CABINET

DATE OF MEETING: 7 JUNE 2018

TITLE OF REPORT: LOCAL GOVERNMENT ASSOCIATION PEER REVIEW AND ACTION PLAN

Report of: Joint Chief Executive

Cabinet member: Councillor Dave Neighbour, Leader

1 PURPOSE OF REPORT

1.1 This report sets out the key findings from the LGA Peer Review undertaken in March 2018 and seeks approval to the proposed response to the Peer Team’s recommendations (see appendix 1 and 2)

2 OFFICER RECOMMENDATION

2.1 That Cabinet notes the findings and key recommendations from the recent LGA Peer Review (see Appendix 1).

2.2 That Cabinet agrees the draft action plan that addresses the key recommendations set out in the Peer Review (see Appendix 2).

3 BACKGROUND

3.1 Hart District Council invited the Local Government Association (LGA) to conduct a Peer Review in March 2018. A Peer Review is improvement-focused and tailored to meet individual councils’ needs. It is not an inspection. Peer Reviews are delivered by experienced member and officer peers and consider the following questions which form the core components look at by all Peer Reviews;
   1. Understanding of the local place and priority setting
   2. Leadership of Place
   3. Organisational Leadership and governance
   4. Financial planning and viability
   5. Capacity to deliver

3.2 In addition Hart District Council asked the Peer Review team to explore the councils approach to commercialisation and member development.

3.3 The Peer Review Team spent three days in Hart. The process involved speaking to over 65 people including Councillors, staff, external partners and key stakeholders. They attended 30 different meetings and with additional research and reading spend collectively over 150 hours in determining their findings.
3.4 Key Findings

3.4.1 Overall, the Peer Review Team’s view was “that Hart District Council is a small organisation that is achieving a lot”, that it had

a. A strong track record of delivery including the Hart Leisure Centre, Suitable Alternative Natural Ground (SANG) and winning the Gold Standard for Housing.

b. Made good recent progress with its Local Plan and submission for inspection shortly

b. Good working relationships between officers and members, and between different political parties which provides a solid foundation for strong political and managerial leadership going forward.

3.4.2 The Peer Review also offered a series of suggestions for how the Council could continue to improve. In particular it highlighted 10 key recommendations

1. Establish a clearer long term vision of what Hart will be like in 20 years time and a narrower set of priorities to deliver the vision

2. By the end of 2018, produce a fully developed medium term financial strategy which looks across at least 3 years

3. Develop strategies to support the Council’s current and future needs, including in relation to organisational development, asset management and ICT

4. Develop the Council’s corporate risk strategy to consider a broader range of risks and appropriate mitigation linked to performance management

5. Review staff structures to align capacity with priorities and workloads, including spans of control

6. Develop further the Commercial Strategy to define what commercialisation means with implementation supported by appropriate resources.

7. Working with other councils involved, managed the issues and risks emerging from the Five Councils contract with Capita.

8. Ensure that lessons are learned from the procurement of Lots 1 and 2 of the Five Councils contract

9. Continue the strong recent progress with the Local Plan and submit as outlined at March Full Council.

10. Establish a Member Development programme with a clear timetable for delivery.

4 THE COUNCIL’S RESPONSE

4.1 Several Members and many staff who had been part of the Peer Review were invited to attend the final presentation on Friday 20th March. Since that time, all Councillors and Staff have been provided with a copy of the Peer Review Team’s presentation.

4.2 The final report, which aligns exactly to the presentation has been considered by the Council’s Senior Management Team, who have developed a draft action plan to address the recommendations – see appendix 1.

4.3 Prioritised in the Action Plan is the need to identify at the very earliest stage, the vision of the district in 20 years. It is this vision which will create the ‘building
blocks’ of future activity and therefore, the structure that the Council will need to move to, to deliver against these objectives.

5 **FINANCIAL AND RESOURCE IMPLICATIONS**

5.1 Whilst this report in itself does not have implications for finances or resources, actions within the proposed action plan may have implications. In such cases, there will be a separate report to Cabinet seeking approval.

6 **ACTION**

6.1 Subject to approval of the Action Plan, the council will publish both the Peer Review and Action Plan on our website and share this with key stakeholders and partners.

