

Corporate Peer Challenge **North Hertfordshire District Council**

21 – 24 January 2020

Feedback Report

1. Executive Summary

North Hertfordshire is the second largest district in Hertfordshire at 145 square miles and is polycentric with four main settlements; Hitchin, Baldock, Royston and the world's first Garden City, Letchworth. In addition to the main settlements there are some 40 surrounding villages and hamlets. Staff, partners and citizens identify with these settlements, with less of a focus on North Hertfordshire as an identifiable 'place'.

Residents enjoy and strongly value the surrounding rural areas which are predominately green belt. North Hertfordshire was described on more than one occasion as green and leafy and with the proximity to London, Cambridge and nearby Stevenage making North Hertfordshire an extremely well-connected commuter hub and location for business.

The four settlements are the focus for economic growth, housing and employment with several established international businesses located in the district. The Hertfordshire Local Enterprise Partnership (LEP) has recently relocated to Letchworth and is working closely with Letchworth Garden City Heritage Foundation to develop a strategy for its economic future in partnership with local businesses.

The council are working from a Local Plan dating back to 1996. The revised Local Plan 2011 – 2031 is on a trajectory to be adopted in the summer of this year and was originally submitted in June 2017 with a detailed examination in public starting later that year in November. The Local Plan proposes significant housing growth of 14,000 homes of which many are sited in the green belt. This level of growth will understandably be difficult to accept for the community and members of the council.

Since the May 2019 elections the council administration has moved from long standing Conservative control to 'no overall control' with a new joint administration formed through Labour & Cooperative and Liberal Democrat members. The new administration operates through an executive model with a mix of Labour & Cooperative and Liberal Democrat cabinet positions with deputy arrangements fulfilled by the opposite party held by cabinet. The administration is in transition from being in a long period of opposition. The recently elected councillors have positively added more diversity to the administration. Third elections will take place during May 2020, followed by a two-year period before the next election takes place.

The administration is taking the council forward on the back of a period of unprecedented change which has seen budget cuts of £11m whilst being in the first cohort of authorities to receive zero revenue support grant. The administration has developed a new corporate plan, renamed the 'council plan', which includes a refreshed vision and corporate objectives. Staff and partners described how the culture and work environment is shifting positively and the council is moving forward. The administration has committed to increasing engagement with communities and are introducing three new cabinet panels to include increased community engagement. The council is also now a member of the Cooperative Councils Innovation Network and is working towards operating to a cooperative set of values. The administration is keen to work with partners to achieve

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positive community outcomes and to ensure social and affordable homes are delivered. The peer team encourage NHDC to align all its resources, policies and capacity to achieve these priorities.

Staff and partners spoke strongly about the Leader of the council and the Chief Executive, citing them both as consistently easy to work with, supportive and with a strong working relationship. Partners like working with North Hertfordshire District Council (NHDC) and the existing relationships could support further constructive partnership working. The council does, however, need to look beyond the county of Hertfordshire for good practice and innovation and should be bold and brave in its future networking and learning.

The peer team described the council as being at a junction. Staff, partners and citizens were unclear of the council's ambition or future direction. Staff talked about the future being more about achieving operational efficiency (which is an important contributing factor to achieving a balanced budget) but spoke much less about the council's role in place shaping and providing leadership as the anchor organisation to lead growth and the building of new communities (despite this objective being in the council plan).

Performance and delivery of public services is positive, despite the financial backdrop. Balanced budgets have been modelled as part of the Medium-Term Financial Strategy process and are now progressing into a planning stage to ensure there is a viable solution to the known future budget gaps of £1.1m. There are significant financial reserves well above the section 151 officers recommended minimum. The level of reserves provides the council with options for funding future transformation capacity.

Morale was reported as being good and staff feel engaged and supported. The culture is changing, and staff are looking forward. The new office work environment is seen as positive alongside the implementation of technology that assists staff with agile and flexible working. New people-focused strategies were described as positive, for example the staff awards for role-modelling the council's new behaviours.

