


# LGA Corporate Peer Challenge – Progress Review

Welwyn Hatfield Borough Council

19<sup>th</sup> October 2022

Feedback





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# 1. Introduction

The council undertook an LGA Corporate Peer Challenge (CPC) during 18 – 20 October 2021 and promptly published the report with an action plan.

The progress review is an integral part of the Corporate Peer Challenge process. Taking place approximately six-months after the council published the CPC action plan, it is designed to provide space for the council's senior leadership to:

- Update peers on the early progress made and to receive feedback on this including how the action plan aligns to the CPC's recommendations
- Consider peer's reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs
- Discuss any early impact or learning from the progress made to date

The LGA would like to thank Welwyn Hatfield Borough Council (WHBC) for their commitment to sector led improvement. This six-month review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

## 2. Summary of the approach

The progress review at WHBC took place in person on 19<sup>th</sup> October 2022.

The progress review focussed on each of the recommendations from the Corporate Peer Challenge, under the following theme headings:

- Senior management review and direction of travel
- Transformation
- Challenges ahead

In preparation for the progress review, the council provided peers with a short position statement serving as a bridge to reconnect peers with recent context and activity, including a RAG rated status of the CPC action plan summarising progress made with the recommendations.

For this progress review, the following members of the original CPC team were involved:

- Paul Shackley - Chief Executive of Rushmoor Borough Council
- Councillor Duncan McGinty - Leader of Sedgemoor District Council
- Kirsty Human - Peer Challenge Manager, Local Government Association

The peer team met face-to-face over the course of four hours with the following representatives from the council:

- Tony Kingsbury - Leader
- Ka Ng - Chief Executive
- Richard Baker - Executive Director (Finance and Transformation)
- Chris Barnes - Executive Director (Place)
- Sue McDaid - Service Director (Resident and Neighbourhood)
- Ian Hancock - Service Director (Property Maintenance and Climate Change)
- Kirsten Roberts - Assistant Director (Customer Service and Transformation)
- Margaret Martinus - Assistant Director (Legal and Governance)
- Helen O’Keeffe - Assistant Director (Finance)
- Ben Trueman - Assistant Director (ICT and Digital)
- Geoff Sampson - Assistant Director (Regeneration and Economic Development)
- Chris Carter - Assistant Director (Planning)
- Janet Pilbeam - Human Resource Manager
- Thom Burn - Corporate Strategy and Engagement Manager
- Annika Harris - Executive Personal Assistant

## Progress Review - Feedback

### 2.1. Action plan progress

It was acknowledged by the council and peers that the operating environment had changed in the 12-months since the CPC was conducted. During this time emergency responses had been tested to their limits, enduring a pandemic, supporting refugees fleeing the war in Ukraine and implementing operation London Bridge. The current challenges have also included the cost-of-living crisis, rising inflation, instability within national government and the impact this could have on local elections in May 2023.

In spite of the challenges, it was evident to peers the council had used the CPC as a catalyst for change and improvement, moving the council forward. Overall, there has been good progress on the recommendations with four of the six on schedule/delivered.

Recommendation 1 - Identify senior strategic capacity, clarify future structure and communicate widely	Green
Recommendation 2 - Reset, resource and refocus the modernisation programme with a refreshed communications strategy	Green
Recommendation 3 - Address recruitment and retention	Green
Recommendation 4 - Adopt a Local Plan	Yellow
Recommendation 5 - Develop an income and savings plan for the MTFS period	Yellow
Recommendation 6 - Continued focus on housing compliance	Green

Peers heard from the new senior leadership and senior management teams, many of whom were weeks into new roles of their enthusiasm, ambition and drive to put customers and communities at the heart of everything they deliver.

Significant improvements have been taken to address the housing compliance issue with a final audit now being conducted. This progress should lead to the regulator signing-off their investigation and removing WHBC's regulatory notice from their

website. In seeking to improve and transition from the poor culture and pivot towards a supportive and more positive corporate culture. The commercial property maintenance team has combined with housing maintenance, including the new maintenance contractor have co-located within the main council building.

A new approach to property management and maintenance is being implemented, with a significant investment of around £100m over the next five years to enable the councils housing stock of 9500 homes to be modernised and improving energy efficiency with the support of decarbonisation funding.

Improved communication and engagement has provided tenants with an enhanced customer experience in relation to repairs, maintenance and customer service.

Although not adopted, progress has been made on the Local Plan with continued engagement with the inspector around the housing numbers and additional sites. Inconsistent messaging from central government around the protection of green belt is serving to confuse the issue and the council was currently awaiting a response from the Secretary of State and Prime Minister. In the meantime, two sites have been lost on appeal and speculative applications are being submitted, all of which are currently within the draft Local Plan site allocations. Peers acknowledge the difficult situation and the progress made but consider this to remain a high risk to the council.

## **2.2. Senior management review and direction of travel**

There has undoubtedly been strong and decisive leadership to implement a full senior management restructure over the past 10 months. Peers heard of a structured and well thought through approach by the HR manager, chief executive and leader, consulting those impacted to shape a structure everyone could buy-in to. This was regularly communicated with staff who were excited by the opportunities and changes proposed. The structure brought together different services such as planning and regeneration, all property and repairs functions, residents and neighbourhoods, all back-office support and clearer leadership on climate change. Previously outsourced customer services is being bought back in house and integrated with other customer focused team, including housing.