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APPENDICES
Appendix 1 - LGA Peer Review
Appendix 2 - Draft Action Plan
Corporate Peer Challenge
Hart District Council
21 – 23 March 2018
Feedback Report
1. Executive Summary

This was Hart District Council’s first corporate peer challenge. The peer team found the council’s approach to the process to be open and welcoming.

The council benefits from good working relationships between officers and members. The peer team found that members and officers clearly understood their respective roles and worked together in a positive way. There are also generally good relationships between members from different political parties. Council elections take place three years in every four and there has been a number of executive changes in recent years. We found that, despite this, members from across the parties typically operated in a constructive way. This culture provides a solid foundation for strong political and managerial leadership going forward.

The council can be proud of its strong track-record of delivery. This includes winning a Gold Standard award for its housing services; and supporting the development of a £5 million new site of Suitable Alternative Natural Green Space (SANGS), which will help to deliver new homes elsewhere in the district and across boundaries with adjacent authorities. Hart Leisure Centre is a particularly strong example of an initiative that is delivering well from both a service and financial perspective. It has helped to increase participation levels and provided a good financial return to the authority. The effectiveness of this partnership with the private sector is a reflection of the strong lease arrangement developed by the council.

The council has made good recent progress with its Local Plan and will be submitting it for inspection shortly. Planning matters are a central issue for many councillors and residents in Hart; the progress made over the past two years is an example of strong local leadership. The peer team supports the council’s proposal to submit its Local Plan as soon as possible and not defer until the new National Planning Policy Framework (NPPF) comes into force later in the year.

The service and financial challenges facing councils are significant and are likely to become more acute. The council currently has a broad range of priorities and over one hundred live projects – this level of activity may not be sustainable in the short to medium term. In this context, the council would benefit from a clearer long-term vision and a more focused set of priorities to provide a more defined sense of what the council really wants to achieve.

The council would also benefit from developing a medium term financial strategy (MTFS) which articulates, in a clearer way, how the council is choosing to invest its resources and the outcomes it is seeking to deliver. The peer team felt that the existing MTFS would be strengthened by taking a longer-term view and setting out a narrative alongside the financial figures.

While most of the council’s budget is spent on external partnerships and collaborations, there is still a need for the council to develop a clear, and strategic, approach as an organisation in key areas. For example, the council would benefit from corporate strategies
in relation to organisational development, asset management and IT, which in turn should assist with focus and prioritisation.

The peer team met with a significant number of council employees during the challenge process. We found staff to be dedicated to the council and the district. The council is a small organisation – approximately 100 FTEs – with a range of service delivery arrangements. This means that many staff are often undertaking a wide variety of tasks as part of their roles; the peer team was impressed by the commitment and flexibility of those working for the council.

The peer team found that staff capacity appears to be an issue in some service areas. This may arise from having to balance a significant number of priorities and projects with a wide range of service delivery arrangements. The council acknowledges that there are a number of staff members who are acting as ‘single points of expertise’ which potentially reduces the council’s resilience.

Positively, the council has recognised the importance of taking a more commercial approach and has developed an initial strategy to take forward work in this area. The peer team identified mixed levels of commitment to the commercialisation agenda and different views as to what commercialisation meant for the organisation. The council should clarify the priority given to commercialisation, further define its approach and ensure this is widely understood, and support this work with appropriate resources.

The council acknowledges that risks and issues have emerged from the Five Councils Partnership which need to be managed effectively. For example, the peer team found that some staff were unclear about their new responsibilities and reporting arrangements. The council also recognises that it should complete the revised contract arrangements for Lot 1 (which includes key corporate services) as soon as possible, and develop a clear approach following the withdrawal from Lot 2 (parking, facilities and property management).

Overall, the peer team’s view is that Hart District Council is a small organisation that is achieving a lot. While the peer challenge process seeks to identify areas for improvement, this report also identifies a number of significant successes of which the council should be proud.

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, many of the conversations onsite provided ideas and examples of practice from other organisations. The following are the peer team’s key recommendations to the council:

1. Establish a clearer long-term vision of what Hart will be like in 20 years’ time and a more focused set of priorities to deliver the vision. The current corporate plan provides an overview of the opportunities and challenges facing Hart over the next five years, alongside a broad set of priority objectives. The council should build on this foundation to develop a longer-term vision – informed by the Local Plan –
which is supported by a more focused set of priorities. Going forward, the council will need to articulate a sharper vision for Hart and the role of the council in delivering this.

