

# Corporate Peer Challenge **Huntingdonshire District Council**

Monday to Thursday 6 – 9 June 2016

## Feedback Report

## **1. Executive summary and context**

The people of Huntingdonshire enjoy a good quality of life. The area has consistently featured in the Halifax rural quality of life survey, being ranked 9<sup>th</sup> in 2015. Levels of deprivation are comparatively low and the economy recovered quickly from the recession and is benefitting from booming Cambridge and Peterborough economies – two of the top five growth cities in the country - along with proximity to London and the South East economy. This supported by high quality transport infrastructure.

The Council has rapidly modernised in recent years. This was needed as it had been an old fashioned, traditional Council and increasingly inward looking.

At the same time the Council's financial position had been characterised by high level budget underspends, in part from unfilled vacant posts that appear to have acted as a financial cushion. Finances have been stabilised following savings of £5m in recent years, with a clear understanding of the savings needed over the next five years, being a reduction of the net revenue budget of £3.6m or 21 per cent. Reduced resources are focusing the attention of senior members and officers on the future direction for the Council.

The net cost reduction target is to be achieved by a significant change programme. The Council's staff and members understand what lies ahead. However, the next phase will require increased focus and rigour as the savings from these changes will be more difficult to achieve than the 'low hanging fruit' already taken.

The vision to guide the new Council direction is set out in the new Corporate Plan 2016-2018. The plan has been streamlined to focus resources by concentrating on three priorities rather than four and includes 'delivering sustainable growth' and 'enabling communities', along with an internal priority of 'becoming a more efficient and effective Council'. These priorities have been effectively communicated and are well understood across the Council.

Delivery of the Council's vision will need to ensure that the Corporate Plan priorities remain the focus and that the budget and resources are aligned to those priorities for delivery. This may not always clear as the Plan on a Page describes an inherent strategy of delivering savings and less about services and priorities.

Service delivery is still, in many respects, operating in the traditional mode rather than considering how services may shape place, community and vision. This will be an area that continuing modernisation and transformation will need to give attention to.

Partnership working is recognised by the Council as having been a weakness. This is improving but more work needs to be done as the focus can tend to be internal and detailed rather than external and strategic. The considerable preparatory work invested in devolution offers a strong basis for future partnership working, as it has strengthened the Greater Cambridgeshire and Greater Peterborough identity and the need for collaborative working.

The Council is moving in the right direction having undergone great change with more ahead. Increasing the pace of modernisation and transformation will enable it to be well positioned for the enabling and delivery of services to residents and businesses.

## **2. Key recommendations**

The corporate peer challenge team propose the following:

- 1) Develop a long term narrative of the future of Huntingdonshire to inform place shaping, direct decision making and future forms of partnership working. This should make use of local evidence and context, along with national data of future trends and projections, to underpin this
- 2) Ensure the Corporate Plan drives the budget and delivery - this will mean changing the footprint of existing service delivery to focus on new priorities
- 3) Recast the approach to working in partnership, recognising that this means not always leading, to secure benefits for the wider area and the community
- 4) Use all Members' democratic position, as ambassadors of the Council, to engage and influence partners and forms of partnership working
- 5) Improve the relationship, the Council offer and partnership working with the business sector
- 6) Retain the Council's focus on continued growth, including meeting the full range of housing need. Growth will be contingent upon increased housing.
- 7) Conduct further work on refining the organisational understanding of efficiency that extends beyond just financial savings. This should link efficiency with the other two Council priorities of growth and enabling communities. New ways of working can lead to outcomes that include redefining models of delivery, service improvement and improved satisfaction.
- 8) Extend benchmarking activity so that the Council can benefit from understanding the 'value for money' of its services compared with other councils. This would assist the Council in its decision making on service cost, quality and performance.
- 9) Enhance and develop the organisational understanding of demand management to form the cornerstone of the enabling communities and community resilience priority. Initiate an internal and external debate on what an enabling communities programme might look like and use this to inform the production of an Enabling Communities Strategy. This would guide Council activity on this priority with greater assurance and understanding of resources required.