Service innovation and a willingness to try new approaches was evident throughout discussions with staff, including the use of 'ChatBots' and artificial intelligence to support customer service delivery. The peer team found that despite the positive deployment of technology and creative approaches this appeared to be driven bottom up and not part of an overall strategy or vision for an agreed corporate target operating model. The current approach was considered as opportunistic and lacked an overall strategy and corporate approach. This current approach to service delivery may result in positively reducing operational spend, although at the risk of a potentially fragmented and inconsistent customer experience and no corporate approach. It is therefore crucial for the council to take an integrated corporate approach to transformation which is clearly articulated top down and programme managed.

Staff, partners and citizens frequently described the council as risk averse and believe that more value and positive outcomes can be achieved. The peer team, therefore, recommends that NHDC defines its approach to risk within the context of the council being

more outward facing and ambitious for its place and communities, as well as being aligned to the council plan.

Developing a clear narrative for place and developing an outward facing ambition for North Hertfordshire will help the council broaden the focus from service delivery to place shaping. Taking a corporate and strategic approach to transformation will ensure all resources and effort is focused on achieving an agreed set of outcomes. There is now an opportunity to move from a culture of evolution to a more 'step change' revolution. The council is in a good position to meet and lead on current and future challenges.

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. Broaden the council's focus to an ambitious place shaping agenda.
2. Align all your resources, policies, capacity to achieve your priorities.
3. Develop a narrative for place.
4. Use reserves to fund internal and external transformation capacity.
5. Take a corporate approach to transformation – top down and programme managed.
6. Use external partnerships to benefit North Hertfordshire.
7. Best practice needs to look beyond the Hertfordshire area.
8. Be brave.

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 North Hertfordshire District Council were:

- Lead Chief Executive Peer - Rose Rouse, Chief Executive, Eden District Council
- Lead Member Peer - Councillor Mohammed Iqbal, Pendle Borough Council
- Lead Member Peer - Councillor Mark Cory, Colchester Borough Council
- Officer Peer - Mike Hill, Corporate Director, South Cambridgeshire District Council
- Officer Peer - Richard King, Former Director of Place and Community, Lichfield District Council
- Peer Challenge Manager - James Mehmed, 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. 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 provide feedback on:

- Decision making by our planning committee, pre and post Local Plan period.
- How to conduct effective scrutiny with clear outcomes to benefit the political process.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent 4 days onsite:

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- Spoke to 95 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from attending 50 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 190 hours to determine their findings – the equivalent of one person spending more than 5 weeks in North Hertfordshire District 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 on 24th January 2020. 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

The four main settlements in North Hertfordshire form a natural focus point and are adjoined by 40 surrounding villages and hamlets.

Staff and members refer to places and communities, as opposed to a North Hertfordshire identity or geography. Partners referred to some places within the district as the “jewel in the crown” for Hertfordshire. Councillors and staff understand the unique identity of towns and villages and understand the communities concerns over growth and potential impact on the green belt and natural environment.

Within NHDC, external ‘place’ and ‘communities’ were spoken about much less than internal service delivery, internal transformation and organisational performance which were all frequently raised. The peer team recognise that the focus has been on service delivery to deliver a balanced budget and achieve required savings. An example was the implementation of a new waste contract. Despite a turbulent start to the contract and on-going customer service challenges, the savings to the council have been significant. It is however time to further shift this focus towards a more people and place-based approach.

There is strong community engagement to inform council priorities and decisions. Area committees and ‘Town Talks’ are used to engage the community. Although ‘Town Talks’ were seen as a positive engagement mechanism they tend to focus on operational / service delivery matters and are reactive to residents’ issues. The peer team recommend realigning the meetings to inform strategic direction, policy shaping and decision making and to proactively take council and place-based issues out to local communities.

The Leader of the Council and Chief Executive are fully engaged in the Hertfordshire Growth Board and the North, East and Central Herts authorities joint strategic planning group. Working as part of these two groups has enabled detailed work and information on place to inform strategic decision making on economic growth and housing.

Despite a good understanding of place, there was no evidence of a strategic needs analysis to inform the council plan and policy shaping.

