other risks need to be carefully managed and expertise may need to be sought elsewhere.

4.4 Financial planning and viability

The external auditor reports that financial resources are sufficient to support future objectives. Key financial strategies and policies are in place (such as the Medium Term Financial Strategy, Capital Strategy and Efficiency Plan). These will need to be refreshed to take into account emerging central government policy decisions and continually updated with the current financial position of the council. The council has made significant investments and savings in past years enabling it to consistently keep council tax levels low with the borough, and has clearly set out its plans for future levels of council tax income. These include a detailed analysis of the anticipated income receivable by the authority, and the savings to be made over the medium term. The authority is confident that these plans can be realised.

However, in light of the capital investment undertaken and proposed by the authority over the medium/long term, and developing strategies for investment we feel that HBBC should consider financial planning beyond 2019/2020. This would allow the authority to demonstrate the long-term impacts of its investment decisions, and to effectively plan for any future changes required to the organisation in advance of any deadlines for implementation. Longer-term cash-flow forecasting would also be beneficial, and would enable the organisation to effectively plan its day-to-day treasury management needs, and take advantage of opportunities for investment as they arise. Scenario planning would be helpful in working through potential changes where the details are not yet known for example, Business Rates Retention and New Homes Bonus.

The external auditors and members both consider the scrutiny function provided by the Finance & Performance Scrutiny Committee to be providing robust oversight of the Council's financial position and ongoing performance. It will be important to continue to

maintain this support, and for appropriate further training be given for the wider group of members. .

Mechanisms exist to enable the authority to take an opportunistic approach to initiatives within the borough. The authority has a strong track record of making investment decisions and partnership working that generates significant benefits for those who live and work in the borough. HBBC is regarded by its peers and external stakeholders as being a beacon of performance in this area. For example, the increase in the authority's borrowing cap in 2005 enabled it to invest in the Greenfields site, which yields an annual return of 8% on investment.

Council finance officers are seen as responsive and receptive to any enquiries and challenges presented to them. However, after a period during which there has been some turnover of staff within the Finance Team, there have been some difficulties implementing external audit recommendations as effectively as possible in the last twelve months. Securing stability in financial officer resource, and involvement of that resource in strategic service planning will be critical to achieving corporate objectives, particularly because of the significant investment plans and the unprecedented levels of uncertainty in local government finance. HBBC have accepted the recommendation that they should consider a more active role for the Chief Finance Officer on the Strategic Leadership Board, and detail its conclusions and compliance with best practice in its Annual Governance Statement for 2016-17.

4.5 Capacity to deliver

HBBC staff are enthusiastic passionate and focused on outcomes for their residents and service users. Staff and partners told us they work together to deliver the best possible outcomes for residents and service users, who in turn report high levels of satisfaction. Case studies demonstrate where the council's interventions have made a positive difference to people's lives and staff are, quite rightly, proud of what they achieve. For example work with partners on anti-social behaviour has increased the number of successful prosecutions, and the council has made a difference by investing in the regeneration of derelict and run down industrial sites to rejuvenate town centre and create much needed housing. The council may want to consider how these good news stories are publicised and celebrated across the community.

There is a strong sense of loyalty and commitment to both the organisation and the place, and we saw examples of staff working across geopolitical boundaries as well as teams in order to improve customer experiences and outcomes. There is a positive and open culture where staff believe they are treated with respect and encouraged to develop. The council's values and behaviours are understood, referred to and widely used. They provide a clear set of expectations and standards for all. There is a strong commitment to staff training, development and progression and staff welcome and maximise these opportunities. However, training and development does not appear to be strategically planned to ensure that the organisation has the skills to deliver the future vision. It will be important to co-ordinate the training needs, career development aspirations and the skills the authority needs for the future. Flexible working and co-location have been embraced across the council and the people policies and strategies have supported this shift.