- 10) Continue to develop the model of Commercial Investment Strategy to produce future income streams. As part of this evaluate how the Strategy could both deliver economic growth and housing priorities within the area while also generating important income streams
- 11) The relationship with the Local Enterprise Partnership needs to be 'reset' and built afresh, taking a different approach from that to date, recognising the constraints both organisations are under
- 12) Produce a formal transformation strategy and implementation 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 the Council's 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 Huntingdonshire were:

- Duncan Sharkey, Corporate Director – Place, Milton Keynes Council
- Councillor Linda Robinson, Leader of Wychavon District Council
- Stephen Hill, Strategic Director for the tri-council partnership of North Dorset, West Dorset and Weymouth and Portland councils
- Chris Harding, HR and Payroll Manager, LGA
- Andrew Winfield, Peer Challenge Manager, LGA.

#### **Scope and focus**

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. 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/review/provide feedback on internal capacity and capability for transformation and whether the Council is maximising engagement and influence at political and managerial levels with partners.

### **The peer challenge process**

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 focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent four days onsite at Huntingdonshire, during which they:

- Spoke to circa 100 people including a range of Council staff together with councillors and external partners and stakeholders
- Gathered information and views from circa 50 meetings, including visits to key sites in the area and additional research and reading.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (9 June 2016). In presenting feedback to you, we have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

## **4. Feedback**

### **4.1 Understanding of the local place and priority setting**

The new Corporate Plan sets out the vision for Huntingdonshire and its priorities are rightly focusing more widely than direct service delivery. Accountability and responsibility for the delivery of the Corporate Plan is reinforced with the Executive cabinet members, each being allocated one of the nine corporate priorities.

#### Delivering Sustainable Growth

The priority of 'delivering sustainable growth' takes account of the importance of local economic growth and the Council's key role to work with a range of partners to support this. This is a key priority following the financial crash of 2008 and the Council sees itself as a "genuine growth hungry organisation" with Cambridgeshire being the fastest growing English county between 2001 and 2011. Growth for Cambridgeshire and Peterborough is expected to increase by 100 per cent over the next 25 years with Gross Value Added (GVA) increasing to £40bn.

Huntingdonshire has considerable advantages to enable growth. Its geographical location is close to London and the South East, it has high quality transport infrastructure and is part of a functioning economy that is leading in science and technology. It is striking that in, what is still essentially a rural area, there is generally an acceptance of growth. This approach will be key to the Council effectively realising its objectives and approach will be key to the Council effectively realising its objectives and is a significant strength as in many other areas this can be accompanied an anti-development sentiment.

The Council's Economic Growth Plan sets out the proposed approach to deliver growth, with a clear understanding of the area's unique offer. The focus of this plan is directed to looking towards the booming economy of Cambridge to the east, the Alconbury Enterprise Zone, supporting skills development, infrastructure to support growth, three large strategic housing sites and the offer of the second most affordable housing land in the county after Fenland.

The draft Local Plan identifies housing need as 21,000 for the period 2011-2036, of which 8,000 would be affordable homes. This will be important for balanced economic growth which meets the range of housing needs. However, affordable housing will become increasingly challenging with 40 per cent viability challenges from developers and the various impacts arising from the Housing and Planning Act 2016. The Council will need to work closely with a range of partners – including registered providers, other councils and the private sector – to develop innovative housing solutions that meet future housing need, maintain a 5-year land supply and support a growing economy.

Housing growth has identified three major strategic sites at Alconbury Weald, St Neots East and Wyton airfield with a total of circa 13,800 homes. This is driving partnership discussions on infrastructure provision to address transport impacts/proposed new roads to enable these sites to provide their full development capacity. These feature as key elements of infrastructure project bids for the Growth Deal, round two and the devolution bid.

### Efficient and Effective Council

The priority of becoming a 'more efficient and effective Council' recognises the financial pressures on local government with continuing grant cuts and the prospect of grant ending by the end of the decade. It is also a Council ambition to be free of grant funding. A programme of efficiency and effectiveness is therefore vital to meet these financial pressures and to recalibrate the Council in a new direction.

