

# **Corporate Peer Challenge Guildford Borough Council**

4 - 6 December 2017

Final feedback report Feb 5 2018

## 1. Executive Summary

The peer challenge team enjoyed the opportunity to work with the Council and valued the open and transparent way in which the political and managerial leadership engaged with us. The content of the report reflects the evidence that we heard and highlights the key issues that the Council needs to address.

In terms of painting a picture for the Council to understand the task that awaits it, we are mindful of the Council's history and its corporate success under the former inspection regime. To the vast majority of external observers, the Borough of Guildford is affluent, aspirational and part of England's success story. Nothing stands still however and a modern Council needs to reflect an increasing level of stakeholder expectation, new challenges and changing levels of organisational sophistication.

The Council has a good record in delivering public services with high levels of resident and business support in traditional quality of life areas such as waste, recycling, parks and parking.

While it recognises it needs to protect the best of the past and important countryside areas it has shown strong community leadership in agreeing a Local Plan. The Plan sets an ambitious programme for housing, economy and infrastructure growth for the Borough. Filling the strategic planning vacuum, in the face of vocal public opposition, is a major achievement for the Council.

Moving from plan making to plan delivery will demand sustained leadership focus with the need for supporting internal and external capacity. Partnership focus with the Local Enterprise Partnership, Government departments, Network Rail and major housing and employment developers will be vital. This is particularly the case for the infrastructure to facilitate allocations including Slyfield Area Regeneration Project, the former Wisley airfield and extension of the Surrey Research Park.

The Council's wide-ranging vision covers outcomes outside traditional Borough Council areas of concern. Some partners queried whether the Council had the experience and skill sets for the Council's more ambitious corporate ambition. We also believe that if the Council's corporate vision is to be achieved, it will require stronger engagement with surrounding authorities, the health sector, Surrey University and the locally based world class business innovators.

With good leadership, strong financial health and effective governance the Council is in a solid position to push on to meet its vision. But it will need to shake off its reputation for non-delivery around major projects, especially as neighbouring authorities are viewed as open and ready for growth.

To improve delivery, we recommend that the Council identify its' top priority projects (say 10, but no more than 15 projects). It then needs to bulwark these priorities with adequate resources, improved strategic communications and performance reporting. This should then form the core of a recast Corporate Plan (for 2019/20).

## 2. Key recommendations

The following are the peer team's key recommendations to the Council:

**R1** explore how the Council's considerable financial muscle can support delivery of strategic outcomes for the Borough; and

**R2** review the Corporate Plan and identify a deliverable number of well-resourced key priorities supported by an internal and external coalition with a strong 'delivery' narrative and backed by engagement with stakeholders including residents.

### Other main recommendations::

**R3** ensure stronger and more effective leadership of place, especially through joint working with key partners;

**R4** demonstrate concerted and consistent political and community leadership in delivery of Local Plan and continue to explore new ways of partnership working and funding to unlock seemingly intractable problems;

**R5** ensure strategic use of Council communications including ideas discussed in the main body of the report;

**R6** review capacity in the transformation team and ensure clear timelines for fundamental service reviews to avoid overruns;

**R7** ensure that financial and other information that supports top and corporate priorities are presented to councillors and stakeholders in a clear manner; and

**R8** provide clear mapping and role responsibilities on corporate priorities between portfolio holders.

These and other areas for examination and review are 'highlighted' in the text below which allow the Council to see the theme/issue in its context.

## 3. Summary of the Peer Challenge approach

### The peer team

Peer challenges are delivered by experienced councillors 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 Guildford were:

- **Lead Peer - Mark Williams**, Chief Executive at East Devon District Council

- **Member Peer – Cllr Julian Daly**, (Con) Member and recently retired Leader of the Council at St Albans District Council
- **Senior Officer Peer – Tim Sadler**, Executive Director for Sustainable City, Oxford City Council
- **Senior Officer Peer – Rachel Prance**, Manager of joint Communications, Performance & Policy, Chiltern and South Bucks District Councils
- **LGA Peer Challenge Manager – Robert Hathaway**, LGA Associate

## 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?

The Council also asked for assistance in a number of areas and we have focussed on communications, future partnership working and organisational health.

