



Corporate Peer Challenge Dacorum Borough Council

28th June – 1st July 2016

Feedback Report

1. Executive Summary

Dacorum Borough Council (DBC) is a well-run council with stable leadership both politically and managerially. The peer challenge team were impressed with the good skills base that the council had within its staff and members. It was very clear from spending time with officers that the council is seen as a great place to work.

The council has benefited from good financial management and is currently in a more fortunate position than many other councils, some of which is also due to having a good council tax base. This means that the general fund is in a robust position, however, one consequence of this is the lack of a burning platform and the impetus for fast paced change.

The council is well regarded externally by partners and stakeholders and it was clear to the peer team that the council has developed valuable relationships locally. Particular references were made to the chief executive and leader in regards to their commitment to the borough and their approach to joint working and success in working with partners.

DBC have a clear and robust project management methodology that has been a key element in their success in delivering key commitments. One example of this can be seen in the success of the regeneration programme which has focused on Hemel Hempstead. This is not only seen in the success of the revamped town centre and re-opening of the Water Gardens but through the brave decisions that the Council made to invest financially in a period of austerity. This has paid off and brought key partners and stakeholders along with them.

However, as the financial resources available for DBC to invest directly in regeneration diminish, there will be a need for it to further enhance and focus on its enabling and influencing role. The £5m for West Herts College, the Enterprise Zone and partnership with C&R on the BID are positive examples of this.

The next step for DBC therefore is to build on the success of local partnerships and increase its influence at a sub-regional level. This is going to be fundamental for the success of the joint enterprise zone and for dealing with the increasing housing pressures that the country is facing.

It is clear that DBC have resourced their key priority of regeneration well; however, it is important that there is a greater focus across all services on using evidence and data to set priorities, resource teams and deliver key services. This is especially important to ensure limited financial resources are used wisely. A strengthened organisation vision will support this process.

The move to a new building shared with partners is an exciting step for the council and staff are clearly on board with the changes that lie ahead. The pace of change could be increased across the council, supported by clearer and visible messages from the leadership team which are being developed by senior members and officers through the top team development programme.

This would create a bigger momentum for the council to deliver services but also create a more exciting, open and innovative culture amongst staff.

2. Key recommendations

1. Provide pace and clarity to the change management approach with consistent and simple messaging.
2. Develop a constructive challenge culture at member and officer level
3. Enhance the council's leadership profile at a sub regional level to meet the challenges ahead
4. Progress the sustainable growth agenda with an enabling focus (see the 10 point plan)
5. Sharpen the focus of priority setting
6. Continue to be BOLD

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 Dacorum Borough Council were:

- Alan Goodrum, Former Chief Executive of Chiltern and South Bucks Councils, LGA Associate
- Councillor Chris Millar, Leader of Daventry DC
- Dave Barnes, Strategic Director, Christchurch & East Dorset Councils
- Sophie Lloyd, project Support Officer, Milton Keynes Council
- Ami Beeton, Programme Manager, LGA

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to consider the next steps for the council regarding Economic Growth and Regeneration.

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 4 days onsite at DBC, during which they:

- Spoke to more than 66 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 35 meetings, visits to key sites in the area and additional research and reading.

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 (28th June -1st July 2016). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

Dacorum is made up of the new town of Hemel Hempstead which is the urban centre of the borough and two smaller market towns, Berkhamsted and Tring as well as a number of villages. It is apparent that DBC is very self-aware of its area and the needs of residents. This understanding runs through the organisation from the top to those on the front line. Maintaining this understanding and balance is essential for the future of the borough and the council has managed well to date to protect and manage the interests and needs of the different areas and the borough as a whole.

There is evidence of good political engagement with the community and tenants. Members from the administration engage with the community through regular door knocking exercises to ensure that residents are aware of what is going on with the council and its services, it is important to note that this continues outside of election campaigning.

From talking to staff and partners it was clear that the council understood the ethos and legacy of a substantial part of the Borough being a 'New Town' and this was demonstrated through the council's approach but in particular to the delivery of housing and regeneration.