There is strong evidence of modernisation within the Council and successful change to adapt to a quickly changing local government environment. There is clear evidence of a

'golden thread' running from corporate priorities to individual contributions towards these. Delivery of priorities is supported by Service Plans. All staff undergo Personal Development Reviews (PDRs) to review the individual contribution towards priorities, performance against agreed targets and stretch targets and identify training needs.

The recent commitment to shared services involves working with the 3C partnership, including the Council, South Cambridgeshire District and Cambridge City Councils, was established in October 2015 for Building Control, ICT and Legal. There are other shared arrangements outside of 3C, for example a CCTV partnership between the Council and City. It is clear that the Council is agile about how it delivers its services on a 'what works' ethos.

Shared service working recognises the principle of lead authority arrangements with the Council leading for ICT. This model is important for the potential savings that can be achieved, estimated at 15 per cent, but also to ensure service resilience and improved customer service. Future savings, beyond 15 per cent, should be achieved by service transformation.

### Enabling Communities

There is a new priority on 'enabling communities'. This combines a strengthened focus on services to the customers of the district and of supporting communities to take on a more active role in shaping and delivering services. An emerging programme of neighbourhood planning has the Council working alongside local communities to set out their spatial and growth vision. A neighbourhood plan for St Neots has been adopted and six further plans are in the pipeline.

The Council has an adopted Core Strategy which is important for its understanding of place, community priorities and sustainable growth. This was adopted in 2009 and is National Planning Policy Framework (NPPF) compliant.

Work is ongoing on a refreshed Local Plan for the period 2011-2036. However, the timetable for finalising this Local Plan is uncertain. Significant delay has been experienced in Cambridgeshire County Council producing the required transport modelling. Some told the peer team it would be 2018 for adoption, the Local Development Scheme states February 2019, the Annual Monitoring Report (AMR) 2018 and the draft devolution bid says 2017. The Council and its partners would benefit from certainty on the Local Plan completion and adoption. As part of developing the partnership with the County Council, efforts could be made to approach Plan development as a joint project.

The peer team saw few examples of place data being coordinated and analysed to evidence need and to inform priorities. In addition, there has also been limited local community engagement to support this understanding of need. Council priorities would carry more authority with the community and partners if there was an evidence to link to local community need and local communities were aware they had been part of that priority setting.

Such evidence could also be used to develop a long term narrative to inform place shaping. The peer team felt that projecting a vision of Huntingdonshire twenty-five

years from now could be good mechanism to describe potential scenarios of the economic, population, housing, health, education and skills profile of the district. This would support longer term planning on what the future role of the Council might look like and, correspondingly, that of partners, businesses and residents. This could then support the transformation plans for the Council to plot the shift from now to then - both internally and in partnership.

Some priority areas are not yet resourced to deliver. There can be very good reasons for this where some are new programmes not yet fully developed, for example the Customer Service Strategy and the ICT enabling for transactional 'channel shift'. In others it can be due to new conceptual ways of working that are still being developed for example, the emerging Enabling Communities programme, which is building on existing activity such as community and neighbourhood planning but also exploring new areas such as community asset transfer and demand management. However, it will become increasingly important to plan the future shape of these programmes with accompanying resources to deliver.

One quote the peer team picked up during the week from the Council was "are we doing what we should be doing?" The team characterised the Council as one that five years ago was old fashioned and traditional in outlook at a time when local government, out of necessity, was changing rapidly. Huntingdonshire is changing quickly and certainly in the right direction but there remain areas for continuing refocusing of resources and for devising new ways of working and service delivery.

## **4.2 Leadership of Place**

It was apparent to the peer team that the Council in recent years has undertaken an important modernisation agenda, marked by the appointment of a new Managing Director and more recent leadership changes at Senior Management Team. This complemented new political working arrangements and the move to the Executive Leader and Cabinet introduced five years ago. This has contributed towards the Council's intentions to become more open and engaging with external partners.

