

# Corporate Peer Challenge **Harrogate Borough Council**

*25<sup>th</sup> – 27<sup>th</sup> September 2018*

Feedback Report

## 1. Executive Summary

Harrogate Borough Council is a well performing organisation with highly visible and engaging leadership at political and managerial level. There is political stability and strong leadership with good representation of towns and rural areas on Cabinet.

There is clear understanding of political priorities among elected Members and staff; and these are clearly aligned with the corporate plan. Everyone the peer team spoke to was aware of the Council's ambitions and their role in delivering on them. There is a recently submitted and ambitious Local Plan setting out a clear vision and growth agenda for the area and this provides an opportunity to reinforce the wider borough narrative and the ambitions for it. The Council now needs to ensure that it focuses its efforts on the delivery of the commitments within it, especially in relation to the delivery of housing.

Developing the economy and building new homes is a significant part of Harrogate's plans for the future. Putting these plans into action will require the Council to maintain strong strategic partnerships at the local and regional level, many of which are already in place. Partners consistently spoke very highly of their relationship with the Council and are aligned with its ambitions for the area. On the wider regional front there is good engagement with the two Local Enterprise Partnerships (LEPs) and the Council is aware of the potential of these strategic bodies.

The peer team found the Council to be an open, friendly and very welcoming organisation with a can-do attitude. It has dedicated and committed Members and staff who feel empowered and supported in their roles. They are motivated and have a positive approach to delivering the best for the local area and the people who live there. There is renewed energy and a desire to create and innovate - *"we're now at the cutting edge and not dragging our feet"*.

The new working environment has facilitated a positive journey of improvement, modernisation and better cross working. The move from a number of discrete workplaces to a single office accommodation for the office based workforce has broken down silos and helped to embed the 'one organisation' ethos.

There is a transformation programme in place and the Council has ambitions to become a more commercial organisation through maximising income from a wide range of services. There is a good understanding of the importance of 'Transformation' and 'Commercialisation' among Members and staff and the peer team found everyone they came across signed up to what the Council is trying to achieve.

The peer team found the overall direction of travel of the Council to becoming a more commercial organisation to be clear although it is perhaps a more narrow definition than that adopted by some other Councils. It is important that members, staff and key partners understand the scope and direction of what "being commercial" means for Harrogate. In the short-term, the peer team would encourage the Council to place greater focus on ensuring that the basics for commercialisation are in place, for example, card-payments, remote access to electronic systems and digital asset maps.

The Transformation Programme designed to help the Council become fit for purpose to deliver against its ambitions has been successful in developing and embedding the 'one

organisation' culture and the second phase of the programme taking it to 2024 looks impressive. The Council must ensure that key projects of the 2024 Programme are prioritised and that their implementation and outcomes continue to be performance managed.

Harrogate Borough Council has made strides in its improvement journey over the last few years and the successes to date should be celebrated and used as a catalyst for the next stage of the Council's improvement journey.

## 2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the Council:

1. *Continue to deliver the 2024 Programme and maintaining focus on its external borough-wide reach* – this means prioritising key projects and performance managing their implementation to ensure that the successes of recent improvements to the internal workings of the Council are translated to service delivery and the impact on communities and residents.
2. *Investigate strategic partnering to deliver capital investments and ambitions* – this will ensure that capital intensive projects are not stalled due to lack of funding but opportunities are seized. The peer team appreciate that this may be a new direction for the Council.
3. *Continue to prioritise and align resources to corporate priorities to release capacity* – this will mean continuing to review services to ensure they are aligned to corporate priorities and redeploying capacity to areas which will make most impact in delivering the Council's ambitions. Several staff referred to resourcing issues. The Council appears to be adequately resourced so this may be more about reallocating resources.
4. *Harness Member and staff talent within the organisation* – there is a lot of talent within the organisation and this needs to be channelled to help deliver the corporate priorities through creative and innovative solutions. Again, this is about aligning key talents to key priorities.
5. *Ensure there is a shared understanding both internally and externally of the Commercial Strategy* – the commercial strategy means different things to different people, and a common understanding of what it means within the Harrogate context should be established. This could mean breaking the commercial strategy down into phases so that phase 1 is about efficiencies and income generation and phase two could be about strategic partnering and other bold and creative ways of delivering services. Nevertheless, in the short term greater focus should be placed on ensuring that the basics for commercialisation are in place, for example, card-payments, remote access to electronic systems and digital asset maps.