Whilst speaking to staff, partners and councillors, there was very limited evidence of looking outwards at best practice. There was some evidence of looking across Hertfordshire for best practice but little reference to researching or comparing / benchmarking outside of the region or more broadly nationally. NHDC would benefit from visiting other councils’ that have achieved or are some way working towards the objectives and outcomes NHDC is seeking to deliver, such as place shaping, large scale housing development and commercial development.

Place-shaping could be accelerated and supported by maximising the opportunity of working in closer partnership with the Hertfordshire Local Enterprise Partnership (LEP). The Hertfordshire Growth Board has the LEP as an active partner at pan-Hertfordshire level and it would be advantageous to work more closely with the LEP (and BID Town Centre Managers) on a local place-based strategy, maximising available skills, expertise and funding. A partner summarised well the opportunity that exists in North Hertfordshire ... “You need an ambitious growth plan, bite the bullet and go for transformation of your place ... demonstrate your ambition to show you want something bigger and better for your businesses and residents”.

The peers believe NHDC is well placed to take on this agenda and need to be brave in their endeavours.

4.2 Leadership of Place

The Council Leader and Chief Executive are consistently seen as positive and held in high personal regard by a broad range of partners and peers. Partners like working with NHDC and speak highly about working with councillors and senior leadership.

Partners state “there are a lot of things to like about the way NHDC do business” and suggest that everyone is “missing opportunities”.

Staff and partners were unable to describe the future ambition and identified more closely with operational transformation. A clear narrative for place is needed to support partners and staff in understanding how they can better contribute towards outcomes and assess strategically how resources can be deployed for maximum impact. Partners felt there was a shared ambition for the place and are keen to put their energies into developing a shared narrative and so make a difference and deliver something that everyone can be proud of.

Peers were unable to identify a clear unique selling point (USP) for North Hertfordshire and felt that place assets were not being exploited or communicated in a way that could enhance community benefits. Councillors should be leading the way as brand ambassadors. Throughout the peer challenge process there was little evidence of this and much opportunity for councillors to be ‘selling’ the district and promoting what is good about North Hertfordshire.

The administration is seeking to lead place shaping through increased engagement with communities. Recent membership of the Cooperative Council’s Innovation Network is a step towards wanting to reshape the council’s relationship with communities, working in equal partnership with local people to co-create, co-produce and strengthen communities.

This means a repurposed role for NHDC that will challenge traditional models of top down governance and service delivery with local leadership, co-operation, and a new approach built on values of the co-operative movement: collective action, co-operation, empowerment and enterprise.

The peer team held a focus group with a small group of North Hertfordshire citizens. Representation was distributed across the four main settlements in North Hertfordshire. The group was highly engaged and spoke freely and objectively about their experience of NHDC, from an operational service delivery perspective and about their views on the future of their respective communities. The meeting was insightful and provided the following summary which is indicative of how the community are feeling at present:

- The stance on climate change was viewed as positive and more needs to be done.
- Transport is a key factor in connecting rural communities to jobs and services.
- It is not always clear how to engage in consultation processes.
- More needs to be done to make consultation accessible to the broader community.
- More opportunity to engage on consultation topics using digital solutions.
- Attracting London overflow was seen as a threat and an opportunity.
- Concern over villages becoming commuter dominated and just 'community shells' with less community cohesion. How do villages stay vibrant?
- High level of awareness of the need for much more affordable and social housing.

The Citizen Panel were clear that NHDC is a good council. This is demonstrated by NHDC's performance across a range of areas including:

- Performing above the mean for the percentage of household waste sent for reuse and recycling compared to CIPFA nearest neighbours.
- Spending above the mean on cultural services.
- Experience less households on the housing waiting list compared to the mean for CIPFA nearest neighbours.

Citizens shared their experience of the council being open to constructive feedback and the feeling that NHDC is making a big effort to do the right thing. Some positive interventions made by NHDC were not well publicised, the citizens felt that advertising and signs could be used in parks stating that NHDC has enabled the improvement or funded the development. More can be done to actively inform citizens of the work NHDC has delivered and how their council tax is being invested.

The citizen panel want NHDC to be the champion of what citizens want. They want there to be more representation from citizens and ensure the differences in places, main settlements and villages are recognised in policy making. Housing, transport and employment near new homes are important to citizens.