Significant growth is planned and is being delivered. Huntingdonshire has considerable geographical advantages. Its proximity to London (50 minutes by train), Luton, Milton Keynes and Bedford supported by good road and rail links. Housing/land value costs are the second lowest in Cambridgeshire which makes a potentially compelling offer to support the growth of Cambridge in the east and Peterborough to the north. Despite 'looking' to Cambridge it will also be important to be aware of the opportunities created by the growth of Peterborough. Continuing success to shape growth, which meets the requirements and aspirations of residents and business, will depend on working with partners to direct this. The Council recognises that it cannot do this by itself.

The Government programme of extending devolution is recognised as potentially 'game changing'. The Council clearly understands the importance of the deal, proposed for Greater Cambridgeshire and Greater Peterborough, and the opportunities that could become available. The draft agreement seeks a transfer of "significant resources and powers" for infrastructure, housing, economic development, employment and skills. Considerable preparatory work has been invested in devolution and this has strengthened the Greater Cambridgeshire and Greater Peterborough identity and the



recognition of the importance of collaborative working. This offers a basis for stronger future partnership working which will be crucial.

Public service partnership working is supported by a mature and functioning Cambridgeshire Public Services Board, bringing together the range of partners to consider strategic matters of mutual importance. The advantages of county-wide public service working are clear from initiatives such as: the Making Assets Count (MAC) programme which is pooling asset information for strategic considerations of future use; the county-wide Joint Strategic Planning Unit to support local plan making and the approach to infrastructure planning.

The Council has dispensed with its asset management strategy following a review of its operational and commercial assets in 2014. The peer team suggest that the Council should periodically evaluate whether an asset management strategy would be beneficial, particularly in light of the growing property portfolio that is promised by the Commercial Investment Strategy and how this supports the Council's corporate priorities, particularly around enabling economic growth and affordable housing. .

The Council has renewed its focus on customer service excellence. The Customer Service Strategy outlines intentions for channel migration and digital by default, adjusted standards to deal with in person enquiries and a commitment to shift to self-service. The peer team were impressed with the customer offer itself which has moved more to the 'front end' and pursues a right first time offer. For example, recent improvements to Leisure Services have focused on the customer, empowering staff to provide a business led service, leading to no net cost to the Council. While some areas have clearly delivered in this arena - such as transactional bookings at the leisure centres – the peer team could not see evidence of the Council learning from itself. Areas of very good practice were not being systematically used to inform improvements in other parts of the Council, nor with partners.

The Council has a strong and productive working relationship with the local voluntary sector infrastructure organisation – Hunts Forum - and through them many local voluntary sector organisations. After reviewing a traditional grant funding relationship in 2011, the Council worked with the sector to create a more financially sustainable offer by providing accommodation. This enables the sector to operate at lower level of subsidy and offers the potential to raise further income.

The links between the Council and business are not sufficiently strong to support the priority of sustainable growth. Certainly some individual officers had strong relationships but this was far from systemic or directed. The business support offer across Huntingdonshire was fragmented with many organisations and companies offering business support for start-ups, expansion, investment and other areas. The Council, County Council and the LEP all had their own offers for business support. However, the quality of many parts of this offer was felt to be poor because funding was short term and no one had sufficient critical mass to pull together a high quality, wide ranging programme and the opportunity exists to consider greater collaboration.

Although the peer team were given many examples of excellent projects in this area, such as the EDGE project or local business events, there was no evidence of a driven strategy, involving partners, to improve productivity and grow businesses. It was not

clear what strategic engagement senior officers and members had with local businesses outside of meeting them on specific live projects.

The Council has agreed a Commercial Investment Strategy, with a funding commitment. This will be important to generate income streams to support Council revenue budgets, particularly when revenue support grant comes to an end. At the moment the strategy is geared towards opportunities that offer financial returns, irrespective of whether these are within the district or outside.

There was no clear concept of market making or building additional value underpinning the Council's thinking. The analogy was of the Council adopting a treasury management approach acting as a distant investment fund rather than a local developer of value. It will be important to recognise that there will be investment opportunities in the district that could be developed that can both generate strong returns on investment while also supporting the delivery of corporate priorities on local economic growth and housing. Examples of this could be commercial town centre leases that support growth/regeneration and investment in private rented and social sector housing to meet local housing need and promote tenure mix.