2. **By the end of 2018, produce a fully developed medium term financial strategy which looks across at least three years.** The council would benefit from publishing a longer-term MTFS, on an annual basis, that sets out estimates of income and expenditure, alongside risks and a sensitivity analysis. This would give both members and residents a clear appreciation of the financial challenges ahead and provide the context for future budget decisions that may be required.

3. **Develop corporate strategies to support the council’s current and future needs, including in relation to organisational development, asset management and IT.** The council does not currently have a strategic, articulated, approach to service delivery models and workforce development; the use of council-owned property and land; and information technology. Strategy documents in these areas would clarify the respective roles of the council and contracted providers, help further define focus and priorities, and support the council’s future development.

4. **Develop the council’s corporate risk strategy to consider a broader range of risks, and appropriate mitigation, linked to performance management.** The corporate risk strategy should be reviewed to consider a wider set of corporate risks which are apparent to the peer team, such as sustaining business rates income, and political stability in the context of a council that has elections by thirds and is under no overall control. There could also be a stronger focus on identifying robust mitigating action to minimise key risks, as well as integrating risk with performance management to provide a consolidated approach.

5. **Review staff structures to align capacity with priorities and workloads, including spans of control.** In light of its sharper vision for Hart, the council should review its management structure and align capacity with priorities, considering the client arrangements for higher risk outsourced arrangements and operational workloads. This will help ensure that spans of control are reasonable for managers and address the risk of having a large number of ‘single points of expertise’.

6. **Develop further the Commercial Strategy to define what commercialisation means in Hart, with implementation supported by appropriate resources.** The existing commercial strategy should be developed further so that the council articulates its key commercial principles and what this will mean in terms of implementation. The council may also need to make financial provision for supporting initial investment in commercial activity.

7. **Working with the other councils involved, manage the issues and risks emerging from the Five Councils Partnership’s Lot 1 contract.** This should include ensuring that both the financial and performance benefits of the arrangement are rigorously assessed and monitored as part of active contract management.
8. Ensure that lessons are learned from the procurement of Lots 1 and 2 of the Five Councils Partnership. While it is not uncommon for multi-authority commissioning arrangements to encounter challenges, it is important that the council — and broader partnership — seeks to apply the learning from the procurement of Lots 1 and 2. These experiences should inform the development of the council’s strategic approach to outsourcing and shared services, as well as their future operational management.

9. Continue the strong recent progress with the Local Plan and submit it as outlined at March Full Council. The peer team was pleased to note the recent announcement that Hart’s Local Plan would be submitted for inspection shortly. The plan has been in development for over ten years. The council should maintain its strong momentum over the past year and aim to submit the plan rather than wait for final publication of the government’s National Planning Policy Framework.

10. Establish a Member Development programme with a clear timetable for delivery. There are potential benefits from greater member support to assist councillors to carry out their roles. Current member development activity is focused particularly on mandatory training, alongside some LGA development opportunities. We recommend that the council develops a programme ‘offer’ including supporting members to seek development opportunities beyond their portfolios and committee positions, such as community leadership and partnership working.

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 Hart District Council were:

- Ian Miller, Chief Executive, Wyre Forest District Council
- Cllr Fran Wilson, (LD) Leader, Maidstone Borough Council
- Cllr Nick Worth, (Con) Deputy Leader, South Holland District Council
- Andrew Jones, Deputy Chief Executive and Monitoring Officer, Warwick District Council
- Claire Pearce, Group Manager – Strategy and Development, Sedgemoor District Council
- Kevin Kewin, Programme Manager, Local Government Association

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. These are the areas we believe are critical to councils’ performance and improvement:
1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?

2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?

3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?

4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?

5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, the council asked the peer team to consider the council’s approach to commercialisation and member development. We have included observations on these elements, where relevant, within the appropriate section of the report.

**The peer challenge process**

It is important to stress that this was not an inspection. Peer challenges are improvement focused and tailored to meet an individual council’s needs. They are designed to complement and add value to a council’s own performance and improvement arrangements. 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 Hart Council, during which they:

- Spoke to more than 65 people including a range of council staff together with councillors and external partners and stakeholders.