## 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 three days onsite at Guildford, during which they:

- spoke to more than 77 people including a range of council staff together with councillors and external partners and stakeholders;
- gathered information and views from more than 30 meetings and additional research and reading; and
- collectively spent more than 200 hours to determine their findings – the equivalent of one person spending more than five weeks at the Borough.

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 (4-6 December 2017). We have included commentary on the additional areas you asked us to look at in the body of the feedback. 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 place**

#### **General and Project Aspire**

The Council and its partners are improving the use of shared intelligence and data to better understand the challenges to delivering services in the Borough. This is shown, for example, in night time economy data that supports the successful Guildford Town Purple Flag Partnership. Similarly, demographic and sport and leisure information helps drive priorities in the 'Active Guildford' Sport Development Strategy (2016-2021). Responding to the rural nature of much of the Borough, the Council's Rural Economic Strategy reflects the Government's catchment-based approach and focuses upon sustainable communities with infrastructure for enterprise.

The Council has a good understanding of quality of life issues and what is valued in the Borough. Protecting the quality of life in terms of Guildford's heritage, parks and green spaces is clearly important to councillors and residents. Maintaining high quality services such as waste, recycling, arts, leisure and community services is also clearly appreciated. Delivery in traditional area such as waste, recycling, parking, licensing and maintaining

public open space is both good and highly valued by residents. We also found that the Council understands its key financial risks. It was good to note that the Council is aware of risks such as homelessness and is working efficiently with partners to reduce this,

The Council answers phone calls quickly and efficiently. Recently more calls are handled by the Customer Service Centre to take pressure off front line professional and technical officers, allowing better focus on service delivery. The residents we spoke to told us they found it easy to contact the Council. We also found the website clear and intuitive.

Good use of local knowledge, Public Health and Office for National Statistics (ONS) data helps the Council in supporting community involvement under its targeted Project Aspire initiative. The Council recognises that despite being one of the UK's most affluent and healthy districts, there is value to focussing its community support on local need. The project emphasises the development of local solutions to local issues. Examples include the use of arts to support community cohesion, community grants scheme and capacity for Guildford Family Support Programme.

We found good prioritisation in Project Aspire on health and well-being with evidence of supportive joint working between the Council, Clinical Commissioning Group (CCG) and other local partners. We did hear from some local opposition councillors that they didn't always feel fully aware of plans and activities in their wards. We think therefore that the portfolio holder, project leads and community leaders need to make sure that all ward councillors are as engaged as possible with local initiatives.

There is a strong and vibrant voluntary sector in the area which the Council supports through a grants programme and other non-financial support. This combined with the council's strong track record around supporting care services particularly for the elderly may be an area that the council could further leverage to achieve social outcomes.

## **Local Plan and economic strategy**

The Council's ambition to reshape housing and economic growth is supported by its understanding of the local housing, economic market and significant infrastructure needs of the Borough. The Affordable Housing, Strategic Housing Land Assessment, Strategic Housing Market Assessment, Green Belt Studies and infrastructure evidence base informs the recently approved Local Plan and Infrastructure Delivery Plan.

Agreeing significantly higher housing figures in a generally affluent Borough where 89 per cent of the land is Green Belt, is a significant achievement for the Council. We do not underestimate the political and community leadership of the administration and whole Council to agree the development of nearly 12,500 houses between 2019 - 2034. This will demand implementation of five strategic housing sites and a near doubling of annual housing delivery over the Local Plan period.

We talk later in our report about the need to prioritise delivery of the Local Plan strategic housing allocations and supporting infrastructure. The Council Leader states in the introduction of the Local Plan that non-delivery of housing will be 'destructive' to the future of the Borough. Councillors also recognise that lack of infrastructure is an achilles heel for the area and a significant inhibitor to growth and movement. To ensure delivery of the

strategic housing allocations, councillors will need to show strong and consistent political and community leadership in support of the strategic long-term vision and explore new ways of partnership working and funding to unlock seemingly intractable problems. Without this the Borough will not be able to provide sufficient housing opportunities, jobs and transport links to maintain and develop its economic prowess into the future.

## **Corporate plan and vision**

We noted general support for the issues highlighted in the Council's vision. This included the focus on non-traditional Borough themes such as education, healthcare and innovative businesses growth. However, we found that the vision not widely understood in the organisation and beyond. The strategic vision and priorities of the Council are set in its 2015-2020 Corporate Plan formed following the May 2015 elections. The Council's priorities are based on five main themes that include the town and rural areas, economy, infrastructure, environment and society. These were formed by factors including political direction, national policy developments and key local challenges.

