

Corporate Peer Challenge Runnymede Borough Council

9th - 11th October 2019

Feedback Report

1. Executive Summary

The Borough of Runnymede is a largely prosperous district in North West Surrey with a population of population of 88,000¹ . It covers 7,804 hectares, of which 6,136 hectares is Green Belt. The Council has an emerging local plan 'Runnymede 2030 Local Plan' and has adopted a strong commercial approach to deliver financial sustainability and progress regeneration of its main towns. The Council is one of 11 districts and boroughs in Surrey and has a strong working relationship with the County Council and its neighbouring boroughs.

The Council has taken bold decisions to invest in commercial property in order to manage the challenges of falling revenue support grant and other funding sources. It has moved faster than many councils of its size in doing so. Consequently, the Council is in a more financially sustainable position than many other district councils and has taken a clear political decision not to cut customer facing services.

The Council has a positive reputation with partners; is well respected; and its strong financial position has afforded it the opportunity to deliver services and, in some instances, take on new services for partners. The Council has clear ambition to extend this further and redefine its role as a place shaper, local service provider and system leader. The Council has demonstrated confidence in taking bold decisions and is now in a position where it needs to invest in enhancing its strategic capacity to channel its ambition on place leadership and identify the next phase for the Council.

The Council is currently an employer; a partner; an influencer; a convenor; a service provider; a developer and a commercial partner and it needs to clarify its vision for these fundamental roles. The Council has well established processes and project management which means it should be well placed to be clearer about its ambitions; clearer on how it is managing the risks it is exposed to; and clear about how it is communicating these internally and externally. The Council must now channel the energy and drive that members and officers exhibit to define what Runnymede Borough Council will be in 2030 and beyond.

2. Summary of the Peer Challenge approach

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement plans. The peers 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.

This report provides a summary of the peer team's findings. In presenting this report the peer challenge team has done so as fellow local government officers and members, not professional consultants or inspectors. It builds on the feedback presentation provided by

¹ ONS, mid-year estimate 2018

the peer team at the end of their on-site visit 9-11th October 2019. By its nature, the peer challenge is a snapshot in time.

Peers reviewed a range of information to ensure we were familiar with the Council, the challenges it is facing and its plans for the future. We have spent 3 days onsite during which we have:

- Spoken to more than 90 people including a range of council staff together with councillors and external stakeholders
- Gathered information and views from more than 30 meetings and additional research and reading
- Collectively spent more than 280 hours to determine our findings – the equivalent of one person spending almost 8 weeks in Runnymede

Feedback was provided to an invited audience of staff and councillors on day three of our visit and this report will be accompanied with the offer of bespoke follow up support. Some of the feedback may be about issues you are already addressing and progressing.

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 were:

- Paul Shackley, Chief Executive, Rushmoor Borough Council
- Cllr Paul James, Leader, Gloucester City Council
- Jane Beck, Head of Property and Asset Management, Great Yarmouth Borough Council
- Hannah Thorpe, Head of Communications and Digital, Thanet District Council
- Nick Porter, Director, District Councils Network
- Clare Hudson, LGA Peer Challenge Manager

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. 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?

3. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?
4. Political and managerial leadership: Does the council provide effective political and managerial leadership through its elected members, officers and constructive relationships and partnerships with external stakeholders?
5. Governance and decision-making: Is political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change to be implemented?

3. Key recommendations

There are a range of suggestions and observations within the main section of the report in addition to issues raised in the conversations onsite. The following are the peer team's key recommendations:

- Establish a clear corporate narrative that will take you through the next 10+ years.
- Enhance strategic capacity and place leadership.
- Take a broader perspective of your place shaping role to encompass physical assets; economic development; health and wellbeing; and skills.
- Establish a better equilibrium for your ambition for people and place.
- Be clearer about articulating your vision, the risks associated with it, and how you are managing them.
- Make commercialism part of the day job.

Further recommendations can be found throughout the various sections of the report.

4. Feedback on the core themes of peer challenge

4.1 Understanding of local context and priority setting

The Council operates established processes for business planning and consultation, which officers are familiar with and comfortable navigating. There is a clear business planning process and at the time of this peer challenge the Council was undertaking a new business planning cycle for 2020-24. Business plans guide activity but, like many councils, the business plan is not a full reflection of the Council's ambition and activity. Whilst officers are clear about the business planning process and priorities and pressures within their own service areas it is not always clear what the ambitions and priorities of the Council are now – and into the future. A longer-term approach to business planning and priority setting could help to clarify this.

The Council has been responsive to external pressures their partners are facing. This is notable in the sphere of adult social care where the Council operates some services on behalf of the County Council and has ambitions to extend this further. The Council is

well placed to do this and has ensured that its civic centre is a genuine hub for public services in the borough. The Council is well positioned to drive forward a contribution towards health and social care integration within its localities building on existing practice and ambition. In doing so the Council must be mindful of taking on new responsibilities and ensuring that there is a clear shared ambition and agreed, sustainable, funding streams between all partners involved.