- Gathered information and views from more than 35 meetings, and additional research and reading.
Collectively spent more than 150 hours to determine their findings – the equivalent of one person spending more than four weeks in Hart.

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 (21 – 23 March 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 an excellent understanding of the local area amongst officers and members. The district has received national recognition in recent years, including by repeatedly being identified as ‘the best place to live in the UK’ in one annual study. Hart is primarily a rural area that benefits from high employment levels, low crime rates and good schools. The peer team was impressed by officers’ and members’ nuanced understanding of the district which went beyond these headlines and recognised the different roles and character of places within Hart. The council also actively seeks to understand and support community needs. This is reflected, for example, in the council’s work to assist residents through national welfare reform and its support for young people with mental health issues.

The draft Local Plan sets out a spatial vision for Hart and the corporate plan provides a broad overview of the organisation’s priority areas for the next five years, which are supported by more detailed annual service plans. In addition, the council is managing over one hundred projects and a range of complex partnership arrangements. The council would benefit from developing an overarching long-term vision and a more focused set of priorities. This would help clarify the council’s key aims and provide a future narrative for the district. The development process would also provide an opportunity for the council to test its strategic positioning, such as the relative importance given to business growth compared to housing development, and the significance of commercialisation.

Planning is a central issue in Hart and the strong recent progress with the Local Plan is an example of committed political and managerial leadership. It is a significant challenge to meet the district’s future development needs – including for housing – while ensuring the special qualities of Hart are conserved and, where possible, enhanced. The district has a strong record of supporting both new homes and the local environment. Housing delivery performance over the past year (440 units) currently exceeds the target in the draft Local Plan (388) and the government’s proposed minimum expectation (292). In addition, the council’s work in relation to Suitable Alternative Natural Green Space provision is an example of good practice. However, the peer team found some evidence of ‘development by appeal’ locally. An agreed Local Plan would help address this and support the delivery of accompanying infrastructure. The council has committed to submitting its Local Plan for inspection soon. Given the likely publication of a new National Planning Policy Framework
later this year, the peer team would endorse this approach. This will enable the council to then masterplan its ‘area of search’ and reflect on planning performance relative to other councils.

There are many examples of the council communicating effectively. Hart News, the council’s bi-annual publication for residents, is well presented and provides an effective mix of council information alongside community news and key messages from local partners. The peer team was also impressed with the council’s online media offer for local businesses, including its social media use and the website’s content. There were also some perceptions that the council could do more to communicate effectively with parish councils and the voluntary sector. It was not possible to fully investigate, and evidence, this issue while on-site but the peer team would suggest that the council explores this perception further.

4.2 Leadership of Place

The council has developed a range of effective strategic partnerships, including in relation to community safety and health and wellbeing. Partnership working has been central to many of the council’s recent achievements, such as leading the joint waste procurement with Basingstoke and Deane Borough Council; supporting victims of domestic violence through the Making Safer Scheme with Hampshire County Council; and securing a £5.3 million loan from the Enterprise M3 LEP to support the development of Bramshot Country Park. While seen by many local organisations as an effective partner, there was also a view that the council could be more visible and engaged outside of the district with more active participation in some of the broader county and sub-regional arrangements. This perception may, in part, be a reflection of senior management capacity issues within the council.

Hart has an interesting economic landscape. There are more than 4,000 registered businesses within the district of which more than 90% are categorised as micro firms. Hart is also home to the headquarters of a number of major corporate businesses, including Virgin Media, Serco and Surface Technology International. The council has developed a sound economic development strategy which includes a focus on supporting existing businesses, assisting the development of a skilled workforce, and ensuring Hart is a desirable business location.

