

Corporate Peer Challenge: Follow Up Visit **Guildford Borough Council**

Date December 2018

Feedback Report

1. Introduction and purpose

Guildford Borough Council (the Council), received an LGA Corporate Peer Challenge (CPC) in December 2017. The Peer Team concluded that the Council had a good record in delivering public services. They noted high levels of resident and business support in traditional quality of life areas such as waste, recycling, parks and parking.

The Council had shown strong community leadership in agreeing a Local Plan that was subject to examination by the Planning Inspectorate, while recognising the need to protect the best of the past and important countryside areas. The Plan set out an ambitious programme for housing, economy and infrastructure growth for the Borough. Filling the strategic planning vacuum, in the face of vocal public opposition, was a major achievement for the Council.

The Peer Review considered that moving from plan making to plan delivery would demand sustained leadership focus, with the need for supporting internal and external capacity. The latter could come from a stronger partnership focus with the Local Enterprise Partnership (LEP), Government departments, Network Rail and major housing and employment developers. This was particularly the case for infrastructure to facilitate site allocations, including Slyfield Area Regeneration Project, the former Wisley airfield and extension of the Surrey Research Park.

The Council's wide-ranging vision covered outcomes outside traditional Borough Council areas of concern. Some partners queried whether the Council had the experience and skill sets to deliver its more ambitious corporate ambitions. We believed that if the Council's corporate vision was to be achieved, it would require stronger engagement. We identified that this would involve work with surrounding authorities, the health sector, Surrey University and the locally based world class business innovators.

We felt that with good leadership, strong financial health and effective governance, the Council was in a solid position to push on to meet its vision. But it needed to shake off its reputation for non-delivery around major projects, especially as neighbouring authorities were viewed as open and ready for growth.

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

The purpose of the follow up visit on 30th November 2018 was to help the Council take stock of progress made against the areas of improvement identified in December 2017. This report provides a written summary of the key observations made by the peer team during their visit to Guildford Borough Council

Peer review and challenge

Peer challenges are improvement-focussed and tailored to meet individual council's needs. They are designed to complement and add value to a council's own performance and improvement focus. The peer team use their experience and knowledge of local government to reflect on the information presented to them by people they meet, things they see and material that they read. The process is not designed to provide a technical assessment or due diligence on specific proposals. Neither is it intended to provide prescriptive recommendations. The peer challenge process provides feedback, observations and insights from experienced practitioners. This helps validate, reality check and further develop the Council's current plans, proposals and evolving thinking about the future.

The key recommendations made in the original CPC report in January 2018 were:

Key Recommendations

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.

Since our initial CPC report, the Managing Director (MD) has initiated a comprehensive review of all service structures and delivery called Future Guildford. This process will review the whole business and operating model of the Council and seek to transform the

way it delivers services. Although Future Guildford post-dated our CPC recommendations, it forms a major plank in the drive for corporate improvement. It was also the subject of a large number of our conversations during this follow up review. We have therefore provided some narrative and recommendations on Future Guildford as part of this follow up review.

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 the Council. The peers who undertook the follow up visit to Guildford were:

- **Mark Williams**, Chief Executive, East Devon District Council;
- **Cllr Julian Daly**, Portfolio Holder, St Albans City & District Council;
- **Rob Gibson**, LGA Graduate Trainee; and
- **Robert Hathaway**, LGA Peer Challenge Manager.

Scope and focus

The peer team considered the progress made since December 2017 and provided observations about whether the Council is still on track to deliver further improvements.

As part of our follow up work we reviewed a number of documents the Council sent us including the new Corporate Plan and CPC action plan tracker. While on site we met with the Leader, Executive, MD and Corporate Management Team (CMT), along with other political and staff groupings. We also spoke to representatives of Surrey County Council and the LEP. In all we spoke to more than 40 people while on site.

Three of the team had been involved in the original Peer Challenge in December 2017.

2. Key findings and observations

Key messages

The Council has clearly made progress in addressing the recommendations made in our initial CPC report. It has adopted a clear performance management approach to deliver improvement. This includes tracking and reporting progress against the report, prioritisation of improvement actions via service planning and assurance and accountability through reports to Overview and Scrutiny Committee. The Council's own internal processes record that the majority of key recommendations and other improvement suggestions have either been completed, or are on track.