In the future there may be potential for the development of joint Local Plans to support spatial planning and sustainable growth over a larger economic and housing area. Much of this may hinge upon how devolution discussions unfold, how shared services develop and the collective appetite of partners. It will also be informed by partnership working with the LEP, the County Council and other districts. This needs keeping under review.

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

There is strong evidence of modernisation within the Council and successful change to adapt to a quickly changing local government environment. Modernisation has included: a senior management restructure, an organisational pay review and an ongoing organisational restructure. In addition there is the recent move to shared service arrangements and the adoption of Lean and Zero Based Budgeting (ZBB) to support efficiency and effectiveness.

The Council has successfully shifted to an ability and skills-led model for both officers and executive members. For officers this is underpinned by a Competency and Values framework and for members by induction training and, for members of cabinet, a job description. Whilst the senior officer structure is now robust, care will be required to ensure the new Leader and expanded Cabinet are clear on the Council's direction and aspirations and the complementary differences in roles of officers and members.

Modernisation has been directed by focused, clear and driven managerial leadership. This is supported by strong political leadership which will benefit further in moving to all out elections every four years from 2018, in place of the current election by thirds. The new arrangements should provide stability for longer-term political and managerial leadership.

Partners recognise that the Council has undergone recent structural and cultural changes and they can see the benefits of this. There is partner confidence that the Council is moving in the right direction.

This is accompanied by a more open culture prepared to talk about difficult issues. For example, the purpose of the restructuring, currently underway, has been openly communicated and described by senior managers to all staff in terms of its rationale, timetable and process. The restructuring of Operations is viewed as a success in achieving savings of £400k and staff valuing the improvement in business processes, clarity of purpose and management accountability.

However, radical change can be unsettling. Despite staff being clearly informed of the purpose and timetable for the restructuring many were apprehensive which was described as leaving the organisation “punch drunk” following change over the last three years. The role of senior and middle managers in promoting and driving the Council’s direction and ambition will be important in delivering effective change and transformation.

The annual staff survey is recognised as a barometer of organisational change. The more recent survey is showing improvements across most areas, although this was from a low base in the previous year’s survey. However, it is also evident in the most recent survey that there are continuing areas of concern. The Council is commended for being open on this and its commitment to act on key areas via staff groups. It will be important to continue this process with the wholehearted commitment currently shown.

It is important to take the organisation forward together through change and this would benefit from being underpinned by a more compelling description of the future. Such a narrative could be along the lines of the need to ensure services are fit for purpose, that staff are empowered to deliver change and improvement and that the responsibilities of staff and managers are clearly established/reaffirmed. This would be a shift from the current perception that change is directed to achieve savings.

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

The financial challenges for the Council have been met by achieving savings of circa £5m since 2013-14. This record is continuing with a strong focus on the delivery of £3.6m net cost reductions between 2016-17 and 2020-21, that is a revenue budget reduction of 21 per cent.

Financial management shows a strong performance to balance current and future budgets, particularly after recent years have shown a budget overspend due to pension deficits and, in different years, budget underspends.

There is a strong understanding across the organisation on the importance of the financial drivers for the Council. The Plan on a Page strategy shows this clearly and the intention to “reduce the Council’s reliance on Central Government funding and...create a sustainable financial platform.” The strength of this focus has created an inherent strategy to deliver on a financial target; this is at the expense of overlooking service delivery and strategic priorities. This will need to be more carefully balanced in future.

Like many councils across England, the Council is looking at new ways of working and using assets to generate income streams. The vehicle for this is the Commercial Investment Strategy. This is at an early stage but unquestionably has great potential and is linked to a strong balance sheet commitment. The Council already has an enviable asset portfolio of £20.8m which is generating returns of 7.2 per cent and has contributed £1.5m to the revenue budget. In supporting the new Commercial Investment Strategy the Council is committing an additional £12m from reserves with a willingness to increase this to £50m via prudential borrowing.

