

# Corporate Peer Challenge **Horsham District Council**

18<sup>th</sup>-20<sup>th</sup> November 2019

Feedback Report

## 1. Executive Summary

Horsham District Council has a highly respected Leadership Team with a warmly regarded Chief Executive who is seen to have made many effective changes since his arrival in April 2018. The Council also has strong political leadership and a well-respected Leader. The Leadership Team has established good relationships with partners. The peer team found that some partners are keen to develop these relationships even further, in turn giving additional opportunities for joint working.

The Council leadership is keen to ensure that the Council is efficient and it is clear that efficiency savings are already providing increased capacity to meet future challenges. There is an opportunity for the Council to communicate that efficiency is not limited to financial savings, and this is an important message for staff, residents and businesses.

The Council leadership clearly recognises the housing challenge for the District and the need to meet the Housing Delivery Test and provide affordable homes. It is important to ensure the Council is as agile as possible, so it is best positioned to take up opportunities, especially property-based ones, which may have a short window of opportunity. There is a real potential to build on the current, positive, engagement with key partners to seize such opportunities.

There is a good awareness of the economic challenges facing the district and clear priorities around delivering against them. The Council is well engaged in some key economic development sites and there appear to be opportunities to be even more proactive and the Council may wish to consider how to take these opportunities forward.

The peer team found that the Council has an open culture with a genuine open-door policy, with good relationships between staff and managers. Staff are clearly proud to work for Horsham District Council, and members are proud to represent the area.

Whilst there is a high volume of communication with staff, there is a danger that key messages could get lost in the many staff communications. The peer team are of the view that staff engagement on key messages and priorities could be more effective. Similarly, the peer team found that the digital strategy could be more clearly communicated – clarity is essential for both customers and staff.

The Council Leadership and Senior Management Team should consider looking outside of Sussex for best practice, benchmarking and ideas more frequently. The peer team note that whilst there have been increased opportunities, especially for managers to network, and gain experience, looking at best practice from elsewhere will help the Council to improve services further.

Member-officer relations are generally good, but more work is required. The peer team was concerned by a limited number of cases of poor member conduct but note that the Monitoring Officer has taken appropriate action. Developing stronger member-officer relations will make the Council an even more effective team.

The Council may wish to consider options for improving governance arrangements, particularly around Overview & Scrutiny and Policy Development Advisory Groups (PDAGs). Whilst the current arrangements give backbenchers an opportunity to contribute positively, there is some potential for duplication of work.

The Council is in a strong position, well placed to meet the challenges ahead. This solid foundation presents the Council and its leadership with an opportunity to focus on some of the challenges and potentially add resources in key areas.

## 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. **Horsham is an effective council in a strong position, both geographically and financially, to seize the opportunities to build on what you have- but you could do more.** Consider investing more in the services which will enable the Council to best take forward economic development and other opportunities
2. **Develop a clear communication strategy for your improved digital offer for all of your customers; residents, visitors and businesses alike.** The digital direction seems well planned but the Council could better explain the benefits of doing business with the Council by digital means.
3. **Consider a review of the relationship between Overview & Scrutiny and PDAGs.** There is potential for duplication and inefficiencies, and for the role of Overview and Scrutiny to be undermined under the current arrangements.
4. **Improve and more obviously align the budget and budget documents, to the recently identified corporate priorities and emerging service plans.** This will allow the Council to show clear organisational commitment to the delivery of corporate priorities and help to ensure they are appropriately resourced.
5. **Develop a joint narrative on the emerging Local Plan in order achieve the ambitions for the district; consider a joint officer member workshop specifically to progress this.** This gives a great opportunity for officers and members to work together with the community to ensure the challenges are fully understood and the Council's intentions, aims and objectives for developing the local plan are made clear. This could be assisted by a support programme for officers and members and may well have wider positive impacts for member-officer relations.

6. **Tailor the Member development programme to address the challenges posed especially by the Local Plan and also with Standards and Overview and Scrutiny.** This will better inform members of their role whilst developing better understanding between members and officers. This will enable the organisation to deliver the Corporate Plan priorities and large projects such as the Local Plan.