Peers were informed of an example that while Hitchin Market has suffered reduced footfall, it is seen as historically important and valued by the community. As a result, NHDC investment was directed to the market, knowing that the outcome was less about financial returns and more about delivering social and economic value, maintaining the facility for the community and small businesses to ensure the market did not diminish.

Area committees and 'Town Talks' provide a good basis for community engagement. However, peers heard that these are currently used by citizens exclusively to raise service delivery / operational issues. Although this feedback is helpful in terms of driving service improvement, there is an opportunity to refocus these over the next year to better engage citizens in and inform policy shaping. The citizen panel formed for the peer challenge was a good example of how citizens can inform policy making. They had a lot to say with ideas on what is needed going forward. The relatively new cabinet panel on environment provides a positive mechanism for formulating policy, community participation and could attract specialist resources from the community. Other councils' embarking on a similar approach have cited examples of specialist resources that are located within the community such as academics and environmental consultants who are willing to input into local climate strategies.

4.3 Organisational leadership and governance

The internal culture and direction of NHDC was consistently described as evolving, improving and moving forward. There was genuine feedback indicating officer and member relationships are improving, which staff see as positive.

Staff described how they were feeling more empowered and freer to perform in a way that is more productive for NHDC. The Council Leader was described as having an 'open door' and actively encourages staff to drop by and see him to discuss any aspect of their work. While this is a positive, there equally needs to be clarity about the roles and responsibility of officers and members.

The culture of NHDC has shifted towards employee engagement, wellness and being more supportive. People strategy projects and policies are having a positive impact. The challenge will be sustaining the positive work to date and ensuring that the people strategy that has recently expired and emerging organisational development strategy can continue to support NHDC's performance and developing culture. In this regard, the new organisational values and behaviours are positive and visible around the building. However, these were perceived to be complex and as having been developed with little staff engagement. As yet they do not appear to be embedded in the organisation's culture. There is an opportunity to involve staff more in the development of the new organisational development and people strategy.

NHDC was described by peers as being 'at a junction point' and if more emphasis is made on place-shaping and being more outward facing, both strategic plans will need to be fully aligned to that direction of travel.

Learning and development was discussed least. Peers understand that a career development survey was conducted in 2019 to understand individual employee appetite, to feed into succession planning and regular one to ones. There are regular performance reviews (RPR) in place. Peers identified an opportunity to use the RPR process to gather information on career development (as done by other councils) and

see career aspirations and personal development as an ongoing conversation as people's circumstances, positions and aspirations frequently change.

In sections 4.6 and 4.7 of this report the peer team highlight the requirement for members to undertake specific learning, development and training to assist with roles on committees. There is an established corporate budget to fund specific and general learning and development needs. While peers see this as positive, the emphasis must be on all learning and development being aligned to the emerging organisational development plan and council plan delivery.

It is recommended that the emerging organisational development strategy identifies the future skills and behaviour requirements and identifies how those skills and capabilities will be developed across the workforce, either in job design, specific learning interventions or other approaches to ensure skills acquisition keeps up with pace and change of organisational priorities. As an integral component of future organisational performance, it is recommended that there is an increased focus on management and political oversight of learning & development (for both officers and members) with regular reporting and assessment of impact and readiness e.g. being ready to cope with future increased planning applications post-Local Plan.

NHDC has an established mechanism for staff engagement and internal communication. There is a top-down grouping of management meetings from leadership team, senior management, senior management group and staff briefings that are held regularly where all staff are invited to attend. The peer team recommends that there is a focused period of time where all staff have the opportunity to understand the direction of the council and the council plan and ensure there is an increased outward-focus for the organisation to help staff to make the shift to understanding the place-shaping agenda and NHDC's role in facilitating curation of place. Staff reflected that they would like to see more of the Chief Executive and leading more of the internal communication forums.

Existing forums between the Trade Union were seen as effective and support a close working relationship between Trade Union and employer representatives over organisational change. There was positive recognition for recent employee policies that have been implemented, including the increased focus on people and the 2019 Christmas shutdown which was positively received by staff members.