The council's corporate plan and priorities are generally sound but further work needs to be carried out to deliver future successes. The council needs to ensure that a more integrated evidence base is in place to support and inform both the setting of priorities and the delivery of services. At the moment the council struggles to say no and delivers a wide range of services but future funding challenges will force the council to act differently and using evidence to set priorities and deliver services will help the council to deliver the most needed services.

Whilst engagement with residents and the community is undertaken on a service by service basis, the questions and information gathered is limited from a corporate perspective and lacks structure. The current resident's survey does not provide this information though it may be captured at a service level for some areas of the council it is not comprehensive enough to inform priority setting. By taking a more structured and corporate approach the information could be used as a basis for evidence based priority setting. This could also include the work on your CRM solution which will help deliver more customer intelligence and data. This would then provide DBC with a fuller picture of residents' wants and needs and make clearer links through to and support the council's decision making process.

This should be followed through to the performance management process where a sharper profile of indicators, targets and objectives would support the headlines in

the corporate plan and provide an opportunity to revise and refine the KPIs- keeping the process of collection and monitoring as simple as possible.

One of DBC's strengths is the high regard to which it is held by partners and it is important to retain the capacity to do this in the future particularly as it will have less financial muscle.

4.2 Leadership of Place

DBC has adopted a supportive style of community leadership. Both the leader and the chief executive are well known with partners and are described as passionate and pragmatic about the place. DBC has very good relationships with partner organisations and stakeholders e.g. CCG, MPs, Housing Associations, West Herts College and businesses large and small. This was evident in not just partners' views but also in what the council has delivered in partnership e.g. the new West Herts College Campus that will have a focus on engineering which is a current skills gap for the borough.

Another example is the regeneration programme that has been delivered in the borough. Whilst this has been a partnership initiative, the council has shown great community leadership by taking a brave decision to invest its own resources at a time of austerity so that the regeneration programme could still be delivered. The result of this can be seen in the town centre, the business park, the leisure park, the college and the water gardens. It is important for the council to recognise its reputation as a reliable partner with a good track record of delivery but have the self-awareness to successfully manage expectations in the future.

The council is now looking at the next phase of its regeneration and economic development plan. One key step for the council is to actively manage partner expectations on what the council can deliver and offer in terms of support going forward. As mentioned above DBC have invested financially in the regeneration programme but future investment will be focussed around enabling and facilitation. Whilst there has been greater attention on Hemel Hempstead town centre the council needs to demonstrate that it considers the investment needs and opportunities in other areas of the borough in its decision making.

A further challenge for DBC is how they use their skills to influence key policy issues in a wider sub-regional setting. There are some important decisions that will need to be taken in the forthcoming local plan review and the joint enterprise zone. To help achieve the right outcomes for Dacorum, the leader and the chief executive will need to build on their existing profile and engage more with the LEP and other sub regional partners. This will help them access the right support and resources for the borough and put them in a stronger position to negotiate.

There is an appetite from backbenchers for greater community engagement and involvement in the policy process. This represents both a challenge and an opportunity in ensuring that engagement tackles some of the difficult issues as well as representing community needs and wants.

4.3 Organisational leadership and governance

The peer team found an open and consultative senior officer and member culture at DBC which is supported by a positive working relationship across the organisation. It is clear from meetings with officers that many people liked working for the council. The peer team found a good customer service ethos throughout the organisation with a real awareness of the regeneration programme and the positive impact that it was having on residents. The customer services team, in particular, is developing improved levels of service following the externalisation of the service.

There is evidence of silo working in some areas of the organisation which needs to be tackled and broken down to improve corporate working. Some work has been carried out in preparation for the move to the new building which will help in this respect. Staff are currently based in one building, apart from the depot, and a hot desking policy is in place. In the new building there will only be 67% of desk space available and it will be open plan thus helping to break down the physical silos currently in place. This is welcomed and will help to increase cross organisational working, and allow corporate work and performance management to become more streamlined and connected.