Zero based budgeting (ZBB) is one of the levers to achieve savings and has led to savings of £2.2m for 2016-17 and projected to rise to £4m by 2020-21. Potentially this is a powerful tool where it is acknowledged that some Council services have been cushioned by vacant posts and accustomed to year on year budget increases. ZBB will be an important mechanism to challenge service costs and support in achieving the savings target.

The peer team recognise that the mechanisms to achieve financial savings – ZBB, Lean, shared services, income generation, and customer services/service standards are at a relatively early stage of development and application. These will require a more detailed programme of assessment, implementation and evaluation on how and when they will contribute to delivering the £3.6m savings. This will be important to provide an assurance for the Council and its Medium Term Financial Strategy (MTFS).

One question the peer team would pose is whether the Council needs a clearer definition of efficiency that can optimise the opportunities change can bring? Significant savings have been delivered in parts of the organisation, such as Operational Services, and are strong examples of a savings programme being used systemically and deliberately to drive service improvement, new ways of working and improved satisfaction. However, this nuanced approach was not consistently seen across the Council. A definition of efficiency that can lead services to think more widely when undergoing change, rather than narrowly focus on a single, usually financial, driver, may open up useful debates and expand management thinking.

Beyond ZBB scrutiny the peer team saw limited evidence of cost or performance benchmarking on a systematic basis. The limited benchmarking that the team did see was confined to performance indicator type data and didn't bring together cost, performance and satisfaction metrics compared to other organisations. For example, is procurement an area that could deliver more by way of savings and enhanced social value? The Council would benefit from understanding the 'value for money' of its services compared with other councils, which should assist its decision making on service cost, quality and performance.

The peer team saw no evidence of demand management or its application. This should be an important element of the Council's Customer Service Strategy and form the cornerstone of the enabling communities and community resilience priority. Delivery will depend on improving dialogue with town and parish councils and communities on current and future service delivery and how this might change in the future. It would be advantageous for the Council to initiate an internal and external debate on what an enabling communities programme might look like and for this to inform the production of

an Enabling Communities Strategy. This would guide Council activity on this priority with greater assurance and understanding of resources required.

The Council has an ambition to be grant-free by the end of the decade. Getting to this point includes the cost reduction plans described above and the success of income generation. However, it will also depend on developing a business rates income stream and that links directly to the corporate priority of delivering sustainable growth. This will be important but the peer team were not aware that the Council has conducted any work in modelling business rates income post 2020-21. It may be too early to do this now as the detail of business rates allocations are still being developed by Government but it will be important to give attention to in due course.

The Council has committed to no increase in Council Tax for the last four years and is due to continue this to 2020-21. This has been achieved by the use of reserves which is only sustainable to 2018-19 when these would be breached. The Council's proportion of Council Tax, in relation to overall funding, was 36 per cent in 2013-14 when the England average was 50.8 per cent. With the ending of Council Tax Freeze Grant, now may be time to consider Council Tax increases, which appears to be expected by Government, as an option to assist in meet savings targets.

#### **4.5 Capacity and capability to deliver and to transform**

The Council recognises the importance of capacity and capability for modernisation and this was an area the peer team were asked to specifically give attention to and the extent to which this supported the plans for future transformation.

The programme of modernisation to date has developed a more collegiate and open managerial and political approach. Senior officers and members are working closely on policy development and looking ahead to anticipate future issues. This is exemplified by the joint member and officer approach in drafting reports, with a role for Overview and Scrutiny in pre-decision oversight, and recent move to the presentation of reports by cabinet member portfolio holders and lead members.

The Council has undertaken a number of steps to build capacity. For example, the move to shared services, with neighbouring councils, is building service resilience and the ability to specialise in particular areas which would be cost prohibitive for individual councils. At the same time it has made a significant investment in Lean, project and programme management to support transformation. More than fifty members of staff have been trained in Lean with the purpose of gaining efficiencies from reviewing business processes and eliminating waste but as yet there is currently no targeted Lean programme. The Council is aware that it needs to develop a more structured programme to get the most value out of its investment in Lean and this will need to form part of future modernisation plans.