6. *Commit to developing a suite of funded initiatives to implement the Harrogate BC 'Plan for Homes' – this is a critical piece of work for the Council and it needs to find ways to kick-start house building on stalled sites and get developers to start building. There are some suggestions on how this can be done in the report.*
7. *Celebrate successes to date and be proud of what the Council has achieved so far – the Council has come a long way as an organisation over the last ten years and this momentum needs to continue as the Council sharpens its focus on service delivery and the external environment.*

### **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 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 Harrogate Borough Council were:

- **Nick Tustian** (Chief Executive, Eastleigh BC)
- **Councillor Linda Robinson** (Leader, Wychavon DC)
- **Kath Marriott** (Deputy Chief Executive, Rushcliffe BC)
- **Paul Barnard** (Service Director for Strategic Planning & Infrastructure, Plymouth City Council)
- **Nichola Morris** (Project Officer, Bolton MBC)
- **Satvinder Rana** (Programme 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 cover. 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?

As part of the peer challenge process the Council also asked for support in two areas:

1. Commercialisation - Is the Council maximising appropriate “commercial” opportunities to enable reinvestment in services and to contribute further to financial sustainability?
2. Housing Growth and Delivery - Are there any further steps that could be taken to break through some of the barriers preventing stalled housing developments?

### **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 3 days onsite at Harrogate Borough Council during which they:

- Spoke to more than 80 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 60 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 190 hours to determine their findings – the equivalent of one person spending more than 5 weeks in Harrogate Borough Council.

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 (25<sup>th</sup> - 27<sup>th</sup> September 2018). In presenting feedback to you, they 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

There is a clear understanding of place, opportunities, gaps and how to fill them in Harrogate. Both Members and staff have a very good understanding of the local demography and the challenges and opportunities that brings. There is recognition of the ageing population; the need to attract and retain young people to the area through higher paid jobs and more affordable homes; retaining its events, conference and visitor destination status; and addressing traffic congestion during peak times. The Council is focused on these issues and is developing plans to tackle them.

The peer team was impressed with the strong civic pride and local identity that exists in Harrogate. Everyone the peer team spoke to was proud of their place and were enthusiastic about its future. It is a very attractive visitor destination with some very high profile conferences and events that makes Harrogate stand out on the national stage. Naturally that places some tensions between protecting its natural heritage and promoting growth through the local economy and proactively driving the delivery of additional housing.

The peer team would therefore encourage the Council to continue to recognise the unique urban and rural opportunities across the whole borough and the importance of the visitor economy i.e. tourism, cycling tours, events and conferences. This may mean developing a local narrative that places Harrogate Town at the centre of its visitor destination strategy and clearly outlines the ambitions for developing and promoting the identities of other rural and urban areas such as the market towns of Knaresborough, Ripon, Boroughbridge, Masham, Pately Bridge and the Nidderdale Area of Outstanding Natural Beauty (AONB).

Harrogate is very strategically placed with easy access to the cities of York, Leeds and Bradford. Leeds, particularly, acts as a transport gateway for Harrogate and there is a close relationship between Harrogate and Leeds at the community and Council level. This complementary relationship and the *“feel good factor between Leeds and Harrogate”* should continue to be strengthened and built upon so that Harrogate can benefit from all that a large metropolitan city has to offer in terms of shopping, employment and connectivity.

The Council has clear ambitions to grow its economy and attract more higher wage jobs to the borough. However, in order to do this the Council should develop a stronger narrative about Harrogate and its future outlook which outlines and promotes its 'Unique Selling Point' (USP) to attract inward investment and retain its younger residents. There is potential to attract and support creative and digital

industries; recognising that Harrogate's strength is in, but not exclusively, its Small and Medium Enterprises (SME's).

## 4.2 Leadership of Place

There is strong leadership of place in Harrogate which is provided by capable and committed Cabinet Members and the management team. The Council is ambitious for the place and a champion of its communities. Elected Members are visible and proactive in their local communities and take their representative roles seriously. There is a good understanding of the urban and rural setting and the unique townships across the borough.

There is a vibrant Voluntary and Community Sector (VCS) in Harrogate and a network of Parish Councils. The exemplary community development programme through the 'My Neighbourhood Scheme' – working in a multi-agency approach delivering innovative locality-based services wrapped around citizens and their social needs – was particularly impressive. The recently launched Local Lottery was also a very good example of innovation and creativity to address local community needs. Both these initiatives are notable examples of creativity and good practice which should be shared within the local government family.

The Council has very good working relationships with its strategic partners, who all speak very highly of the Council. They are committed to help deliver the Council's ambitions and are optimistic about Harrogate's future. There are solid examples of the Council proactively working with partners e.g. NHS Trust, Clinical Commissioning Group (CCG), Voluntary and Community Sector (VCS), and Social Care to deliver a range of health related services. The "*Local solutions for local people*" mantra has traction in Harrogate where partner agencies are aligned in developing and promoting this concept to the design and delivery of services for local people.