Broader public and partnership consultation and wider political ownership has supported a new Corporate Plan that benefits from significantly improved prioritisation.

The Leader has shown good and consistent political leadership to drive forward the Local Plan. This has been done in the face of changing Government housing needs target and a very challenging local context for housing delivery.

Partners recognise a clearer corporate focus and improvements in partnership working. Increased capacity in the Major Projects team has supported successful business cases and increased investment in the area from the LEP.

The need for comprehensive corporate change and consequent investment is well understood across the organisation. The Future Guildford project, led from the front by the MD, aims to transform the Council through a portfolio of initiatives, including heavy IT investment. In doing so it aims to save money, provide better customer engagement and access.

However, some areas require stronger focus. The Council needs to ensure that it uses its considerable financial muscle to meet place making aims and help close the budget gap. Its town centre work needs to be guided by a revised Town Centre Strategy. Some comments were made that there remains a lack of clarity between portfolio holders on responsibilities for each corporate priority. In addition, some Executive members remain concerned about strategic communications.

3. Key Recommendations

- 1 In further iterations of the Corporate Plan, find ways of recognising and championing key service delivery priorities and achievements. This could form the basis of consistent messaging of key themes that members and officers can champion.**
- 2 Exploit your place leadership and comparative financial muscle to influence development and encourage other key players to deliver.**
- 3 Develop communications plans to embed messages around fundamental themes and strategic priorities.**
- 4 In relation to Future Guildford, do not underestimate the attention to detail, stamina, risk and project management that the organisation will need to ensure successful delivery.**
- 5 Use your traditional service strengths and corporate plan themes/priorities as the bedrock for the corporate changes through Future Guildford. Service leads trust the MD to deliver on Future Guildford and there is a fund of officer goodwill that can be utilised to ensure its success. However, there is a need to ensure that this is replicated by members.**
- 6 Come to a clear agreement on respective roles of executive members and officers as part of Future Guildford roll out, including clarity on portfolio leads on key priorities.**

4. Main Findings

New Corporate Plan

The Council's new 2018-23 Corporate Plan benefits from stronger prioritisation and greater councillor, partner and public engagement. The three overarching themes of Place Making, Community and Innovation are supported by nine strategic key priorities. This sees a reduction from the previous Corporate Plan of five overall themes and 40 strategic priorities. The Corporate Plan's sharper focus and more logical flow of priorities offers clear potential for financial plans, strategies and capacity of the organisation and its partners. The prioritisation of Innovation is an important statement of the world class economic success and potential within the Borough.

It was encouraging to hear that now Corporate Plan themes and priorities are influenced by councillors of all political groups, citizens' panels, web-based questionnaires and stakeholder discussions. Resident views on the importance of front facing services like waste collection, parks and green spaces, and support to vulnerable people clearly show through in the Corporate Plan.

Local Plan

The Local Plan benefits from consistent political leadership in the challenging context of a Borough faced with environmental constraints and historic under delivery against assessed housing need. It is encouraging that the Leader continues to hold the Local Plan Portfolio and is actively involved in political leadership of this vitally important land use strategy.

In the face of significant local opposition, the Council met its revised Local Development Scheme dates for submitting its Local Plan. While the Planning Inspector has not yet formally approved the Local Plan, he commended the Council's thorough processes involved in the production of the evidence base to support the Plan. However, he wants to consider the issue of housing delivery in greater detail at a three-day Examination Hearing in February 2019. The Inspector has not accepted the Council's strategy of phased growth in the context of severely constrained and complicated brownfield sites. He wants to further examine the need for the release of greenfield sites to speed up housing delivery to meet objectively assessed housing needs. This of course raises significant local political issues given the emotive issue of release of Green Belt land.

We noted the political and managerial frustration of the Council in this further delay, especially given the changing assessment of housing need. We also noted the Council's desire to get the Local Plan approved to move, with partners, as quickly as possible into 'delivery' mode. We recommend you continue to display collaborative working between the Leader and Deputy Leader who hold the Planning and Infrastructure Portfolios and the Managing Director (MD) and Director of Planning.