### 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 Horsham Council were:

- **Nick Baker**-Joint Chief Executive, North Norfolk District Council
- **Cllr Duncan McGinty**-Leader, Sedgemoor District Council
- **Steve Capes**-Head of Regeneration and Policy-Derbyshire Dales District Council
- **Angela Kawa**- Programme Manager and Peer Challenge Manager, LGA
- **Hannah Donnelly**- LGA Shadow

#### 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 and provide feedback on:

6. Digital Direction and the best use of technology in the delivery of efficient and excellent customer services.
7. A view on the Council's activities to achieve more economic development in the district.

### **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 3 days onsite at Horsham, during which they:

- Spoke to more than **125** people including a range of council staff together with councillors and external stakeholders
- Gathered information and views from more than **30** meetings, visits to key sites and additional research and reading
- Collectively spent more than **150** hours to determine our findings – the equivalent of one person spending over **4** weeks in Horsham

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 (18th-20<sup>th</sup> November 2019). 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 peer team found that there was a clear understanding that the local economy needs to be strengthened to provide more local jobs. The theme of “one new job for every new home” came through very clearly in interviews with senior managers, staff and members. Members and senior officers were also aware of the danger that Horsham could become a dormitory area due to the close proximity to London and were keen to ensure this does not happen.

Whilst there was a clear understanding of the issues, there was less clarity around the vision for Horsham District as a place. The peer team are of the view that the Leadership of the Council needs to establish a clear and positive vision for Horsham district as a place. The peer team recommends holding a joint session between members and senior officers to clarify the vision for Horsham and establish a narrative on what sort of place they want it to be.

Officers and members repeatedly referenced the split between Horsham Town and the rural areas and villages in the district. Going forward, the Council will need to manage the differing needs of the town and rural areas whilst also delivering growth and new homes. There is a clear challenge as to how growth will be accommodated across the district, but the Peer Team was somewhat unclear on the vision for the place in this regard as this vision is still under development. The Local Plan process will obviously help to establish the areas for growth but consideration should be given to a broader narrative that all stakeholders can understand, which will require an enhanced communications plan.

During our time on site, the peer team found that Horsham has a huge amount going on but deciding what is a priority and planning its delivery, is not particularly clear. The Council is well-placed and has sufficient resources to deliver effectively on key priorities and projects. In order to do this, there needs to be greater prioritisation of projects with better alignment to the Corporate Plan. Without this, delays to important projects may occur. The Peer team understand that some work in this area is already underway. Consideration should be given to what resources will be required to achieve the corporate aims for the place, particularly given the ambitious plans for the area.

In interviews with the peer team, members acknowledged the importance of parish councils and there was clear evidence of Horsham District Council providing good support for the smaller rural communities through its voluntary sector enabling work and community warden scheme. (This is discussed in more detail elsewhere in this report).

Overall, the leadership and senior management of the Council have a good understanding of the place but need to carefully consider how to balance the need for

growth, development and new homes with the needs and concerns of the local community.

## 4.2 Leadership of Place

The Council has constructive relationships with its partners and plays an effective leadership role for the Horsham area.

Community development appears to be very strong, with the Council running an exemplary in-house volunteer bureau that recruits, trains and administers volunteers across the district. The voluntary and community sector feels well supported by senior officers at Horsham with funding and advice, citing an open culture and good individual relationships. We found excellent examples of community development including neighbourhood wardens, a Wild Art trail, and the Syrian vulnerable person resettlement scheme. A representative of the voluntary and community sector told us, that in general “everyone we have met from the Council has been very supportive.”

Overall, it appears that partnership working at the Council, whilst not perfect, is strong. The recent changes at West Sussex Council provides the opportunity to further strengthen the working relationship with key partners to take up opportunities to tackle corporate priorities. With the Council’s co-location with West Sussex County Council, a help hub model, to provide an entry point for multi-agency help for vulnerable people, could be an opportunity for more joint working.

There is also an opportunity for elected members to play a greater role in community leadership. Members have a key role in both being the ambassadors for the Council in their wards, as well as providing a conduit for communicating Council decisions and policies to their local communities. The peer team would urge all members to consider this when speaking to their communities at a local level.