NHDC has a proactive relationship with internal audit, where the senior leadership objective is to maintain an open and honest approach to internal audit processes and therefore be receptive to issues, identification of weaknesses and areas for improvement.

NHDC enjoys the benefits that come from being a member of a shared internal audit service across 8 other Hertfordshire councils. The partnership supports shared learning across member councils and facilitates regional benchmarking. There is an established annual cycle that starts each December where all service directors are engaged to create an assurance map, indicating to audit where to focus on for the forthcoming year.

Plans will be agreed through sign off processes involving the chair of audit committee with senior management team sign off in February 2020.

There was evidence of an established performance management framework in place. Performance Indicators (PI's) are reviewed each January and set by Executive members and service directors. Historically there is good practice involving the review of PI's for continued reporting, although there is less forward looking and horizon scanning for the introduction of new PI's. There are not too many corporate PI's and some measures such as homelessness targets are not included. Peers were informed that there was robust challenge at Overview & Scrutiny (O&S) on setting PI targets.

In March of each year new PI targets and project PI's are shared with O&S. O&S monitor the corporate PI's as well as significant projects. There is a strong thread running through projects ensuring all are linked to a corporate objective. Quarterly updates go to O&S using a traffic light system on an exception report basis. O&S only see amber or red indicators, plus homelessness and waste performance. The peer team were surprised that only low / negative PI's were debated at O&S and those reports were shared publicly. Publishing positive performance alongside amber and red performance would provide the public with a rounded summary of performance, allowing NHDC to outwardly celebrate what is being delivered to agreed performance levels. Peers believe that if amber and red PI's were seen alongside green PI's at O&S there is a greater opportunity to debate how those officers supporting green PI's can transfer some of their learning and skills to amber and red PI areas.

Peers understand that the full performance report is sent to councillors one month before O&S to provide the opportunity for requesting the appropriate lead executive member and officer to attend O&S to be accountable for questioning. This opportunity has never been requested and should be used in order to strengthen the debate and challenge at O&S.

4.4 Financial planning and viability

NHDC has delivered £11m of budget savings since 2010 and was in the first group of authorities to receive zero revenue support grant. The recommended level of reserves (£1.96m) are far exceeded with general fund reserves at circa £8m as at 31 March 2019.

There was a strong theme from across a broad range of people taking part in the peer challenge process citing the council, members and officers are risk averse. The lack of a clear definition on risk appetite is likely to be contributing to a culture of risk aversion. The peer team recommends that NHDC defines its approach to risk within the context of the council being more outward facing and ambitious for place, as well as being aligned to the council plan.

There were some examples where staff cited an over cautious approach to risk was being employed. Peers questioned if commercial plan business cases were taking into

account non-cash benefits such as increased social value / outcomes, affordable homes, zero carbon homes and not just solely on financial returns.

With reserves at four times the recommended minimum, the council should invest some reserve budget into funding the transition to the new council plan and making early investment in capacity to deliver place shaping and transformation, inside and outside the council.

NHDC has a positive external auditor opinion relating to controls and measures. NHDC received an unqualified opinion in relation to the 2018/19 annual accounts and value for money conclusion.

NHDC has a Medium-Term Financial Strategy (MTFS) and is balanced through making future savings (although not all required savings have yet been identified). Identifying how those savings will be made is part of the next stage of moving the MTFS from a forecast to a plan. NHDC is considering reviewing current service delivery models, statutory / discretionary services, the capital programme and increasing commercial activity generating income from assets and other business opportunities. Peers questioned whether a statutory / discretionary service and base-budget review is the priority for delivering transformation. The team recommend that starting with the customer and aligning the council plan objectives with the MTFS is a more appropriate point to initiate the design of and impact on services.

To increase focus and capacity for undertaking further commercial activity, an investment has been made in setting up a commercial team. The commercial team will seek to make property investment and have a capital fund ready to invest. The team are also working on developing a commercial culture and seeking to increase staff knowledge, skills and awareness of commercialisation. A commercial workshop for senior managers was taking place whilst the peer team were on-site. The investment in the commercial team was perceived as a positive example of realigning resources to generate revenue. However, there is a strong need to ensure there is an agreed risk framework shared between officers and members in order to maximise performance and outcomes and ensure this team begins to deliver benefits.