We spoke to key partners such as Surrey University, Guildford and Waverley, CCG, Surrey County Council (SCC), the business community and a cross section of residents. These partners valued the Council's emphasis on retaining the best of the past while focusing on issues such as education, healthcare, innovative businesses and high-quality retail. Stakeholders recognised the need for more adequate infrastructure in the Borough, in particular to support better movement of all transport modes and facilitate growth.

However, while our view is that the vision is good, our sense from speaking to partners is that it does not have wide and sustained partnership ownership. At least part of this appears to be based on there being too many priorities, together with a lack of focus and delivery on historic key projects. One of our main recommendations is to use the opportunity for a new Corporate Plan, possibly for 2019/20, to engage Councillors, public and stakeholders in shaping that new plan.

One of the key needs we feel is for more regular engagement with the public, promoting feedback, and developing more of a sense of a shared journey. Realistically, this may not result in significant change from election to election, but buy in and engagement is important for corporate reputation over time. While the Administration clearly has a political mandate, there has been no recent residents' survey to support the setting of a vision and supporting priorities. The Council recognises this and the fact that any new Corporate Plan should be advised by a residents' survey. The last one was undertaken some 10 years ago.

We also note that in any new Corporate Plan it will be important for the Council, working with other sub regional partners, to risk assess potential scenarios in relation to the post Brexit position for Borough and sub region.

## **Communications**

Capacity in the communications' team is stable, well respected and with a good working relationship with a variety of media outlets, including a local on-line news site. The team

supports the Executive with media interviews, briefings and training. Having spoken to a large number of partners and some residents, it is our sense that the Council's leadership reputation is generally positive, despite high profile issues in recent years. We also recognise the large local opposition around the future of housing in Guildford created and the strain that placed on the Council, especially the communications team.

The Council produces a quarterly magazine – About Guildford, which it distributes to its residents to get messages direct to its citizens. When we spoke to some residents it seemed clear to us that they read it and found it generally helpful. However, despite the fact that research shows that 95 per cent of media content about the Council is positive or neutral, the Executive and Corporate Management Team (CMT) felt that they needed to make more positive use of their communications resource.

We feel that there is an opportunity for Council communications to be more strategic and help lead local news, rather than be reactive. This chimes with our 2015 Communications Peer Challenge and shows there are still improvements to be made. In order for the Council to support its' strategic communications messages we think it could examine the following themes:

- consistently ensure the communications team have a seat at the top table and project boards;
- ensure consistent messaging and 'drip feed' on the big issues;
- continuously reinforce the Council's 'focused' priorities;
- communicate how the Council, working with Surrey County Council (SCC), ensures continuity of relevant services such as community services and verge cutting;
- deliver stronger internal communications to support the 750 staff in becoming ambassadors;
- send a pdf print of 'About Guildford' to all councillors in advance of formal external release; and
- explore how the use of social media could add a new dimension to the council's conversation with a wider group of residents and stakeholders.

## 4.2 Leadership of place

### General

All councillors we spoke to were very committed to the Borough. We generally found high respect between local councillors as well. In particular we found it encouraging that opposition members, while strongly differing on the issue of strategic housing locations, were supportive of the Council's overall direction. They were not out to thwart the Executive at every turn. We attended the Full Council meeting on a potentially contentious and very public town centre issue about 'The Village' and found the debate well-argued and courteous.



Executive leadership is directional, based on the strong leader model, resulting in most decisions being taken by the Leader with delegation to the Managing Director and CMT. The Leader, Deputy, Managing Director and CMT display good balance between internal focus and the growing appreciation of the need to reach beyond traditional service areas. The Leader and Deputy Leader appear to work well together with their complementary styles providing energy and drive.

## Corporate Plan and priorities

We found the number of Corporate Plan priorities (48) and internal top priorities (up to 17) over multiple themes and timescales did not help the Council maintain focus and communicate direction. While the top leadership had a good understanding of the main priorities, we were not convinced that these were widely known and consistently understood elsewhere in the Council. A common phrase we heard throughout the Council was that 'everything is a priority'. We were told of changing and competing priorities, especially for managers' time and focus. While hugely ambitious for their areas, officers also saw councillors sometimes having unrealistic expectations, with initiatives announced without adequate internal discussion regarding implementation, realism, cost and risk.