Whilst this is a good start the peer team feel that the pace of change needs to be quicker with clearer with more visible leadership to achieve the culture that the council is aiming for. Staff clearly understand the need for change and support this but would like the senior team to be more visible and engage with them on a more regular basis. If the visibility was increased alongside the pace of change then there would be even greater support for the agenda and it could create opportunities that may otherwise be missed.

There is a great deal of initiative and enthusiasm amongst the officers at DBC which needs to be utilised to make the most of the potential and talent that the council has. Whilst staff feel that they have the freedom to provide ideas and suggestions they don't always know how and where to feed them into. DBC could consider ideas and initiatives to help drive that sense of self-improvement and change, including an internal "Dacorum Den" process similar to their offer externally for businesses. This would help build a culture of constructive challenge within the organisation and allow for further innovation.

Backbenchers from all parties' respect Cabinet members and officers at all levels. There is a feeling of frustration from some members in regards to their role at the council with many members wanting to have more of an active input. The council has a member development champion and a monthly training session which is well attended. This shows the commitment and willingness the council has from its members. To get the best from this willingness the council needs to review the member induction and training programme that is currently in place and ensure that the opportunities it is offering match the needs and wants of the councillors.

Backbenchers would like a genuine chance to contribute and make constructive challenge to policy decisions through the Scrutiny process. We recommend that the current Scrutiny process is looked at to assess how to get the most value from it and also recognise the current input from Scrutiny members into changes in policy decisions. By having more Scrutiny task and finish panels members will be able to contribute more to this process and provide greater ownership which would help with the perception held by some members that the forward plan process is officer led. This is something that the Centre for Public Scrutiny would be able to help with.

4.4 Financial planning and viability

DBC has a good track record of achieving and exceeding savings targets although this will now get harder as the easy wins have been made and decisions may get increasingly difficult in the future. The council has been improving its approach to identifying savings and efficiencies with new ways of working. We found evidence of a specialist improvement and innovation team and council-wide change programmes on digital (Digital Dacorum) and the promotion of evidence based decision making and service improvement (Knowing What Works) which included five activities: research, nudge workshops, process redesign, service redesign and innovation workshops. Because of the medium term nature of the financial challenges and lack of a burning platform it was not always immediately clear how these fed into savings targets.

Given the scale of change likely over the next few years and the need to capture the savings and improved working opportunities associated with the new building the very useful work being undertaken could usefully be developed into an overall transformation strategy and programme linking in with the MTFs and organisation development programme.

The housing revenue account has been a key council priority over the past few years and the council has been resilient despite government changes. This has created opportunities for new development as well as improvements to the existing stock. The peer team had some concerns over the Housing Revenue Account business plan, but we understand that a process to revise it is planned once full details of the regulations are published. It is also worth noting that DBC has already factored in the rent reduction and issues like pay to stay will not impact on the plan.

There is overall no urgent need for action to address any budget problems due to the stable financial position of the medium term financial strategy and the council is therefore in a good position to meet further financial challenges. It does however need to ensure that the approach to delivering more efficiencies employs both evidenced based decision making approaches, greater use of lean systems thinking, and an exploration of further partnership opportunities.

The employment of a dedicated improvement and innovation team and its focus on these issues, alongside the other change programmes (knowing what works and digital decorum) will really help as would a clearer approach to transformation to bring everything together.

The proposed development company provides an opportunity to use some financial resources more effectively. The council needs to ensure that it has in place the necessary skills and resources, and the right approach to managing risk in order to ensure that this venture will be successful.

Another point for the council to consider is that infrastructure and regeneration will be increasingly dependent on others as capital funding diminishes. This is not in the councils control but they do need to give some thought to how they can influence their position e.g. making bids for funding through DCLG and BIS. This links into the councils move more towards an enabling role rather than direct delivery.

4.5 Capacity to deliver

Staff are enthusiastic about the change that they are going through and the future challenges. There are good practice examples in improvement and innovation throughout the council e.g. a real understanding of what works well for them and an innovation lab that is looking at new ways of working.

This approach is making progress across the organisation and a number of improvements have already been made, for example in re-writing council tax letters or re-designing housing policies. However, it's important to continue momentum now and not that the 'change will happen when we move into the new building'. The challenge for DBC here is to ensure that the improvement and innovation mechanisms function effectively to make the best use of existing talent and resources.