There was evidence of a framework in place for political oversight of financial management. Councillors informed the peer team of participation in budget workshops, providing the opportunity for all councillors (cross-party) to engage in the budget planning process. Cabinet review the feedback and proposals generated through the budget planning process. Given the recent change in administration and allocation of portfolios, there is a learning curve for portfolio holders to ensure they are fully engaged and skilled in the service and financial business to provide the robust challenge to members and officers. Peers heard that officers are actively supporting new portfolio holders through the provision of technical guidance which was viewed as positive.

Service managers receive monthly budget monitoring reports from the finance team. Significant variances are reported to the senior management team and cabinet as necessary, demonstrating a framework for escalation and reporting. Service managers

are expected to manage overspending and work in partnership with finance officers to explore the rationale for overspend and work through strategies to bring spending back in line with agreed budgets. There are established thresholds and control measures in place where cabinet will be alerted to variances over £25k. Peers were content that there are appropriate measures and oversight in place to support good financial management.

4.5 Capacity to deliver

Staff described a period of feeling unsettled as a result of an organisational wide restructuring exercise. Post restructure this has improved and staff describe the organisation as being more streamlined and leaner. There was positive recognition that the last staff survey and office move led to improved staff morale, well-being and a more people focused culture. Flexible working is embraced positively, supported by improved IT and policies.

Staff consistently described the change in organisational culture as positive and evolving and are enthusiastic about the future. The culture was described as more people focused, with an increased attention on wellbeing and health. The current people strategy expires this year and there are steps in place to develop a new people strategy, supported by an organisational development plan which is in very early stages of discussion.

There has been a positive attempt to engage staff and their future contribution through the implementation of a career development survey. The organisation has a clear map of who is seeking career development, enabling resources to be targeted at growing skills and capacity. Emerging themes from the new people strategy are workforce planning, succession planning and the development of an organisational development plan. These were seen as important enablers of future organisational performance.

Most member and officer relationships are positive. Staff reported a positive change with the new Council Leader, where many staff described feeling more trusted and empowered. The Leader's door is open to staff to discuss any issue they wish to raise.

NHDC is willing to try new ways of working and will seek to innovate on a case by case basis, appraising opportunities as they arise. A positive example included working with the University of Hertfordshire to place two graduates to deploy their capacity and expertise in information technology and artificial intelligence. Although the introduction of new technologies was viewed as positive, the peer team recommend that the council ensure this approach fits within the strategic context and is sustainable after the resources have left their placement.

The feedback from partners was consistently positive, with partners citing examples of how they work together with the council, or to deliver contracted out services. NHDC has a mixed approach to service provision, with some services delivered in-house by NHDC staff, contracted out services, partnerships and shared services. NHDC adopts

an approach which is merit based where opportunities are assessed to examine the best outcome and value for money and are not led or constrained by one model, offering flexibility.

The peer team observed transformation being delivered 'bottom up' in the organisation, and therefore not part of a strategic, joined-up corporate plan. Some of the work was described to peers as being less visible and not joined up, which could potentially create issues for other service areas if there are dependencies between services and functions.

NHDC would benefit from an agreed target operating model (TOM) which would support an overall approach to how operational services are delivered. This approach could go some way to support delivering further efficiencies in order to reduce spend and contributing to reducing the future budget gap. A TOM would also enable a framework for investing in technologies, applications and systems as well as identify the skills and resources needed to maintain associated operations and service delivery. A TOM would support closing the gap between customer experience, ensuring that services have a common look and feel, supporting customers to navigate around services with more independence and decreasing more costly and avoidable demand.

Operating more corporately will require a more programme managed approach to transformational projects ensuring there is join up and managed risks, issues and dependencies. Project and programme management resourcing and planning could be improved as peers identified that resources and timescales were often underestimated, resulting in projects being delayed and staff having to manage the pressure of delivering day-to-day operational requirements whilst taking projects forward. There is an opportunity to use some of the council's reserves to fund capacity and accelerate delivery. There may be some cases where funding early delivery saves the council money, as an invest to save initiative.