This role will become crucial as the Local Plan review moves forward. There is recognition that that the Local Plan review will put huge pressures on both members and officers, particularly with regard to site allocations. For the Local Plan review to succeed, members and officers will need to work closely together. The peer team are of the view that this should be a key priority for members (both administration and opposition) and that additional training on planning should be provided.

Horsham District Council reviewed their planning committee arrangements some time ago and decided to continue with the current two planning committees, Planning North and Planning South. The peer team understand that the Council does not intend to review this decision again. The peer team has concerns that this is not the ideal arrangement, but we acknowledge that the two planning committee system does meet statutory requirements and that members feel very strongly that this is the most appropriate arrangement for Horsham.

There is an undeniable need for more housing development in the district, particularly in the context of the Housing Delivery Test, and it will be helpful for members to feed that back to their communities, as noted above. The task of allocating new housing development to appropriate sites will be difficult. The challenge for members is to represent their communities whilst supporting and respecting officers as they undertake this sensitive professional task.

One benefit of housing growth is the opportunity it brings to secure investment and deliver new infrastructure, such as roads and potentially a new railway station. In order to make the most of this opportunity, the Council will need to coalesce around a shared vision for the district that meets the housing growth imposed by central Government with homes of a type and in locations that best suit the realistically available development sites.

### **4.3 Organisational leadership and governance**

Horsham District Council has a strong managerial and political leadership. We found evidence that the Chief Executive, Directors and Cabinet have good working relationships and work together effectively.

There is clearly a strong relationship between the Chief Executive and Leader, based on mutual respect and an understanding of the different strengths they both bring to the organisation.

There is an open staff culture that welcomes challenge. We found that almost without exception, the staff were open and engaging and willing to provide appropriate challenge to both the peers' and colleagues' views. Officers are clearly proud to work for the Council. The vast majority of officers we spoke to were very positive about Horsham District Council as an employer, in some cases saying: "I know there are other better paid jobs in the area but I want to work here, it is a great place to work."

Some officers suggested that back office services had been cut back too far, with knock-on effects for managers in terms of then having to pick up additional work as a result. It would appear that clearer communication is needed about the direction of travel and especially how the Council will be resourcing teams that will be dealing with some of the more challenging issues the Council faces.

The development of the latest version of the Corporate Plan was a genuine collaboration between senior officers and members. This was followed by good and appropriate engagement with teams who were asked for their input once the draft plan had been developed. The Corporate Plan now needs to be embedded, ensuring all staff are aware of the key priorities for the Council. The Council also needs to ensure that service plans dovetail with the now completed Corporate Plan.

There is a well-recognised and ongoing discussion about the Policy Development Advisory Groups (PDAGs). It appears that currently, most new items for Cabinet go



to a PDAG which, whilst allowing good member involvement for policy development, seems rather excessive, and potentially could undermine the role of the Overview & Scrutiny Committee. Concerns about the current governance arrangement in this area were repeatedly raised by both members and officers. Some officers were of the view that the current arrangements, whilst engaging members, added additional work and could undermine the Overview & Scrutiny Committee. The peer team share these concerns and believe that changes in this area would strengthen scrutiny whilst still enabling councillors to be engaged. The peer team suggest that a review of the governance arrangements in relation to PDAGs and Scrutiny is needed to clarify the role of the Overview & Scrutiny Committee and how the Council wishes to conduct pre- decision scrutiny and engagement.

We also recommend further training and development for all members on standards and the code of conduct. As noted in the first part of this report, whilst member-officer relations are generally good, the peer team found a small number of instances where member behaviour was not of the expected standard. The Monitoring Officer is taking appropriate action in these cases but further training for all members on standards, member-officer relations and the code of conduct would re-enforce these measures.

#### **4.4 Financial planning and viability**

The peer team found good evidence that the Council has a strong financial base. The Council has a balanced budget and reasonable reserves, which are above average for a district council. The organisation also has a good record on delivering savings and securing income. In addition, the Council made surpluses in 2017/18 and 2018/19 due to investments in property and pooled funds above expected planning income. The General Fund reserve also increased due to above expected contributions from the Collection Fund caused by housing delivery above the figures included in the Local Plan

Now that the organisation has a corporate plan in place, the senior Leadership Team could consider better aligning the budget to the newly identified corporate priorities, such as homelessness and making this link more explicit in the budget papers.