The Council recognises what residents value and are concerned about and is acting positively on issues such as environmental protection, planning enforcement and improving affordable housing provision. It has made considerable progress in enhancing the town centre leisure and retail offer in Addlestone, with a regeneration programme also set to be delivered in Egham, and has ambitions to deliver regeneration for Chertsey as well as further phases for Addlestone. There is a recognition within the Council of the need to collaborate with partners to make regeneration a success, including influencing infrastructure development, and the Council is in a strong position to do this.

The foundations for further collaboration to enhance the quality of life for residents, and economic growth are now laid. Within its role as a place shaper the Council has focused on physical asset development and there has been limited emphasis on wider aspects of economic development such as skills, education and the Council's role in attracting and supporting local businesses to thrive. This should now become a focus in the development of a longer-term vision.

Recommendations

- Collectively spend time developing a longer-term vision, with partners and residents, and use this to guide your future priorities.
- Clarify the member and officer understanding of what a priority is and is not and come together regularly to review.
- Consider whether your decision-making processes are facilitating an appropriately sharp focus on priorities.
- More actively promote the council's potential role in economic development; skills; educational attainment.
- Take the lead with partners, especially health provision, in converting strategy to local delivery.

4.2 Leadership of Place

The Council has shown itself to be adept at looking for opportunities to deliver physical regeneration and has acted decisively to guide place shaping within the borough. There are significant physical and housing developments that have been delivered either directly by the Council or through its partnerships, and more are planned. There is a strong commitment to increasing housing stock, particularly affordable housing, as well as improving the Council and other providers' existing stock.

Place leadership feels firmly rooted in senior leaders – in both members and officers. The Chief Executive is clear in his role guiding the delivery of regeneration alongside financial sustainability. This responsibility could be more widely shared to enable the

organisation to be more resilient. A wider sense of ownership of this place shaping role through enhanced strategic senior capacity will allow the current approach to be sustained and focused. Within its place shaping role the Council's role in tackling social challenges and improving quality of life and health and wellbeing of residents currently has limited visibility and could be enhanced.

Recommendations

- Within your refreshed, longer term narrative, make it clear what the role and responsibility of the council is and how the council will guide delivery.
- Place leadership is a fundamental corporate responsibility, this should be demonstrated and led by Senior Leadership Team.
- Be more explicit about the change you want to see, and will lead, in the borough.

4.3 Financial Planning and Viability

The Council took a clear decision not to cut external facing services and has stuck to it. Members speak clearly about their commitment to protecting valued services. However, this focus on protecting external facing services has not been without consequence. There has been a 16% reduction in the Council's workforce and limited investment in corporate support services. The impact of this is now palpable within the organisation and members recognise that investment in organisational development and IT infrastructure is now critical.

The Council has a Medium-Term Financial Strategy and has agreed a balanced budget for the next two years provided no new growth is committed to. The peer team heard about potential budget growth and an emerging bidding process for increased resources. Any growth should be clearly allied to existing priorities. Equally the Council must ensure commitments to taking on new services or services for partners must be sustainably funded within the agreed budget envelope.

The Council's members and officers recognise that the revenue budget is now reliant on the Council's commercial income. This commercial strategy and its accompanying investment strategy has significant risks associated with it and there are some identified mitigating measures for these risks identified within the Council's Capital Strategy. These will need careful monitoring and implementation.

The Council has General Fund Reserves well above the district average which have been boosted by one-off injections, notably from business rates retention. The above average reserves levels lend the Council a certain degree of resilience but should be considered in the light of the above average level of risk the Council is exposed to through its reliance on commercial income. The Council has bought in dedicated senior capacity and expertise to guide its commercial strategy. There is a sense that this is something of a separate part of the Council and is not currently part of the corporate identity in the way that other directorates are.

The Council's success in generating commercial income is impressive. The Council is considering one further round of acquisitions, after which the emphasis will be on consolidation. It will need to move from being an investor and developer towards

expertise in asset management and income optimisation. This shift needs careful consideration and appropriate capacity. The Council will also need to be clear that any future regeneration will need to be independently viable and affordable.

With the current economic uncertainty, the Council should be more clearly articulating the risks it is exposed to, and its mitigating measures to ensure these risks are adequately understood and managed.

Recommendations

- Develop a clearer articulation of the assessment of risk associated with current economic uncertainty and possible further economic downturn/uncertainty.
- Consider how to effectively resource the transition from property acquisition to portfolio and asset management and optimisation.
- Budgeting 'bids' process should be more clearly aligned to priorities, business planning and business cases and their purpose should be clear – whether for growth/transformation/invest to save/one-off investments.
- Be clear about funding arrangements where the Council is entering into partnership working with others, particularly when taking on new responsibilities.
- Be clear that any future regeneration schemes will need to be independently viable and affordable.

4.4 Organisational leadership and governance

The Council has invested in project and programme management which should enhance its resilience and ability to manage competing priorities. The Council identifies its risks through its Corporate Risk Register which is well understood by senior members. This is an extensive document and could benefit from a more strategic approach to presentation with risks clearly prioritised and ownership of the delivery of mitigating measures and their impact made clearer.