As NHDC drive forward the council plan and consider being more ambitious with place-shaping there is a need to ensure there is a correct balance of resources and skills in place to support working differently. The peer team recommend that the organisational development plan addresses the future skills needs and supports staff, managers and leaders in building the required place-shaping capacity at a strategic level.

NHDC is carrying vacancies and finds some roles difficult to recruit to. Staff made an observation that some roles in each functional area have a similar skill set although access for flexible resourcing is limited and reinforced by the functional structure. The peer team suggest that there could be a pooling of roles with generic, flexible skills that could move around the organisation where the work dictates. This pool could operate as a corporate transformation resource pool and be assigned to projects through a programme management approach. One positive outcome of this approach is the development of corporate transformational capacity which becomes knowledgeable about NHDC's operations, adding some potential resilience and succession for future heads of service roles.

4.6 Decision making by NHDC planning committee, pre and post Local Plan period.

NHDC determines planning applications from its current 1996 Local Plan. A revised 2011 – 2031 Local Plan is on course to be adopted in the summer of 2020. A new Local Plan was first submitted in June 2017 with an examination in public commencing later that year in November. The examination is still in progress and NHDC continues to respond positively to questions and issues raised by the inspector, often within very challenging timescales.

With large volumes of housing growth destined for the green belt, there is a high risk of objection from impacted communities. The peer team were informed that during earlier consultation of the Local Plan, some 8500 representations were received and large numbers of the public (circa 400 – 500) attended a related consultation meeting.

It is therefore pivotal the planning committee performance is robust, effective, open and transparent in determining planning applications.

Current committee members believe planning officers are extremely knowledgeable, informative and professional with a good recent record on appeals. There is good joined up working between planning policy and development control.

One factor adversely impacting a delay to planning committee decision-making is the practice of issues and questions not being raised until the committee meeting. This results in deferment of decision-making whilst additional information or clarity is obtained to inform the committee. Changing this practice so that issues are raised with officers as soon as possible will provide greater efficiency and speed up planning application decision-making.

The peer team were informed that there are no corporately-arranged site visits for committee members, resulting in ad-hoc, independent visits. The peer team see this as unsafe practice and recommend there are pre-arranged, accompanied visits to inform the understanding of planning applications.

The current planning committee practice of allowing call-ins from Councillors based on “public interest” needs to stop as the practice is too vague and is not a material planning consideration. Failure to do so leads to increased risk of challenge and appeal from planning applicants.

Post May 2020, external training for targeted member development should be scheduled to support a base level of skill and confidence in committee practice. The size of the planning committee was perceived to be too large and should be subject to review and reduce in size to either 9 or 11 members.

For the same reasons cited for O&S in section 4.7, the finish time of planning committees should also be reviewed.

Recommendations:

Ensuring robust decisions on complex strategic scale applications in light of an organised local community.

Have planning training provided by an external trainer with broad experience, to aid understanding of the National Planning Policy Framework (NPPF) and what are material planning considerations.

Submit 'issues paper' to the planning committee early in the process so officers are aware of the concern's members want addressing. This will ultimately lead to less deferments.

Arrange specific training for the Chair and Vice Chair of planning committee as they have a key role, and this will support the development of a strongly led committee.

Lessen the number of call-ins by tightening up criteria for a call-in. Give reasons related to material planning considerations only, not simply in the "public interest" which is too vague and raises objectors' expectations for refusal.

Consider starting meetings earlier. Members and officers are not performing at their best at late night meetings after a full day's work and there is an increased risk of challenge from applicants if it was perceived that an application had been rushed because of a long meeting.

Alternative or additional committee process

Consider reducing the size of the planning committee.

Issues paper to committee on strategic applications to ensure issues are identified early in the process rather than waiting until the planning committee for decision.

Produce supplementary report to table on evening of the planning committee that updates members on changes / updates since publication of report. Currently there is a verbal update at committee which is time that could be saved.

Confidence in the Council's statutory consultees advice in light of opposing specialist views

Have specialists at planning committee for example, highways officers where there are highways issues.

Strong and clear legal advice can help.

Working relationships within the committee

Strong chairmanship of committee required, especially post Local Plan.