In relation to sticking to top priorities we also feel that it is important that the Council doesn't prematurely overreact to local opposition and pressure. Of course, as we have stated earlier in our feedback, public engagement via resident's surveys and other mechanisms is vital. However, it is important that members are not easily diverted and distracted from agreed evidence-based priorities

One of the key themes of our report is that we suggest the Council reviews the number of key priorities. This is opportune, especially with the recent appointment of a new Managing Director, who can help the Executive and Council shape new internal and Corporate Plan priorities. We suggest there are two parts to this:

- agree a focussed set of perhaps 10 'top' priorities to facilitate greater buy in and adopt the principle that if a new priority is added, another drops out, allowing corporate commitment, resource and performance management to be centred on a limited number of priorities; and
- develop a new Corporate Plan including external priorities. Given budget cycles this would appear best suited to internal and external engagement leading to a new Corporate Plan for election year 2019/20.

We think that identifying key priorities will help Executive, councillors and CMT to know how hard to push what is in the current long list of priorities. We do however recognise how challenging this could be especially given the capital programme of £266m - £392m over the medium term.

Developing a new Corporate Plan would give good opportunities to existing partnerships to more strongly influence Council priorities. It would also allow the Council to more clearly articulate its growing recognition of the need to be more commercial, entrepreneurial and enabling.

Public, private and voluntary sector partners told us that they would value an opportunity to help the Council set a shared vision and agreed priorities. This was particularly the case with commercial and business forums. Here we sense that continuing uncertainty about redevelopment opportunities in the town centre, such as the North Street redevelopment, are denting partner confidence. We were pleased that the Council recognises this. A phrase used at one of the interviews summed this concern up in the following way, 'We don't want a reputation that we start and don't see things through'.

We recognise the complexity of issues such as town centre regeneration and major arts projects with complicated land ownership, funding regimes, multiple partnerships and groups. However, we feel that more needs to be done about articulating clear expectations and timescales. For example, if expectations and timescales on slow burn complex town centre sites are carefully managed, more deliverable shorter-term projects can be escalated. These shorter-term projects can then be relentlessly driven and backed by strategic communication.

## Local Plan

The Executive and whole Council has shown good community leadership in approving a new Local Plan that sets a spatial strategy for growth and protection of the environment. We regard Full Council's agreement to the Local Plan as potentially a defining moment in the recent history of Guildford. This marks a decisive shift in strategy to support the Corporate Plan vision and one that places significant more emphasis on growth and infrastructure. If Guildford is to meet its objectively assessed housing needs, supported by significant investment in improved transport, schools, power supply and drainage – clear strategic planning direction is required. This is now in place, subject to adoption in 2018/9 following a Local Plan Examination.

It is vital that all councillors do not see the Local Plan as an end in itself, but remain committed to following it through to delivery on the ground. This will demand concerted local community leadership acting in the best interests of the whole of the Borough. This will be especially so at the Council's Planning Committee where the major planning decisions will be taken on housing, employment, recreation and infrastructure.

Statistics show that the Planning Committee and officers are meeting Government targets for speed and quality of decision making. However, we heard from a number of councillors, senior managers and some planning customers that Planning Committee outcomes were often inconsistent and uncertain. For example, some business and economic leaders still felt that investing in Guildford was risky, given uncertainty with the planning system.

We fully understand that Planning Committee members can take decisions contrary to their officers' recommendations, but these must be based on sound and defensible planning considerations. It is good to note that based on previous concerns the Council has reviewed the operation of the Planning Committee. As a result, it has changed its processes to consider the more important applications. The adoption of a Local Plan and supporting Development Management policies and guidance will also provide potential for more consistent decision making.

From meeting with Parish Council representatives, we found that the Council has their trust and confidence. The Leader has worked hard to attend a number of Parish Councils to build stronger relationships. This is highly valued by the parishes and allows for direct and effective dialogue.