The Council is an active participant on the regional and sub-regional front and is currently part of two LEP's. It has fostered good engagement with both and should continue to play a full and active role on the wider regional stage e.g. a Combined Authority to ensure potential funding sources are maximised. Going forward, the Council should continue to keep on top of developments within both LEPs so that it can benefit from any emerging funding opportunities. This will require sophisticated scenario planning to develop a pipeline of schemes ready to put forward.

The Council's Transformation Programme to date has, rightly, focused on its internal journey of improvement i.e. to move to a single office space, break down silos and create a 'one organisation' ethos through more modern and agile working. This new modern spacious building has created an excellent working environment to launch the second phase of the programme which takes its improvement journey to 2024. It is important that this ambitious 2024 Programme continues to be more externally focused so that its success can be seen at a Place level and in the delivery of high quality services at the frontline.



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

Harrogate Borough Council is a very well run organisation with a clear sense of purpose and direction. There are positive, respectful and trusting relationships between Members and officers at all levels which have translated into high delegation powers. This has created a healthy shared leadership space between Members, the management team and staff.

The peer team found the culture of the organisation to be open and transparent with effective two-way communication. Staff communication is proactive and well received through, for example, bi-monthly chief executive blogs, key messages, staff AGM, and the intranet. Staff spoke highly of the value of this open communication and appreciated the high visibility of the chief executive and management team throughout the organisation.

There are sound systems of internal controls, governance and decision-making in the Council and these are major contributing factors to the Council's success and financial stability. In addition, there are appropriate strategic and operational risk management in place. The peer team would encourage the Council to keep these under review so that as it accelerates its house-building and investments in some of its strategic assets, it is able to do so with the full understanding of risk and with appropriate safeguards in place.

Scrutiny has had some successes, for example in supporting policy and service developments such as introducing garden waste/fortnightly collections. However, there is recognition it could be made more effective by the further development of its work-plan to identify more areas of pre-decision scrutiny where it can truly add value and contribute to the future direction of the Council. This could include a closer alignment with the corporate plan and becoming more outcomes focused. This will enable it to scrutinise the delivery and impacts of the strategic priorities contained in the corporate plan on behalf of the public, particularly the priorities around house building and the impact of commercialisation. This approach should promote the wider involvement of external partners and the public.

There is a strong performance monitoring system in place that seeks to measure outcomes as well as inputs and outputs. This information should lead to better decision-making and more effective targeting of resources to improve service delivery. It is therefore important to safeguard against data overload and the ineffective use of corporate resources.

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

The Council is in a stable financial position and has been prudent in its deployment of resources. It has successfully coped with the loss of Revenue Support Grant (RSG) and seem reasonably optimistic about its future financial resilience. Its Reserves and balances are healthy and they will enable the Council to smooth anticipated reductions in funding over the next five years. The Council has a good record of keeping within budget and of achieving planned savings.



There are effective corporate financial monitoring systems in place and these are used by Cabinet Members and the management team to keep a grip on expenditure. There is recognition of the future financial challenges and these are planned for both in the MTFS and budget review process.

As the Council moves forward with its ambitions it need to maintain a strong focus on realising income targets and continue to build on the sound financial basis that has been established.

There is a large Capital Programme in the Council and the peer team would encourage the Council to be clearer about priorities, for example, the 5 major capital and development projects.

The Council's ambitious housebuilding aspirations and its plans for the future development of its other strategic assets will require a substantial amount of capital and revenue investment. It should therefore look for opportunities and explore external funding as part of new service delivery models through for example, Homes England and strategic partnering with appropriate business partners.

The Council has established a strong financial platform but it does still face future challenges to both maintain this position and, more importantly, on which to build to fulfil its future aspirations. In addition to achieving income and savings targets financial budgets must continue to be aligned to corporate priorities. Some of the future challenges for example housing will inevitably put pressure on existing finances and the Council is likely to have to make tough decisions about existing priorities if it is to realise its ambitions for the borough.

#### **4.5 Capacity to deliver**

The first phase of the 'Transformation Programme' has delivered improved outcomes; and there is a clear plan for its continuation to 2024 with a greater external focus. Similarly, the 'Commercialisation Strategy' has enabled the Council to sharpen its focus on efficiencies and income generation through, for example, green waste charges and trade waste. It is evident that these initiatives have helped to transform the way the Council functions and have helped to foster a more productive organisational culture.

Whilst previous transformation programmes have already led to a significant reduction in the corporate centre, the Council enjoys healthy workforce numbers in some of its corporate services and these may need to be reviewed to ensure that capacity is aligned to delivering its priorities. Nonetheless, there appears to be recognition among Members and staff that transformation will lead to a smaller workforce. This will mean that capacity will most certainly need to be more closely aligned to the priorities and the Council will need to continue to look for opportunities to work 'smarter'.