Call ins only on specific planning considerations.

Ensuring reports to planning committee are effectively written, to ensure members know what the key issues are for applications

Highlight in bold the key material planning considerations.

Location plan to show wider context.

Training will help understanding of the key points.

Ensuring decisions are made in accordance with the Council's priorities, integrating new developments into existing communities and ensuring they are as carbon friendly as possible

Have up to date council plan and supplementary planning documents.

Cabinet member or Leader to speak in support of applications at planning committee where the specifics would amount to a material planning consideration.

4.7 How to conduct effective scrutiny with clear outcomes to benefit the political process.

The peer challenge timetable permitted a small group of peers to observe an Overview & Scrutiny (O&S) meeting taking place on the evening of Tuesday 21 January 2020.

NHDC has a high degree of self-awareness that O&S has not historically been as effective as it potentially could be. The administration was open to suggestions on how O&S could be improved, as they strive for improvement, wanting the best from the process ensuring the executive is robustly held to account and O&S add early value to policy development.

In addition to observing a live O&S meeting councillor peers were able to discuss O&S effectiveness with a broad range of members.

The administration is in the process of implementing three cross-party cabinet panels and is keen to ensure from the outset these do not adversely impact the role of O&S.

Recommendations:

- Executive members should lead at O&S and be visibly accountable for decisions and performance. Current O&S practice often involves officers being the primary accountable person. Cabinet Executive Members should be the primary accountable person for scrutiny and be well briefed by officers to enable objective responses to scrutiny questions, with officers accompanying members to respond to technical questions at the invitation of the committee.
- The meeting observed by peers had a very large number of agenda items. Each agenda item was allocated a target time allowance, which potentially limit the amount of scrutiny by time rather than risk and complexity of issue. Future meetings would benefit from taking a longer-term view of the key issues for the district (not just focussing on the next immediate meeting), fewer, more targeted agenda items, and be focused on key areas informed by performance reports and a forward work plan. Fewer agenda items will support more allocated time for meaningful scrutiny and related debate.
- The current membership of O&S was considered to be too large and would benefit from reducing from 15 members to 11 or 9.
- Given the volume of new councillors with the council, only four members (plus one reserve) of O&S have received formal training. It is recommended that all O&S members undertake formal training to ensure a robust base of skills and expertise can be deployed in the O&S environment. The LGA has a Leadership Essentials Programme for Chairs of O&S and also has developed 'A Councillors workbook on scrutiny' which is available via this link - https://www.local.gov.uk/sites/default/files/documents/11%2064_Scrutiny%20for%20councillors_03_1.pdf
- Use the task and finish programme to support early engagement and involvement with policy making.
- It was helpful to observe a live O&S meeting from a public gallery seating area. The council chamber was not conducive to supporting an effective meeting. On many occasions it was unclear who was speaking and the acoustics were poor. If the O&S membership was reduced a smaller meeting room could be used, improving effectiveness of the meeting. It is recommended that finish times should be agreed in the constitution and meetings end promptly at those times. There was a concern around individual personal effectiveness, accessibility, external public perception and health & safety / personal welfare of both members and officers from such excessively long and late meetings. Rather than late meetings, it was noted that working members at another council have chosen to bring meeting start-times forward to 5.20 p.m. to fit in with their professional commitments. Combined with good agenda-planning and an effective forward work-plan, this will avoid excessively late finishes.

- The administration intends the cabinet panels should not adversely impact current or future O&S activities. Peers recommend clarification of the governance arrangements between O&S and cabinet panels.
- Ensure the O&S forward work plan includes scrutiny of external partners and contractors as a contribution to the leadership of 'place'.

4. Next steps

Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on the findings within this report in order to determine how the organisation wishes to take things forward.

To support you in your improvement journey the Peer Team have identified a number of key recommendations, some of which you may already have in hand. We welcome your response to these recommendations within the next three months through the development of an action plan.

Your LGA Principal Adviser - Rachel Litherland, rachel.litherland@local.gov.uk will be in contact to assist the council going forward and to provide additional support, advice and guidance on any areas for development and improvement and will be happy to discuss this.

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 2025.