## **Affordable housing**

The Council has good intelligence on housing affordability and recognises the housing market's failure to provide sufficient homes to meet the communities' and key worker needs. As with many authorities in the south east, significant increases in private rents and limited supply of homes that local people can afford, has squeezed the housing market. Recent ONS numbers show that median house prices in the Borough are £410,000 and 11.75 times average gross annual residence-based earnings.

The Council recognises that general market and affordable housing delivery has slowed in recent years. Through the new Local Plan, it aims to significantly ramp up housing supply and require 40 per cent affordable housing on the strategic sites.

It uses its own land and resources to build new social housing on spare land and old garage sites, averaging 40-50 units over the last years. However, with Guildford citizens exercising their 'right to buy' Council houses at roughly the same rate, there is no net increase in social housing.

Given the importance of housing affordability in the Borough it will be important for the Council to assess in any review whether it is a top priority. For example, it is currently referenced in the Leader's foreword to the current Corporate Plan, but we could not see affordable housing KPIs being reported corporately. Is housing affordability a top priority? If housing affordability is a top priority one or more of the suggested 10 key priorities and utilisation of financial resources should evidence this.

## **4.3 Financial planning and viability**

### **General**

The Council is in a strong financial position as reflected in the level of its reserves, spending within budget and as verified by its external auditor reports. At 31 March 2017, earmarked reserves (General Fund) of £39.5m provide significant financial resilience. Similarly Housing Revenue Account reserves at £68.2m and General Receipts Reserve at £27.4m result in liquid asset availability of over £100m.

High and increasing funds puts the Council in a good position to meet future challenges. The Council has a wide range of locally raised revenue from a strong asset portfolio that ensures it is largely resilient to changes in Government funding. Furthermore, the healthy financial position is supported by generally robust financial processes, a transformation programme (see later), reserves to cushion external shocks and a history of underspending.

The Council has an extensive capital programme amounting to £266m - £392m over the Medium Term Financial Plan, with capital bids ranked against corporate priorities. This shows a link between the priorities and funding. However, the peer team encourages the Council to focus on fewer key priorities in order to ensure adequate focus, funding and capacity to deliver.

## Medium Term Financial Strategy and transformation

The Council's Medium Term Financial Strategy focuses on three main elements of its transformation programme that seeks to meet the £7.1m medium term budget gap. The Council told us that currently it does not have detailed savings and project plans to address the gap. Hence, while the Council's overall financial position is strong, it must develop detailed savings and project plans. From discussions with staff and members we became aware of the risk that the comfortable financial position of the Council leads to some complacency and lack of challenge around how council it might optimise the impact of its financial strength. This should be reviewed as part of the senior officer and member development programme.

We received mixed reports on the success of elements of the Council's transformation programme that focuses on reducing costs and improving resilience through alternative service models, joint working and increasing income through commercial operations and property investments. Success in relation to commercial acquisition and property assets is a clear and long-standing strength of the Council. However, some managers and staff told us that fundamental service reviews had on occasions dragged on with no clear outcome. We had a clear sense from staff that reviews were perceived as being done to rather than by the managers with experience and expertise in a service area. We wonder if this has led to the delays and lack of progress. We think that the Council should consider whether the transformation team has sufficient capacity and is sufficiently focused on supporting the council to transform and whether reviews need a tighter structure with agreed timelines. Staff also told us that in some service areas job evaluation reviews are dragging on and not being brought expeditiously to a close. It is important for the Council to resolve these issues to avoid demotivating staff further.

## Use of financial resource

Given the Council's strong overall financial health we feel that it needs to consider if it is being overly cautious in the use of its money. In the light of its stretching ambition, corporate priorities and the need for delivery and quick wins, is it making best use of its financial muscle? We recognise its significant capital programme, including the important infrastructure allocations. However, we consider that there is a need for heightened challenge as to whether it is optimising the use of strategic resources to deliver on corporate priorities. Areas of possible examination for the Council include:

- pump priming design, business case of strategic projects to draw in other monies;
- joint/ match funding where the council does not end up with physical asset;
- discounting land disposals to enable development
- strategic infrastructure match funding pot with Local Enterprise Partnership (LEP), SCC, higher education etc;
- capital grants to fund affordable housing;

- loans to the new housing company to develop at less than market prices;
- using Housing Revenue Account borrowing headroom to stimulate mixed development; and
- major projects teams fully resourced.