Progress on the Local Plan has been heavily supported by a strategic communications plan. This has included press releases, media responses, social media, the free council newspaper 'About Guildford', other communications and through face-to-face meetings with parish councils and residents' groups.

Affordability of housing remains a critical issue for Guildford. Following Local Plan approval and subject to normal consultation and decision-making processes, the Council will gear up its planning department to focus on delivery. Meeting housing delivery targets is a challenge for the majority of planning authorities in the south east, but even more so in locations such as Guildford. Constrained brown field allocations require significant infrastructure improvements, such as major highway improvements, road access, rail infrastructure and movement of a large sewage farm at Slyfield.

Partnership Working

It was clear that important partners like Surrey County Council and the LEP value the Council's emphasis on being a stronger local partner. This was evident in the development of the Guildford/Surrey Board, as well as moves to work together on the use of assets, strategic planning, and highways issues. In addition, it was noted in the enhanced LEP funding for infrastructure site development and strategic transport corridor improvements.

Both partner organisations we spoke to also confirmed that they had detected a stronger clarity of purpose and direction from the Council over the last year. It also appears to us that there are more significant 'strategic conversations' taking place – especially with Surrey County Council. These offer clear potential to help to focus and better share resources such as property assets.

Major Projects Team

The Council has continued to improve the capacity in its Major Projects Team. There is an increasing focus on project management skills to improve the development of business cases and delivery of up-front infrastructure.

The LEP indicated that Guildford over the recent past had significantly improved its ability to act strategically. This is evident from successful business cases leading to sub regional funding for vital infrastructure. Part of this had been made possible through enhanced staff capacity in the Council's Major Projects Team. Given the need for significant infrastructure investment to deliver complicated land assembly and infrastructure on constrained brownfield sites this is important.

While the 'spending tap' cannot be turned on quickly on the brownfield sites, the Council does need to ensure sufficient capacity exists to drive forward key sites. The LEP were concerned that progress with Slyfield lost some momentum this year due to gaps in capacity when someone left. Also, the Council has yet to fully complete recruitment to all the positions in its Major Projects Team. This needs to be completed as soon as possible.

You told us about the opportunities you were exploring for Project Manager apprenticeships and, in a competitive environment for scarce resources, any 'building your own' opportunities like this need to be grasped.

Increased capacity in the Major Projects Team is designed to provide support for projects over £1m investment. In our conversation with Heads of Service there appeared to be some confusion whether additional capacity was available to projects outside of planning

and infrastructure. It will be good to stress where this additional capacity is a corporate resource.

Capital Projects

The Council has recently completed a number of projects and is continuing to invest in advanced infrastructure works to promote wider regeneration and community benefits. Examples include the Ash Rail Bridge Scheme, commencement of construction of a new Guildford Crematorium, completion of Woodbridge Road Pavilion and design work on strategic transport corridors to reduce congestion.

During 2018 the Council completed the purchase of the Odeon cinema and Old Orleans buildings which will be part of the Bedford Wharf development (as well as part of the site being required for the Walnut Bridge project).

While public realm improvement works have improved the area around Tunsgate and Castle Street, there appears to be little progress on North Street. The Town Centre Regeneration Strategy is behind schedule, although we recognise the Council's commitment to push this forward. Progress on the refurbishment of the Guildford Museum has also been slow, but we recognise there is now greater political agreement on the way forward.

Use of Strategic Finances

The Council continues to pump prime investment in some of the above strategic projects. This uses earmarked reserves in line with its Medium-Term Financial Plan. It provides joint/match funding for infrastructure, regeneration and housing development through its Strategic Investment Fund in line with strategic objectives.

We recognise that historic investments have enabled the Council to be in a strong financial position. However, we again challenge the Council to ask itself whether it is prepared to step outside of its apparent comfort zone. It can use its considerable financial muscle to meet place making aims and close its budget gap given its effectively 'AAA rated' financial status. The Council should look to best practice and good examples elsewhere to see what can be achieved.

Some Executive members we spoke to appeared to have a stronger risk appetite to examine strategic financial opportunities for the Council within the Borough. We recognise that this is a question of risk and return. We encourage a robust strategic financial conversation at Executive as to whether the financial resources of the Council could be used to accelerate investment opportunities.