In general, the budget is clearly presented and it was clear from our interviews that members are well briefed about the budget, variances and longer-term financial plans. The Council may wish to consider adding more information in the budget papers on large variances, adjustments and funding of the capital programme to create more transparency. Whilst members are clearly well-informed on budget and financial matters, the Council could provide more information in the published paperwork so the public can also scrutinise these parts of the Council's finances.

The external auditor gave the Council an unqualified opinion for both accounts and Value for Money in 2017/18 and 2018/19. We found that Horsham District Council has a proactive internal audit approach to identified issues and uses the available

audit function well. The Council may wish to consider if there are other areas where this resource could add value.

Overall, the peer team found strong evidence that the Council has a sound financial position, with good financial management and audit practices. In the peer team's judgement this gives the organisation the potential for additional capacity to invest in economic development priorities. Whilst the senior leadership should quite rightly be risk aware, it is important not to be risk averse.

#### **4.5 Capacity to deliver**

Horsham District Council has a solid foundation from which to move forward. The Council is well-financed, well-resourced, with an effective Senior Leadership Team and a well-respected Leader.

There is a need to streamline decision-making, especially around the number of issues that go to PDAGs and prioritise work more effectively, which makes the Council less agile than it could be.

The senior management have a good understanding of the recruitment and retention issues affecting the Council which could inhibit the organisation's ability to deliver key priorities. Many interviewees stated that, whilst Horsham District Council is a good place to work, other authorities in the region pay more and that good officers had left for better paid roles elsewhere. The senior management team are very aware that whilst proximity to London has many benefits, it also has some negative consequences in terms of wage competition with London and the large local authorities in the area, who are competing with London authorities for staff. We found evidence that the senior management team are taking action to address the recruitment and retention issue. These actions include:

- Management development programme
- Succession planning
- Good development and training
- Staff recognition via staff awards
- Apprenticeship scheme

If the senior management finds that the recruitment and retention issues continue, the Council may wish to consider options such as a benchmark review of wages or market supplements for posts where there is particular difficulty with recruitment and retention.

Whilst the Council is clearly a good place to work for the vast majority of staff, there were some concerns expressed by interviewees that the consistency of good management practice could be improved. The HR team at the Council could consider actions to ensure there is good management practice across all areas of the Council.

The peer team found some evidence of missed opportunities to work with partners to tackle issues such as housing and homelessness. This raises a question for the Council leadership; could the Council use their good partnership relationships to better effect? Strengthening these key partner relationships further, would increase the Council's capacity to deliver on some of the key priorities in the corporate plan.

The Council's political leadership is very keen to ensure that the organisation is efficient and delivers good value for money. We found that, for some officers, this drive for efficiency was causing concerns, and that there was a belief amongst some staff that efficiency inevitably means job cuts. The peer team are of the view that the Council's political and managerial leadership should take steps to ensure that staff are more engaged in the drive for efficiency, with a clearer message that efficiency can mean increased capacity to meet future challenges. The Council has protected frontline services whilst reinvesting some efficiency savings elsewhere in order to meet the growing challenges ahead and achieve corporate priorities and it is important that this message is reiterated to staff.

#### **4.6 Digital Direction**

The Council has a clear vision of where it wants to position itself in terms of digital change. Overall, the Council's position in regard appears to be strong.

There is a great deal of documentation to support the programme. There are apparent differences in the way that efficiency, savings, customer service and capacity are being communicated. A different communication approach may be needed to ensure that stakeholders have clarity on the key digital changes.

The Council has surveyed and understands its residents' preferences. This has led to the Council's approach of taking residents down the digital route where possible, whilst still keeping other, customer service options, such as telephony, available.

The Council clearly wants to prioritise making the "the system" of doing business with the Council much better for the customer. It recognises the need for clear communication with customers about services moving towards a digital platform and that many customers who would prefer to use mediated contacts (e.g. telephone); against the need for the Council to become more efficient and make savings.