There is also the commitment to improving Customer Services efficiency by enhancing the customer experience, increased self-service and a 'channel shift' in customer engagement and transactions. To support capacity in specialist areas the Council is willing to buy in new and specialist skills as required, for example consultancy skills for developing options for the Commercial Investment Strategy and for ZBB.

At the same time the Council has shifted to competency-led PDRs which is important in identifying future skills requirement, to underpin a workforce strategy and support future training to build capacity.

The Council has undergone quite a radical change programme. At the current time a service restructuring is underway with all services to undergo review by 2017. The recent restructure in Operations achieved savings of circa £400k. Staff morale is still at a low ebb in some areas and this is noticeable from staff meetings, from the staff survey and comparatively high levels of sickness (11.7 days per FTE in 2015-16). Sickness absence has increased significantly compared to previous years and will need continuing monitoring and action planning as further change is introduced.

The peer team acknowledge that the Commercial Investment Strategy has potential to develop significant income streams and will be important to move the authority to becoming grant free. However, more work needs to be conducted on what commercial skills will be required to deliver this programme. Success will depend greatly on these skills being available and the Council will need to consider how these will be provided, including from external specialists and/or specialist recruitment.

The Council's change programme to date has principally been one of modernisation and this has been important to place it on a sound financial footing and direction shared by officers and members.

The next stage will be transformation, including elements of innovation and should be informed by projecting what the shape and role of the future council will be. This will involve reviewing service provision in light of customer needs, service quality and standards, council resources and who is best placed to deliver these. This will draw upon a more developed sense of demand management and a more coherent understanding of 'enabling communities' and what this may look like.

#### **4.6 Partnership working**

Partnership working is increasingly important during an austerity programme of steep public spending cuts. Partnership working can add capacity, develop synergy and enable partners to deliver on mutually shared objectives.

The Council acknowledges that in the past partnership working has not been a strength. However, it is clear that partnership relationships are improving, although this is coming from what the Council acknowledges is a low base. Many external partners told the peer team this and there were pockets of strong activity that the team encountered, including: EDGE concerning skills support, the Oxmoor Regeneration initiative on a deprived estate of 1,150 homes, the Loves Farm Community building at St Neots to provide a combined community centre and pre-school setting, the Hunts Forum of Voluntary Organisations located at the Maple Centre along with a new health centre, housing enabling and delivery with housing associations.

The co-location of services at Council offices to Muir Housing, Department of Work and Pensions, the NHS and Citizens Advice (CA) is not only valuable for rental income but is also promoting the provision of complementary services. For example, the CA can offer debt advice services while working closely with staff in the housing and benefits service.

There appears to be a strengthening relationship at managerial and political levels with the County Council and this will be important to build on. Locally organisations were positive about the review of County Council budget proposals, undertaken by the Council with local partners and were positive about the value this had.

However, the peer team were unclear if this strengthening relationship was just at senior member and officer levels and whether this extended to all levels of both organisations. An example of this is the traffic modelling evidence for the Council's Local Plan which has been delayed in being provided by the County Council.

The failure to work successfully in partnership can jeopardise the delivery of priorities, particularly those such as sustainable growth which are dependent on partner involvement and commitment. One interviewee put it to the peer team that the "lack of coordination...between partners will eventually slow down and damage the delivery of growth". The fact that partnership working is improving is encouraging but more progress will be needed by both members and officers.

One area to work for the Council is a lingering reputation for an aggressive and uncompromising negotiating and partnership style, particularly at a senior level. These styles of engagement can influence those adopted by the rest of the organisation so it will be important to encourage consistent role modelling of member and officer behaviours. This should take account of:

- Recognise the value of creating trusting partners in advance of a delivery requirement
- Does the Council need to move past previous problems and be the enablers in resolving partnership problems?
- Consider how your values and competencies could modify behaviours internally, in partnerships and negotiations
- Understanding difference between preferred and required working styles.