However, the council’s recent economic development activity does not appear to fully address the clear ambitions of its strategy. Currently, there is a particular focus on communicating with businesses, including through events and digital media channels. Strategic economic development indicators are not included within the council’s set of performance measures reported to members. In addition, the recently created business hub, located in the Civic Centre, appeared to be underused. The council should seek to increase its focus on strategic activity that will support economic development, i.e. inward investment and business growth, aligned with its initial strategy and the government’s focus on business rates retention. As a relatively small authority, with limited resources and land availability, the council will need to carefully select its key initiatives in order to support its business growth aspirations and manage potential risks relating to declining business rate income.
Hart benefits from strong parish and town councils. These structures are helping to support neighbourhood planning; seven communities across the district are currently working towards their neighbourhood plans, in addition to three already formally adopted. The council has also collaborated with parish and town councils when seeking to secure developer contributions. In addition, the council is working with Fleet Town Council to deliver a new or refurbished theatre and has been exploring initiatives, with other towns and parishes, relating to cleanliness and youth provision. The peer team noted the progress made and further potential for partnership working under the localism agenda to devolve and tailor services.

4.3 Organisational leadership and governance

The peer team found working relationships between officers and members to be mutually respectful and effective. The council has elections by thirds, which can sometimes impact on the stability of political leadership, and there has been a number of executive changes in recent years. Nevertheless there appeared to be generally constructive relationships between members across political groups. Positively, the council’s Service Boards provide a cross-party forum to consider key issues, including the development of the organisation’s service plans.

The council has now developed and consulted upon a Local Plan after many years of limited progress. The recent advances made are a good illustration of the impact of strong political and managerial leadership. The completion of the Local Plan was identified as corporate priority, supported with appropriate resources, and delivered with a project management approach. The Local Plan is a good example of, and strong foundation for, future organisational leadership.

The peer team found some aspects of the council’s governance arrangements and member support to be atypical. Monthly Full Council meetings is one example of this: such frequency is uncommon amongst district councils. An initial review of recent Full Council agenda and minutes indicate that some of these meetings are relatively short in duration. There is potential benefit in reviewing their frequency with a view to freeing-up time and capacity for other work.

The council does not have a coordinated programme of support for elected members. Many councils provide a range of development opportunities – mandatory and optional – to all councillors to assist them to carry out their roles. We would recommend that the council develops a programme ‘offer’, including encouraging members to seek opportunities beyond their portfolios and committee positions, such as community leadership and partnership working. A reduction in Full Council meetings would also provide members with some additional time to participate in briefing sessions and pursue other development opportunities.

The peer team was made aware of a potential succession planning issue for members if vacancies for councillors begin to appear. It is clearly important that members bring a diverse range of skills, attributes and backgrounds to the work of the authority. While the encouragement of councillor candidates if often considered to be an issue solely for
political groups to consider, there is also a potential role for the council where there is cross-party support. A number of local authorities have recently taken action to help raise interest in the role of a local councillor. This can include council supported events, as well as the use of council communication channels and networks to encourage people to find out more about becoming a councillor. The LGA is able to provide further help by working with both councils and local political groups, including through use of its ‘Be a Councillor’ campaign.

The peer team felt that a number of key risks were not identified on the council’s risk register. These included, for example, the risk relating to the council maintaining its annual business rates income (currently worth £1.2 million of revenue funding), and political stability in the context of a council under no overall control with elections by thirds. Where other key risks were identified – such as service resilience – in some cases the mitigating actions planned were limited. The peer team felt that there could be a broader view of organisational risk and a greater focus on identifying and taking mitigating action linked to performance management.

There appear to have been governance and procurement issues in relation to the Five Councils Partnership, which may provide learning for the organisation’s future approach. The council is currently seeking to renegotiate the contract relating to Lot 1 of the Five Councils Partnership, which includes finance, procurement, revenues and benefits, HR and IT services. In addition, while the council approved the successful bidder for Lot 2 (parking, facilities and property management) in January 2016, services did not commence and the council has recently confirmed that it is withdrawing from the Partnership’s Lot 2 arrangements. While it is not uncommon for multi-authority commissioning arrangements to encounter challenges, there is a potential impact on service delivery and the achievement of financial savings. The peer team were made aware of work underway to address the particular issues and encourages the council to use the learning to inform its future approach.

4.4 Financial planning and viability

Financial statements suggest that Hart is in a reasonably strong position. Although the council will not receive any revenue support grant in 2018/19, Hart has a significant – and growing – council tax base. In 2018/19, the proportion of the council’s net budget raised through council tax will be comparatively high. The council also has a track-record of spending within budget; robust levels of general and earmarked reserves; and modest debt.