A management restructure was undertaken in summer 2019 resulting in a refreshed senior leadership team (SLT). This restructure is still bedding down and the leadership cohort is now meeting regularly. The SLT needs to strengthen its presence within the organisation and ensure it provides the basis for solid and consistent communication across directorates. This will allow the Council to continue to try to counteract the silos that are recognised as a barrier to collaborative working. Change is a constant and the Council needs to consider how it builds its confidence in delivering change and moving on from it. The peer team were struck by persistent references to it being 'early days' for the management restructure and refreshed SLT. The organisation needs to consider how it adopts the language of 'the new normal' so that change can embed quickly and allow the organisation to positively harness the energy and drive of members and officers.

The IT infrastructure is creaking and is widely cited as a barrier to change and improvement. Members are helping to drive forward a new agile working approach

which has real potential to help the Council become a more modern and resilient organisation. Officers are equally keen for this change and collectively the organisation needs to spend time considering how it will make this work and empower staff to maximise the opportunities this could bring in terms of productivity and flexibility.

In May 2019 there was a significant shift in the political balance of the Council, with a substantial increase in the number of opposition members. The Council is understandably still readjusting to this shift. This changed political balance brings with it new debates and initiatives and members need to understand the resource constraints facing the Council. This is not simply about financial resource but the available capacity within the Council to design and deliver services. Similarly, officers need to understand the changed political environment and pressures members may be facing.

The Council introduced 11 member working parties in 2019 across a wide range of service areas as a mechanism to engage all members in policy making. This new approach is generating significant interest and energy in members and presents an opportunity for political debate earlier in the decision-making process. Working parties have the potential to provide the opportunity for broader engagement and debate on key issues.

However, the Council must be careful to manage expectations around the resourcing of working groups and must seek to ensure a balance between officer resource in supporting these and the Council's statutory committee functions. The working party model is in its infancy and some officers are not clear about the distinction between working groups and committees.

Recommendations

- Senior team should be more visible – walk the floor.
- Invest in dedicated team development for SLT with a focus on breaking down silos and leading change.
- Empower staff to work in more agile way.
- Identify the total employee proposition to aid recruitment, retention and succession planning. Be an employer of choice.
- Develop a comprehensive internal communications strategy. Make communicating better everyone's responsibility.
- Refresh the member development offer – to support the new political intake, introduction of working groups, and place leadership.
- Introduce political awareness training for officers.
- Identify the potential tension between engaging in new types of debate and delivering on agreed priorities.
- Align working party programmes with agreed corporate priorities.
- Regularly review the Working Party model.

4.5 Capacity to deliver

The Council benefits from a committed workforce led by an experienced Chief Executive. Currently the Chief Executive is leading on far too many operational projects to allow a sufficiently strategic overview of the organisation. Senior capacity around place leadership particularly is too rooted in a small number of key individuals. Staff value the open door policy of the Chief Executive but the organisational culture could be more reflective of the organisations current reality and ways of working. In short, staff want to be more regularly communicated with, and more engaged in discussions around the future of the organisation and borough. This will help to further break down directorate silos.

Change capacity has been constrained by the impacts of limited investment in support services. The current plans for a new performance management framework and management development programme present the opportunity to enhance this, alongside the move to agile working and improved IT infrastructure. Corporate capacity could be impacted by the introduction of the working party model and the organisation must monitor the resources implications of the model carefully.

The scale of the Council's external ambitions are extensive and exciting, and the foundations for partnership working solid. The Council must be clear about the resource implications to the organisation of committing to new initiatives or priorities.

Recommendations

- Be clear about what you want to do, how you are going to do it, and who is going to do it.
- Develop a formal process for considering new initiatives against agreed priorities and existing resources.
- Develop a culture that can support the delivery of this and support staff individually.
- Enhance strategic leadership capacity at senior level to deliver change.
- Develop a clear approach to succession planning.
- Continue to invest in project and programme management.
- Develop appropriate expertise and resources in asset and property portfolio management.
- Make commercialism the day job and everyone's responsibility.

Conclusions

This is the right time for the Council to refocus its ambition and capacity. Partners are ready to collaborate further. This will mean harnessing the ambitions of members, officers and partners and delivering against clearly agreed priorities within approved budgets.

The Council must now lead the development of a longer-term vision for place *and* people.

5. Next steps

Immediate next steps

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

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Mona Sehgal, Principal Adviser is the main contact between your authority and the Local Government Association. Her contact details are, email: mona.sehgal@local.gov.uk, Telephone: 07795 296001.

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 2024.

On behalf of the peer team:

- Paul Shackley, Chief Executive Rushmoor Borough Council
- Cllr Paul James, Leader, Gloucester City Council
- Jane Beck, Head of Property and Asset Management, Great Yarmouth Borough Council
- Hannah Thorpe, Head of Communications and Digital, Thanet District Council
- Nick Porter, Director, District Councils Network
- Clare Hudson, LGA Peer Challenge Manager

November 2019