One aspect of this is for the Council to recast its partnership approach beyond council boundaries. The moves to working sub-regionally with the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership (LEP) and, more recently, the moves towards devolution over the same geographical area carry important partnership implications. These partnerships involve partners 'competing' for limited resources with benefits being spread more widely. This requires a different partnership approach that can build strong relationships and develop new strategies to gain desired outcomes.

It was particularly noticeable from talking to Council staff, members and external partners that the relationship with the LEP is poor. Strategies have been developed to improve this, for example a Local Growth Strategy Group of Cambridgeshire councils' senior officers, chaired by the Council, is meeting monthly, but more is needed. The importance of this relationship is such that it cannot be allowed to be left as it is and will require an alternative approach from the Council's senior officers and members to improve this.

This comes to the heart of partnership working and can be illustrated by the former airfield at Alconbury Enterprise Campus (Enterprise Zone – EZ). The EZ was

established in 2014 and is projected to provide 8,000 jobs onsite with an additional 4,600 to be created in the wider economy. The location is also planned for 5,000 homes. But infrastructure requirements and the LEP relationship has led to some uncertainty on whether the potential for these sites will be realised. The Council and its partners would benefit from considering the impacts should a strategic site not deliver on time.

One perspective is that the failure of the LEP to commit to expensive road infrastructure investment is causing development uncertainty. Another perspective is that the Council has tended to place too many of its development 'eggs' in too few baskets and has not opened up the prospect of alternative sites for development. This appears to be the case with the delivery of 60 per cent of housing numbers in the draft Local Plan being contained on three strategic sites. Certainly the LEP is having to prioritise limited Local Growth Funding across its area for which there are many strong and competing bids. .

A related partnership issue is whether the Council's preferred delivery solution is working in partnership or self-delivery? The Council appears to have traditionally preferred in-house service provision with only some and recent mixed provision, for example the 3C shared services.

To illustrate this one of Council's priorities is to develop a flexible and skilled workforce. The Skills Funding Agency provided £10.4m funding for the iMET (Manufacturing, Engineering, and Technology) training centre at Alconbury. The Council also established the EDGE as a joint partnership with DWP Jobcentre plus, Urban and Civic, the Huntingdonshire Regional College, Groundwork and the County Council to provide 'sharper' skills, recruitment and jobs brokerage, apprentice matching service training and careers advice etc. This is a very impressive initiative launched in 2015 that is reaping the benefits of cross partner working. However, to date the LEP and the Council have been unable to collaborate on delivering similar/overlapping programmes and this leads to duplication, higher service costs and client/customer confusion. This will be an important area for the Council, the LEP and partners to work on.

Similarly the Council has a Marketing Strategy which is intended to attract inward investment to the district. This has gone against an option of working with a larger 'Cambridgeshire and Peterborough' brand used by the LEP to attract inward investment, with enquiries directed on to relevant areas/councils. This suggests a tendency on some big partnership schemes for the Council to 'plough its own furrow' when there could be more advantage in working in partnership provided sufficient local emphasis and visibility could be secured.

The Council also acknowledges that in the past there has been a history of limited partnership working with town and parish councils. With some councils levying a precept nearly as high as the district council it will be important for the Council to be satisfied that resources are not being used for competing services.

Council members and front-line staff have an essential external facing role as advocates within communities and local councils. This is a key relationship in what is predominantly a rural area. The large geographical span of the district makes it more critical that the Council's 52 members play an active ambassadorial role in promoting the Councils activities and objectives and in building community capacity. The peer



team felt that energy should be invested to improve this relationship through developing, for example, a shared 'Pride of Place' commitment and a fuller and more open discussion on future public service provision to develop community resilience.

The Council has improved its approach to partnership working but there is still much to do to gain partner trust, strengthen important relationships and derive increased benefits for Huntingdonshire.

## **5. Next steps**

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

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Gary Hughes and Rachel Litherland, Principal Advisers, are the main contact between your authority and the Local Government Association (LGA). Their contact details are: [gary.hughes@local.gov.uk](mailto:gary.hughes@local.gov.uk) and [rachel.litherland@local.gov.uk](mailto:rachel.litherland@local.gov.uk)

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

### **Follow up visit**

The LGA peer challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 12-24 months.