Future Guildford - comprehensive corporate change

When we spoke to the Executive, CMT and the Heads of Service group there was widespread understanding and support for the need to reshape the way the Council works. Paramount in the eyes of many was the need to make significant investment in creating IT infrastructure that limited effective customer interaction and led to inefficient operating.

The MD has gained the trust and confidence of those we spoke to in relation to arguments for the need for corporate change. This covers the values to be adopted and the bespoke nature of the change process. Emphasis on the change process being very much a 'Guildford Model' rather than following the advice of external consultants without challenge was particularly encouraging. Examples of this included:

- the pace of the review that allowed for periods of reflection;
- the likely phasing of implementation (to seek to prevent loss of focus on vital key projects); and
- the personal investment and ownership of the process by the MD.

The MD will need clear political support in relation to Future Guildford. This will be necessary when individuals and teams better understand the impact for them. He recognises that wider political buy in to future changes plus wider staff engagement at all levels will be necessary. As the detail emerges, tough decisions about head count and budgets at Stage 3 (Implementation) will need to be taken.

It will be important for the MD to stay focussed on the 'anchors' for the project that he described as:

- are drivers for change clear?
- do staff and councillors realise why it needs to happen?
- is the finance challenge clearly understood?
- are the benefits for the organisation and its customers real and tangible?

In addition to political support, the MD will need the capacity of a strong Project Board and Project Lead to ensure good progress. The Council will need to exhibit excellent project management, human resources and communications skills during the time leading up to the final decision in February 2019. This will apply even more so in the two/three year roll out. In this sense, history in relation to the Fundamental Service Reviews should not be repeated.

In order to steer Future Guildford through what will undoubtedly be choppy waters, we suggest traditional service strengths and corporate priorities form the bedrock for the changes.

Heads of Service were particularly keen to see attention retained on front facing service delivery. An important observation was that all managers needed to communicate effectively with front facing staff and avoid unhelpful 'management speak'.

Strategic Communications

The Council is clearly focused on improving its communications and can point to investments in new approaches to supporting its strategic messaging. Examples include the Local Plan, Purple Flag (night time economy), investments in the Ash area and the new Corporate Plan.

We recognise attempts at improving strategic communications. However Executive members remained concerned that consistent strategic messages are not getting through

to businesses, voluntary sector and the public at the pace required. The Executive is encouraged to work with the Communications team on agreeing a strong counter narrative to counteract unfair or factually incorrect output.

The Executive needs to work with the Communications team to agree and drip-feed consistent messages about the three strategic themes and nine key projects. Without stitching priorities together with a clear and relentless focus on the overall narrative, there is a danger that key messages will not get through.

Clarity of Member Roles

Senior managers considered that stronger corporate prioritisation had helped to stabilise the 'shifting sands' of changing political priorities. However, there was a sense from both senior managers and Executive members that there is a blurring of lines between members implementing their strategic direction role and officers implementing their operational role. This has led to some tensions. Some further work on clarifying the role of officer and members would be helpful.

We recognise that it is important for the Council to use the intellect and valued experience of councillors in its work. But officers and some Executive members indicated that at times, boundaries were unhelpfully blurred and it caused them to lose focus on service delivery. It will be important for the Council to limit confusion about the roles and responsibilities of councillors. This needs to clarify the split between the setting of strategic direction and operational delivery.

Officers also indicated they had yet to fully see improvement in the clarity of portfolio holder's roles and still found member consultation in a cross-cutting environment confusing. We recognise that in modern local government there is a need for members and officers to be able to work effectively and efficiently in a cross-cutting environment. This will need even more careful attention as Future Guildford rolls out.

5. Next steps

We appreciate the Council will want to reflect on these findings and suggestions with the senior managerial and political leadership.

As part of the peer review/challenge process, there is an offer of further support. The Local Government Association (LGA) is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement. We would be happy to discuss this. Mona Sehgal, Principal Adviser is the main contact between your authority and the LGA. Her contact details are: Tel. 07795 291006 and Email. Mona.Sehgal@local.gov.uk

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 additional information and signposting about the issues we have raised in this report to help inform on-going consideration.