It is evident that the Council has made massive improvements in its systems, structures and its culture, and staff feel empowered - *"Harrogate BC is like a*

*breath of fresh air; I feel very supported here*” – however there is a perception that some decisions are taking too long. For example, staff feel that decision-making needs to be speeded up if they are to unlock quick commercial wins as sometimes the delays lead to missed opportunities. Similarly, some Members also raised frustrations in delays in response times to their emails to staff. These are minor organisational issues that can be ironed out relatively easily.

The peer team was impressed with the Council’s commitment to staff and Member training and development. There is induction and statutory training available to Members and the Accelerate Management Excellence Programme invests in managers. The peer team would suggest that this programme should be rolled out to aspiring potential managers so that the Council has a steady supply of highly trained and competent managers to deliver its ambitions for the future. There is a lot of talent and potential within the organisation. The challenge now is to capture and retain this talent and deploy it to the priorities of the corporate plan, and there is a desire among staff for this - *“New standards of behaviour framework has reset everything and reinvigorated appraisals”*.

#### **4.6 Other specific focus areas as appropriate**

- 1) **Commercialisation** - *Is the Council maximising appropriate “commercial” opportunities to enable reinvestment in services and to contribute further to financial sustainability?*

There is a clear Council-wide commercial strategy in place. However, it is currently very focused on income generation within services and in releasing efficiency savings. There is therefore potential to develop and widen the scope of its Commercial Strategy to other areas should the Council wish to. This could include:

- Further maximising Council assets by building on the great success of the new civic centre. This could include investing in the borough in commercial asset acquisitions - although the reasons why the Council is reluctant to do this at present are appreciated
- Considering other service delivery models to maximise commercial opportunities e.g. leisure centres, Convention Centre, Turkish Baths, Trade Waste and housing developments

In addition to this there needs to be a wider understanding, both internal and external, of what the Commercialisation Strategy is all about i.e. is it more than being self-sufficient and how will social responsibility fit in with the desire to generate income from citizens?

- 2) **Housing Growth and Delivery** - *Are there any further steps that could be taken to break through some of the barriers preventing stalled housing developments?*

The Council has an ambitious programme of housing delivery which is set out in the Local Plan. There now needs to be a clear focus on the delivery of the

commitments within it. It is important that all services “own” what is in the plan and work closely with the new Place-Making and Economic Growth Service to ensure that its proposals and policies are delivered. Some of the basics are in place from which the Council can move forward, and there is a strong desire from Homes England to have a more strategic relationship with the Council. For example:

- The proposed Harrogate BC ‘Plan for Homes’ provides a strong foundation to launch a bold future housing delivery programme
- The new Place-Making and Economic Growth Service provides the right direction of travel to enable accelerated housing delivery

The Council has already taken positive steps with the creation of the Place-Making and Economic Growth Service, and the appointment of an Executive Officer lead on housing delivery and strategic sites to begin to create an ambitious ‘Plan for Homes’ that can address the range of housing the borough needs. It is important that there is early momentum in creating a credible suite of funded interventions within this ‘Plan for Homes’. However, there is a practical reality with the forthcoming Local Plan Public Examination which may prevent this. The Council therefore needs to take immediate steps to ensure that resources are aligned to both the Local Plan Public Examination (given the importance of ensuring its overall strategy for the borough is found sound) and the development of the ‘Plan for Homes’ (given the need to accelerate housing), thus avoiding one impacting on the other.

However, the biggest challenge to the Council’s housebuilding ambitions is stalled housing developments, despite a significant number of planning consents. This requires the Council to develop a greater specific understanding of why sites are not coming forward so that it can develop a clear delivery strategy for all stalled sites as a matter of urgency. This will need to include a range of appropriate models to deliver development on the Local Plan and stalled sites.

Possible opportunities for intervention by the Council could include:

- Direct delivery of homes by its housing company
- Adopting an account management approach to major housing investors
- Putting in place a forward funding of infrastructure
- Improving viability of schemes e.g. cash flow – through loans or via government grants
- Continuing and expanding purchase of housing stock outside of the Housing Revenue Account (HRA) e.g. Private Rented Sector and houses for sale
- Entering into Joint ventures with business partners
- Further developing strategic relationships with Homes England and Ministry of Housing, Communities and Local Government (MHCLG)
- Further reviewing planning processes to ensure these are not an impediment to housing delivery

- Investigating best practice in housing delivery across the country

Whilst there is no single solution to accelerating housing delivery – and this should be accepted and recognised – a successful approach is likely to require action on a number of different fronts simultaneously. The key question for the Council is *‘how bold are you prepared to be to drive housing delivery?’*

## 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. Mark Edgell, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). His contact details are: Tel: 07747 636 910 and email: [mark.edgell@local.gov.uk](mailto:mark.edgell@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 signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

### Follow up visit

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 2 years.

### Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission their next Peer Challenge before 2023.



**Satvinder Rana**  
Programme Manager

(On behalf of the peer challenge team)