Some officers also reported that in some areas of the Council there is a financial ‘lethargy’ given the Council’s overall financial strength. It will therefore be important for the Council to ensure stronger councillor, manager and staff buy-in around financial discipline and ‘sweating’ available resources fully.

We were encouraged that the Council recognises the scope to improve the quality of business cases for significant capital schemes as part of developing its Capital Strategy. Stronger business case development has the clear potential to result in less slippage of capital projects and better budget estimates.

Recent years have seen revenue underspends of £2m per annum against budget. This money could have been used for other purposes. It will be important for the Council to examine ways of ensuring that budgeting processes are strengthened to ensure optimisation of its use of funds.

## Financial reporting

Detailed financial information is provided to the Executive and other committees and councillors have multiple opportunities to review and question all aspects of the budget. The regular Executive/CMT Liaison meetings provide a good opportunity for alignment between the budget and corporate priorities. The new Executive Advisory Board model provides opportunities for broader ownership from back bench councillors, pre-Executive decision making.

However, we consider that there is value in the Council reviewing the way it reports financial information to the Executive and councillors to make information clearer. As a peer team we found it difficult to reconcile the detailed financial information that was reported in various ways to different audiences. The budget was a significant part of the 618 pages presented to the November 2017 Cabinet. This volume of information is almost impossible for most people to absorb. We think more use could be made of simplifying the information for a wider audience. This should focus on stronger narrative, drawing out the main financial features with the use of better graphics to highlight trends.

Initially we found it difficult to understand why the Council is facing a cumulative budget gap of £7.1m by 2020/21. It is not well explained in its financial documents, but senior finance officers could clearly articulate the reasons. These in essence relate to the revenue consequences of a large capital programme, reduction in Government funding and rising demand and costs in delivering services. However, there are opportunities to make this more transparent to members and stakeholders.

To help the Council more easily understand what matters to the organisation and how well it is performing we suggest that it re-examines the way it reports. We noted KPIs and budgetary and financial reporting where we found a number of inconsistencies and multiple

reporting lines and different versions. It is important for the Council to ensure that data is easily accessible and consistent.

It might be the case that 'less is more' and that councillors are provided with a clearer narrative and higher-level summaries of the most important information. We recognise it is important for officers and councillors come to a clear understanding on the level of detail appropriate. We consider that focus and capacity will be helped by reducing unnecessary detail.

## **4.4 Organisational leadership**

### **Governance**

We found the Council has good overall standards of governance. It benefits from a willingness to review its procedures with a desire to continue to learn and develop. In the last two years it has had major reviews of governance, including a referendum on the retention of the cabinet model and a major constitutional review. The Council has also reviewed the operation of its Planning Committee following concerns about quality of decision making, taking advantage of recommendations of an external advisory panel. The Council has strengthened its internal performance management reporting, corporate risk register and new risk management strategy.

### **Political**

The Leader and the nine lead councillors who form the Executive provide good capacity to lead the political direction and ambition of the Council. Given high-profile issues with planning and regeneration, the Leader has stepped up to the plate and shown good leadership in guiding the Local Plan through the Council. His Deputy leads on the other vital strand on Infrastructure (as well as governance). This has ensured that the key priority of growth and place shaping has been led from the front at a political level. Such leadership will need to continue to see through delivery of the strategic allocations and ensure that the prominence of planning and regeneration is not diminished. Executive members have cross cutting portfolios such as rural enterprise, social welfare and health that allow thinking outside of narrow service specific boundaries. This helps the Council meet its diverse challenges.

The reverse side of wide portfolios is that sometimes it is unclear to others who is leading on what projects. We did find some role confusion among councillors and some officers especially in areas such as heritage. We recommend some simple mapping of responsibilities to help clear up any confusion and the Council may find looking at the St Albans Council's and Oxford City Council's example of the same. We also think that it may help if there were clear portfolio plans reflecting the corporate plan to ensure that officers are on the same page and focus on delivery of the Council's key commitments.

Save for confidential matters, decisions by the Executive are held in public, are web cast and questioning by councillors and the public is allowed. The Leader, seeking to increase opportunities for greater public interaction and engagement with the leading political group,

has recently started an Executive surgery. The peer team saw this to be a good opportunity for greater public engagement with opportunities for critical analysis and possible learning from other viewpoints. It is also an opportunity for the Leader and Executive to set out their vision and priorities. Meetings of this type support transparency and openness.