A targeted and well-resourced recruitment campaign saw full page articles in the national media attracting a high number of talented candidates. Supported by

external recruitment consultants a new approach to assessments and interviews, involving behavioural insights and external assessors ensured the strongest candidates were recruited or promoted. A new induction programme has been developed to provide a welcoming start with a leadership and development programme in place to support new directors and managers.

Through conversations, peers were satisfied the concern expressed by staff a year ago has been replaced with relief and excitement at what is next - there are clearly high expectations for the new team. Additional capacity has been created and the chief executive now has a diverse and experienced team to support her. These changes will enable the chief executive more time to work with members, participate in regional and national partnerships and represent the council more widely. The senior management team is united, respected and full of enthusiasm. Peers recommend this is built upon, continuing to develop the team dynamic and working with the political leadership to:

- Review the values and behaviours of the organisation.
- Embed the new culture
- Introduce a new staff recognition scheme and appraisal
- Setting a sustainable position
- Launch a new business plan – cabinet March 2023

### **2.3. Transformation**

Peers recognised the work and effort that had gone into reshaping the programme with involvement from all staff and members. Lessons, both positive and negative had been learned from the previous programme methodology, implementation and communication. Consultants had provided technical advice and a cross-party member working group had ensured member engagement.

The new programme supports delivery of the councils' priorities and sets out how the council will transform services over the next three years focusing on five key themes:

- Customer Experience and Channel Shift.
- Technology and Automation.
- Culture and Workforce.

- Project Management and Service Improvement, and
- Data and Performance.

The new structure has allowed for several key services to be integrated which will support the organisation in driving improvements and change, for both customers and the workforce. These services include IT and Digital, Customer Services, Legal, Finance, HR, Communications, Procurement, and a central Transformation Team.

There are a new set of service redesign principles with service improvements to be led by services supported by the central team, a change to the previous approach where services felt “done to”. Project and programme methodology and management is being reviewed and simplified along with a focus on better use of performance data to drive improvement through the use of power BI and other tools.

Peers challenged the council on making sure the communication of the new programme is understood by all staff and members as part of their roles – not in addition. Perhaps breaking down the programme into bite sized pieces which could be bought to life within services.

Whilst appreciating the transformation programme is about putting customers first and working more efficiently, it would be naive to think staff will not also see this as a cost saving exercise. All change programmes are driven in some part by cost and peers recommend the council acknowledge this. There are areas that will need investment to deliver change and there are significant changes needed to bring costs down - consider savings and income as part of the programme and how to communicate this sensitively.

#### **2.4. Challenges ahead**

WHBC elect in thirds and the next election is in May 2023. At present the conservative group have a four-seat majority, down from eight in 2021. It is unclear how the turmoil of the national political situation will play out locally, but indications are that there could be some political instability following the elections. This is not a unique situation and many councils have similar concerns. However, peers emphasised what the council may lack in political stability, it now has in senior officer stability and it will be important for the leadership to work together and plan for the different political scenarios post-election.




The financial situation has worsened due to the cost of living, inflation, pay awards, increases in contracts and continued reduction in income as a legacy of the pandemic. The financial gap facing the council for 2023/24 is £4.479m, compared to £1.514m identified in February 2022. However, the council are modelling a budget gap range between £3.419m and £4.991m. The budget gap for the three-year position could be between £3.835m and £7.222m.

WHBC does have a good record of sound financial management and has adequate reserves but closing this gap will be very challenging and the use of reserves is not sustainable in the medium term. The senior teams are in the process of exploring how they can contribute to savings, efficiencies and income generation through their services. It is likely fees and charges will need to increase and further costs passed on to residents. Difficult decisions will need to be made and peers recommend you urgently develop a sustainable financial plan to achieve a balanced budget for the medium term.

Recruitment and retention was a real issue for the council during the CPC. Over the past year, retention has stabilised and there are around 20 vacancies at present. WHBC has worked hard to develop an attractive narrative for prospective employees, improved application methods to accept CVs for some roles and introduced behaviour-based tests to complement technical and competency-based interviews.

Work continues to develop staff internally using T-levels and apprenticeships, leadership and development programmes and communication of benefits. Discussions with local further education providers are also ongoing. Peers recommend the council continues to focus on retention given the challenging employment market, is flexible to individual needs and continues to develop its unique selling points.

There will inevitably be a further period of change for staff as the new management team settle into their roles, the new transformation programme is embedded, financial challenges are addressed and political leadership becomes uncertain. The council has some great internal communication and engagement channels (team talk/briefings/away days/staff forum/intranet) which have proved valuable to staff as remote working became the norm. Peers recommend you continue with these and build on the positivity and momentum to implement the new values and behaviours



(once agreed) and embed them within the organisation. WHBC is in a unique position, with a newly appointed top team, abundant energy and excitement from staff who have been waiting for this moment. Seize this opportunity to make staff part of the solution, feel empowered and engaged in the delivery of your new priorities.

### 3. Final thoughts and next steps

The LGA would like to thank WHBC for undertaking an LGA CPC progress review.

We appreciate that 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.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

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