The council is embracing the digital agenda with a new vision and strategy, creating an online experience which is engaging, responds to the needs of the individual and is creating new ways to interact with services. This 'Digital First' strategy comprises 10 projects and the programme is performance managed on a monthly basis. The key consideration for the future is linking this with opportunities for improved customer contact and more generally transformation.

The council has a pragmatic approach to delivering services through a mixed economy which is based on the understanding of knowing what works well for them, an example of which is their contract with Northgate around customer services. By taking a mixed economy approach the council has been able to maximise its capacity to deliver services to the community. A challenge for DBC going forward is to consider whether they are making the best use of established partnerships and outsourcing and whether existing partnerships will be needed to deliver key services in the future or whether new partnerships need to be forged.

Retaining the housing stock has provided DBC with more capacity for neighbourhood engagement and this was shown through the tenants who were positive about the service that they received from the council.

In discussions with staff it was clear that annual appraisals were carried out and staff development was encouraged but the peer team felt that a stronger focus on OD was needed for the future challenges the council was to face. It is important that a people management strategy be developed as a matter of urgency to look at the skills development and behaviours that are needed for DBC to face the challenges ahead and develop more of an enabling focus. If this is not done, then DBC may struggle to make the most of the move to the Forum and develop services efficiently. Clear succession planning will also need to be in place.

As mentioned previously the new building will bring staff together in an open plan environment with hot desking. This is an opportunity for improved efficiency and

productivity within the council. To maximise the benefit of the move to the new building the council needs to look at how much emphasis is placed in the softer and more cultural aspects of the new building project. The Forum Cultural Board can help with this and its three programmes of working are helping address issues of culture, the transition to the Forum and the logistics of the move. Whilst work has been carried out with staff around hot-desking and car parking there were still some reservations from staff concerned that the move could maintain rather than break down the current silo working.

One of the recommendations for the council is to review its strategic risk register to make sure that the correct strategic risks are identified and mitigated. The peer team identified that some of the risks on the register were operational. This includes internal risks such as the change management process and some of the emerging external risks such as those associated with the review of the local plan, Housing Investment plan delivery etc.

DBC is looking at setting up a development company which is an exciting venture and part of their forward looking vision. There are certain risks around commercialisation that need to be considered and the council needs to review whether they have the right skills in house or if they need to buy in some resources for this proposal to work. Alongside this there is pressure on some specialist roles e.g. environmental health, planning and building control. This is an issue facing many councils but still needs to be addressed locally.

Efficiency savings have not affected service delivery and DBC has not had to make too many difficult decisions as a result which suggests that more efficiencies and savings can be found. Currently there is evidence of duplication across the organisation e.g. in procurement and a more corporate approach would increase efficiency and protect key front line services when future funding cuts are faced. Further savings and capacity could be generated from evidenced based priority setting. The ability to deliver place making initiatives will also be under pressure from the general fund e.g. Berkhamsted multi-storey car park, swimming pool etc reinforcing the need for greater prioritisation.

4.6 Supporting the Local Economy

Dacorum Borough Council have led and delivered a flagship town centre regeneration programme and this is something that they should be proud of. They have worked hard to ensure that they have had good relationships with partners and have received positive feedback. The peer team felt that DBC punched above its weight in regards to its regeneration work and this should be recognised internally and externally. They have had a sustained period of success of project and service delivery as demonstrated with the town centre regeneration and economic development project.

The council has clear evidence of working with the business sector on some innovative projects. The Business ambassador's scheme is one example. This has been set up and supported by the council to promote Dacorum as a place for business and leisure. Whilst this has only been running for less than a year its membership from the business community demonstrates the council's commitment to place and partners. The view of businesses mirrored this commitment and they stated how pleased they were to be working with an open and receptive council. The Council should aim to build on this momentum and ensure the future of the scheme past the funding it has provided this far.

There are several more examples of how DBC supports the local economy including but not limited to;

Dacorum's Den which is an initiative run by the council to support smaller and growing business within the borough.