## **Senior officer leadership**

The new Managing Director has settled into the role well and appeared to command the respect and confidence of Executive, other councillors, CMT and staff. This new appointment brings energy to the leadership team. His drive and ability to give focus to managers and staff will be vital if the ambitious political programme is to be delivered. We found mutual respect and trust between the Executive and CMT, with structured meetings such as the Executive/Management Team Liaison Group meeting between formal Executive and Council. Going forward, these relationships need to be strengthened further to address the significant challenges that lie ahead. For example, it will be important that 'top team' working maximises the skills and capacity of both political leaders and senior managers, manages expectations and ensures clarity of role responsibility.

Equally strengthening partnership opportunities especially across the public sector will be vital to meet the Borough's vision. We feel that it will be important to take advantage of any new opportunities afforded with SCC and adjoining district/borough councils. It will also be important to restore some lost confidence with the Guildford business community due as they see it to non-delivery on town centre and infrastructure projects and maximise opportunities with University of Surrey and LEP. These relationships are important areas for the Managing Director's focus.

## **Service planning**

Recognising a divergence in service planning standards and a lack of strong linkage to the Corporate Plan, the Council is introducing a new system for service planning. While these have been somewhat slow to develop following the review in 2016/7, there are clear opportunities for the Council to link to the Corporate Plan prioritisation. This needs to link to the MTFP, the transformation programme and allow for stronger engagement with delivery partners and customers.

We agree with the Council there is a need to improve service plan reporting to CMT and councillors. Robust service planning is vital to provide the golden thread from vision through corporate priorities into service specific targets and resourcing. This can provide good management discipline to stay focused on key projects.

Nearly all staff at various levels, told us that portfolio holders and other councillors find it difficult to stick to agreed priorities and often add new ones. Given the wide span of responsibility at Director and some Head of Service officer levels, this was proving difficult and deflected from key tasks.

New service planning processes offer the opportunity for the identification of key priorities, key performance indicators and resourcing. Alongside this, Executive and non-Executive councillors need the discipline to give Directors/Heads of Service confidence to allow staff dedicated focus on agreed priorities. If new priorities are to come in, we suggest there is a

robust discussion of non-priorities. Without such a 'one in - one out' approach, the real danger is that in an attempt to do everything, the vital things are not done.

## Scrutiny and Advisory Boards

By common consent the Overview and Scrutiny (O&S) Committee is well led and at its most effective when using the model of task and finish groups. In 2015, following a scrutiny review of governance the Council moved to a single O & S to critically assess Executive decision making. We heard less about effective challenge to Executive decisions and more about the success of O&S in relation to topics like air quality, homelessness and food poverty. For example, O&S set up a task and finish group on air quality that has resulted in the Council adopting its first Air Quality Management Plan. There is a clear appetite among Councillors for more of this type of engagement.

We support the aim of the Chair of O&S to get residents more involved in the Committee. Discussions with the Centre for Public Scrutiny might reveal good models of practice for this.

The recent introduction of Executive Advisory Boards (EABs) is clearly work in progress and perhaps needs more time to settle down into a more effective grouping. The aim of allowing early stage involvement on backbench councillors in the development of decisions aligned to corporate plan themes pre-Executive is laudable. However, we found some confusion among councillors and officers about the role of the EABs. It will be important for the Council to review ways to make their work more effective. This is important as the areas covered by the EABs such as innovation and housing are vitally important for the future of the Borough. Given councillor appetite for smaller task and finish groups, perhaps topic based Advisory Boards may be a way forward.

## 4.5 Capacity to deliver

### Partnerships

The Council can point to good examples of using its influence and leadership to support cross cutting partnerships to improve quality of life in the Borough. Good links exist with the Surrey Chambers of Commerce and with a number of strategic partnerships including the Safer Guildford Partnership and Guildford Health and Wellbeing Board. In particular the Council leads well in partnership on tourism, night time economy and green space. We also recognise joint work with neighbouring authorities such as with Waverley Borough Council and Woking Borough Council on the Council's Rural Strategy.