Senior officers are highly visible and staff feel able to raise issues and concerns at any time. The move to the Hinckley Hub, which brought different services into open plan offices from the old council buildings, has fostered an open culture where organisational service boundaries are largely invisible. Staff talk about 'a working family' where 'we are all in it together' and it is 'good for the mental health'.

Communications with staff are strong and consistent. The monthly newsletter recognises and celebrates excellent practice and performance as well as providing information updates. Staff suggested that dialogue and learning between departments could be improved with regular meetings of a cross section of frontline staff, team leaders or middle managers.

The council's People Strategy is aligned to the current corporate plan, and the 'golden thread' from Corporate Plan through Service Improvement Plans (SIPs) to individual performance reviews (PDAs) is clear, understood by staff and embedded. The council may want to test out if there is a consistent application across all areas particularly in front line operational teams where staff have indicated they feel less engaged and informed. There is a good performance management system which is used to good effect to improve delivery of services. There are performance indicators for all departments, with all council initiatives clearly linked to the objectives in the current Corporate Plan. Exception reporting is taken to SLB and the Finance & Performance Scrutiny Committee.

The current refresh of the People Strategy will need to address future challenges. We suggest that this includes addressing recruitment hotspots (particularly development control planners), the impact of the new living wage on the pay structure and the future skills requirements particularly around the digital agenda. The commitment to 'no compulsory redundancies' whilst laudable, should also be revisited in light of these challenges because the council alongside other local authorities, faces considerable financial stress in the future.

4.6 Creating a vibrant place to work and live - Creating the conditions for economic success, empowering communities, supporting individuals.

The council acts as a catalyst to business growth. There is strong evidence that members give support and leadership to officers and communities on economic regeneration in both the towns and rural areas. The 'can do' approach of the authority has been a significant factor in bringing this level of inward investment, and the authority is well regarded by its partners. This approach has, and will continue to, lead to the further development of the formal and opportunistic ventures that will present themselves. Partners report that the council is influential, pro-active and persuasive with an appropriate willing risk appetite for success in regenerating the local area.

There is significant successful delivery of major commercial, housing and leisure infrastructure projects that link into the ambitions of the council. There are clear visible signs of major investment opportunities being realised, which are valued and recognised by the community. There is pride in the area, and there has been a 'buzz' created that they value highly. Residents and the business community are confident that these investments are necessary, and accepted. Plans are in place for future development and the Rural Strategy takes this across the whole borough. The team suggest that local

members and executive members are involved in a more regular and systematic approach to enabling strategic planning across the borough, and that there is a formalised and regular dialogue between members and officers in this key area of for the council.

There are many good examples where the council's investment has brought forward positive results including the Atkins building, the Hub, the Crescent and the new Leisure Centre. With a clearly articulated vision, the council could gain wider recognition of Hinckley and Bosworth as a major hub in the UK's economy, extending its existing sphere of influence. This could encompass all existing separate strategies into one place and should include strong reference to the visitor economy, and the area's tourism offer.

Considerable effort is made to ensure good communications with partners and other stakeholders. This could be enhanced by giving a higher profile to some of the council's and residents' priority areas such as future plans on transport infrastructure and town centre parking, and key messages on housing growth in rural areas. The authority may wish to consider an enhanced communications strategy that informs and engages the whole community on its long term planning and aspirations.

4.7 Conclusions

Hinckley and Bosworth Borough Council has evolved into a successful council that is highly regarded by its partners and neighbouring councils. It is ambitious for its residents and communities, and is using its influence to attract inward investment and lead regeneration in its town centres and rural areas.

Last year's change in political leadership brought a change of direction to the council. Councillors are clearly committed to doing their best for the district and efforts are made to work together across the political composition of the council to achieve this.

The council is about to move into a new era of managerial leadership which can build further on the established goodwill, positive outlook and commitment of staff.

5. Next steps

5.1 Immediate next steps

We appreciate you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the council 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: Tel 07747 636 910 and Email mark.edgell@local.gov.uk .

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA 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 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 12-24 months.