The incubation unit on the business park which was set up by the council to support start-up businesses. Whilst this is not new for councils it is important to recognise that Dacorum is a district council delivering this function without any European funding.

Conversations with the council suggest that there is a real understanding within the organisation for the need to invest in the capacity, skills and resourcing needed to deliver growth going forward. The council is looking to place more emphasis on an enabling role in the delivery of further regeneration / economic growth work. To ensure that this transition is successful DBC needs to consider how it manages existing and future partners' expectations who are used to the council taking the lead in financial investment.

The success of the regeneration programme is evident in Dacorum however the peer team felt that it is beneficial for the council to give further consideration to what, if anything can be done to manage some of the potential challenges posed by increased economic growth in the area.

- Infrastructure
- Skills
- Land for employment
- Land for housing

The peer team does recognise that development and planning has seen a shift away from direct government funding for infrastructure and a dilution of what is an 'acceptable burden' on developers to pay (i.e. CIL will meet around 15% of infrastructure needs).

Businesses in particular stressed the need for improved transport infrastructure to improve the developments taking place at a number of key locations, including significantly, the Maylands business park. This is where the new focus on enabling and working with others becomes more significant as items such as transport infrastructure are not delivered directly by District Councils.

Given the needs of the 'New Town' status there is perhaps greater awareness of the need for jobs, economic growth and housing than many other areas. Where the virtuous circle breaks down is if there is a need or indeed perceived imposition of substantial housing numbers without the associated infrastructure or benefits to the existing community, for example the skills to gain better jobs or means to access the new housing. The Council will have a crucial role in maintaining this balance and members and officers talked about this balance as one of the most difficult of the forthcoming challenges

Dacorum Borough Council might wish to consider the following 10-point plan to help with the next stage in supporting the local economy. The suggestions below will help the council develop an enabling approach and be a catalyst for change.

Create a 10-point plan for enabling – driving the next stage forward.

1. Keep thinking BIG and lead the conversation
 - It will be important to have a compelling vision for the future economic growth of the area and ensure that key stakeholders and residents sign up to it
2. Make better use of existing networks to influence positively e.g. the LEP, MP's
 - Prepare business cases for funding of future schemes. LEP and other funding sources often require “ready to start” schemes so prepare in advance e.g. Link from the Railway Station to the Town in Hemel?
3. Develop new ED Strategy with Business Community – “You said, we did “
 - Where direct funding is limited working with the business community to identify and deliver needs can deliver more “buy in “
4. Develop stronger relationships with BIS / UKTI e.g.
 - BIS and UKTI have links in to Government Ministers and funding initiatives; these relationships need to be nurtured over time
5. Focus on key employment sectors (e.g., Engineering, Digital)
The Council is not able to deal with every issue and every sector when funding is limited. Think about those sectors which add most value to the socio-economic sustainability of the area
6. Re launch Business Improvement District initiatives
In addition to the Town Centre try again with Maylands and consider other key locations
7. Don't forget your small and micro businesses
Small businesses form the majority of business activity and small scale interventions helps to boost business confidence and the Council's reputation (Regular topic based Business Breakfast events and “Jellies” are popular)
8. Force the pace on the Enterprise Zone
In other parts of the country Enterprise Zones have not been successful and the new joint EZ will have issues to overcome. Leadership at a senior level is important
9. Integrate thinking between the Growth theme and other Corporate Plan priorities
What are the issues in Housing and Environment which the ED strategy can help to address? This might help focus actions and produce more evidenced based initiatives
10. A Council led Senior Business Leader Forum?
The Ambassadors is a great initiative but if it becomes fully business financed and led the Council may lose influence and its key leadership role. Consider setting up a Council led forum with senior businesses.

5. Next steps

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 process of opening up the Council we feel it is important to share the document widely within the council amongst members and officers and with partners.

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. Gary Hughes and Rachel Litherland are the Principal Advisers for the East of England and are the main contact between your authority and the Local Government Association (LGA). Their contact details are: Tel 0771941337 and Email gary.hughes@local.gov.uk Tel 07795076834 and email rachel.litherland@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.