The peer team believes that with 93% of Horsham's residents being digitally well connected, the Council should consider more overtly putting across the positive aspects of improving the availability of digital services.

It was clear that the Council had undertaken some good preparation around internal staff with its 'jobs for the future' workshops and had already undertaken an historic business process reviews, thus creating a platform on which to build.

Horsham has a very clear direction in terms of its choice of platform, having chosen to move to cloud-ready solutions. The peer team did have concerns around the potential availability of sector-specific systems for council services using cloud-based technology. Officers responded positively to this point and explained that significant research had been undertaken to confirm such availability.

The peer team are of the view that there were three key components for the ongoing successful implementation of the chosen programme:

- Well-informed procurement
- Agile project management emerging positively, with sound training and appointments and an acceptance that not all projects would benefit from this approach
- A very positive balance between technical IT support and service representation on project teams (Planning, Environmental Health, Licensing, Customer Services)

Officers put forward examples of good digital investment projects in Waste Collection and Car Parking. Officers were generally supportive of the work being done with one interviewee saying: "The current system is a breath of fresh air since the last transformation I was involved in!"

Whilst the digital projects are well-managed, as with any project, the peer team encourages the Council to continue to review the projects regularly to ensure they are delivered within budget, and to the agreed timescales. Any learning should be carried forward and used in future projects.

## **4.7 Economic Development**

The Council has recognised an urgent need to focus on developing better local employment. The Council leadership is aware that without a stronger local economy and better employment opportunities, there is a real risk that Horsham will become a commuter dormitory rather than a thriving community.

The peer team found that there is good town centre management of Horsham town. The Council is proactive and the town appears to be weathering the 'high street storm' well. Opposition members expressed some concerns that the Horsham Town could be overdeveloped, and that infrastructure is needed to support any new developments.

The Council has a positive approach to mixed-use development sites – with a clear ambition to achieve one job for every house built. The Council is open to opportunities but does not always move quickly enough to take up these opportunities.

In order to attract new firms and enable existing firms to grow, the council has rightly

identified the delivery of commercial workspace and high-quality office space as a priority. There appear to be opportunities to develop and own more business units including commercial workspace of sizes suited to growing businesses. Given the identified priorities, the Council should be mindful of these opportunities and ensure they are in a position to take up these opportunities as they arise.

In the peer team's judgement, the Council needs to increase activity which will deliver new employment sites, marketing alone is not enough. The Council could consider more proactive intervention in the development process, ensuring sufficient resources are available.

Our interviews with partners consistently showed that Horsham District Council is a respected partner. There is an opportunity to use the good standing the authority has to work with partners to influence the Local Enterprise Partnership's Local Industrial Strategy. The Chief Executive is clearly well engaged with key partners but other members of the senior management team also need to engage more with partners to deepen and strengthen these working relationships further.

## **5. Next steps**

### **Immediate next steps**

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

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Will Brooks, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His contact details are:

Mobile: 07949 054421

Email: [William.Brooks@local.gov.uk](mailto:William.Brooks@local.gov.uk)

In the meantime, we are keen to continue the relationship we have formed with the Council throughout the peer challenge.

### **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 November 2024.

## **6. Examples of good practice**

### **Digital projects and use of Agile**

The peer team were impressed by the Council's use of cloud-based solutions and the use of the Agile project management for their digital projects. Whilst Agile is commonly used by developers and IT professionals, it appears to be less commonly used by district councils. The peer team initially had some concerns about how this fairly intensive method would work in a district council setting. The peer team found that the Agile method was being used appropriately, that the projects were well-thought out and that officers were clear on its benefits and limitations. The peer team are of the view this could make a good case study for other councils, particularly district councils, who are considering using Agile and/or cloud-based solutions for digital transformation projects.

### **Community/volunteer development and support**

The Council runs a very effective in-house volunteer bureau that recruits, trains and administers volunteers across the district. The peer team found that the voluntary and community sector feels well supported by senior officers at Horsham. Good examples of community development in Horsham include neighbourhood wardens, a Wild Art trail, and the Syrian vulnerable persons resettlement scheme.