However, we see more opportunities for the Council to demonstrate stronger and more effective leadership of place, especially through joint working with key partners. We were encouraged that the Leader recognises that the strategic Guildford Surrey Board which he chairs has more work to do to fulfil its potential. The Board includes SCC, University of Surrey and Enterprise M3. It will be important that this influential group discusses the Borough's strategic housing, employment, infrastructure, skills and health and well-being challenges in a structured and timely way.



Similarly, we see greater potential for joint working with SCC and Guildford & Waverley CCG, especially given the shared need for significant savings. In speaking to senior leaders in both organisations we were encouraged by their appetite for jointly redesigning service delivery around Borough wide place shaping. We agree with the Leader and CMT, that the Council and SCC needs to explore opportunities of expanding the remit of the Guildford Local Committee. Stronger public sector working has the potential to realise assets and share capital. Indeed, the Council can build on the joint work it has already done with SCC on the sustainable transport corridor funded by the LEP. This also gives the peer team confidence that the Council is able to think outside of traditional Borough Council responsibilities in the wider interest of its communities. The Council may want to make early overtures to the incoming SCC Chief Executive to address increased sharing of responsibility and cost at the Borough level.

Some neighbouring local councils feel that the Council can do more to be a consistently strong partner and it has a reputation for 'being a bit slow'. They felt that the Council often wanted partnership on its own terms and was not always at its best in terms of 'give and take'. We fully recognise that it takes two to tango, but we do see opportunities for better joint working with neighbouring authorities. We understand that Surrey Chief Executives are examining opportunities for better joint working and we support this.

We met with representatives of the voluntary sector who commented that they generally enjoyed good relations with relevant councillors and officers. They pointed to successes such as the Guildford Bike project, the Glade lifelong learning project and work in preventing homelessness. However, the voluntary sector considered the Council should provide better communication, especially around funding.

## **Planning and strategic priorities**

In line with its priority for growth, delivery on housing and investment in Guildford, the Council is increasing the capacity of its major projects' team. Increasing the capability and capacity to deliver large, complex projects is vital if the Council and its partners are to move from plan making to delivery. The Council has been very successful in leveraging over £23m in funds in via growth and capacity funding from the LEP. The Leader (and Managing Director where necessary) need to ensure that the Council does all that it can to continue this strong relationship.

One of the most effective ways to do this is to provide confidence to the LEP that the Council can deliver on time and to budget. A number of partners commented that the Council do not have the best record of actual delivery of major projects. This was a source of frustration to the business sector who contrast the Council with other authorities in Surrey which they felt are more 'open for business'.

The Council's vision is to be 'known for our outstanding urban planning and design'. This will require well-resourced and expert capacity at a planning and urban design level and in supporting service areas such as biodiversity, drainage and land contamination. To achieve anything like the housing numbers required and to ensure high quality standards will demand early strategic conversations with land owners/developers/agents. We did not have time during the visit to explore this, but it will be important to ensure adequate focus and resource for this area. We imagine that this will involve not only the responsible

Director, but as necessary and relevant, the Managing Director, Leader and Executive members. It will also be important to ensure good follow through by the Planning Committee in support of the new allocations in the Local Plan once formally adopted.

## **Staff development and structure**

Staff told us that the Council is a generally good employer. It appeared to us that morale was mostly high, with a strong public service and customer ethos. The Council's leadership development programme is particularly valued by staff. The Managing Director has recently launched an internal staff campaign 'Our staff; our success' focusing on personal and team development, savings, health and well-being and customer care. We support the Managing Director's plans to strengthen staff engagement. The recent staff survey results will need to be fed into any new thinking in relation to staff development. This is particularly so for personal development reviews and how these link to service plans and corporate objectives.

We see opportunities for the Council to revisit its current management structure once it has agreed a more defined set of achievable key priorities. This would allow 'form' to follow 'function' alongside any redistribution of resource allocation on fewer strategic priorities. Corporate and financial reporting based on KPIs would then need to follow behind to monitor and bulwark the key priorities. The Council is evolving from a high performing municipal borough to an enabling and innovative council. For this it will need to ensure that work force planning and organisational development align with its vision and priorities. In particular, it will need to ensure that its processes include progression and succession planning.

## **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 (LGA). Her contact details are [Mona.Sehgal@local.gov.uk](mailto:Mona.Sehgal@local.gov.uk) and telephone number 07795291006

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 good 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 two 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 December 2022.