Hart is a district with strong housing growth, which has resulted in comparatively high levels of New Homes Bonus (NHB): £6.9 million of income is projected during 2017/18 – 2019/20. While many in the sector would not consider NHB to be a long-term funding source, the council currently relies on it to support its ongoing revenue funding. The potential phasing out of New Homes Bonus will have a major impact on the council’s financial position; in 2018/19, more than £2.1 million of the council’s net cost of services (£9.8 million) will be funded from NHB. There is merit in the council reviewing its overall strategic financial position, including the optimal balance between housing growth (supporting NHB and council tax income) and business growth (supporting business rates
retention). In 2018/19, £1.2 million of the council’s net cost of services will be funded by business rates. A reduction in these receipts would result in the need for further financial savings or delivery of additional income.

The council does not currently have a fully developed medium term strategy (MTFS) which covers three years. While the national future funding situation remains uncertain, there is a need to clearly set out the council’s financial assumptions, forecasts, risks and scenarios. A renewed MTFS would also provide an opportunity to present a more cohesive narrative about what the council is striving to achieve and how it will deliver its priorities. Significant strategic decisions, alongside organisational change, are likely to be needed to ensure the council remains financially viable in the longer-term. A clear three-year MTFS, published on an annual basis, should provide the financial narrative setting out the council’s investment priorities, the impacts sought and how the organisation will change.

The link between corporate priorities, financial planning and service delivery arrangements could be clearer. For example, while ‘A Thriving Local Economy’ is cited as one of the council’s four corporate priorities, the current economic development strategy acknowledges it is not an area of significant investment. As a result, there is a risk that the council’s resources are not fully aligned with its desired priority outcomes.

The council has recognised the potential benefit in taking steps to become a more commercial organisation. A commercial strategy document has been developed which sets out some initial actions. Positively, this includes a commitment to seek staff ideas, alongside some emerging initiatives such as exploring an energy company. The peer team identified different views within the organisation as to what the council’s approach to commercialisation should mean in practice, as well as varying degrees of commitment. It is important that the council further defines its approach to commercialisation. This should include clarifying the scope of the council’s commercial work and the criteria for taking initiatives forward. Commercial activities often require initial ‘invest-to-save’ funding and the council should consider providing resources (from reserves) to support commercial or other transformational activity. This could take the form of a ‘transformation fund’ under the control of the senior management team.

4.5 Capacity to deliver

The council has a strong track-record of delivery. Recent examples include Hart Leisure Centre, innovative activity in relation to homelessness, and work to provide excellent parks and green spaces. The council has also recognised the importance of effective project management and is currently implementing a more consistent approach across the council. This has included developing new arrangements which support clear accountability for corporate projects, and a framework to assist work in departments. A robust project management approach was one of the reasons cited for recent progress with the Local Plan. The peer team supports this activity to provide greater rigour to key initiatives with the acknowledgement that the approach must also be proportionate, particularly as the council currently has more than one hundred ongoing projects.

Hart benefits from an engaged and committed workforce. The council is comparatively small with an uncommon staffing structure. Many employees are managing high and
varied workloads. The peer team found that there are capacity issues in management and for some teams and staff. The council has acknowledged this and that key resources are sometimes being pulled in too many directions. There was also a view, amongst some staff, that capacity issues made the council more reactive and prevented the organisation from focusing on longer-term strategic thinking. This capacity issue may reflect the significant number of priorities and projects, as well as the complex range of service delivery arrangements. The council may struggle to deliver effectively in the future without reviewing staff structures to better align capacity with priorities. Similarly, it was noted that a number of services and functions are reliant on a particular individual’s knowledge i.e. a single point of expertise. This is a potential issue for service resilience and risk management. The realignment of priorities to workloads should include a focus on ensuring that management spans of control are reasonable and supporting resilience across the organisation.

Many staff talked positively about the opportunities to develop and progress within the organisation. The council has also supported staff to achieve professional qualifications and actively participates in national programmes operated by Solace and the District Councils’ Network. Despite these positive initiatives, the council does not have a coordinated approach to workforce issues. The council would benefit from a strategic approach to organisational development which is informed by an assessment of current and future needs. Some council staff, for example, are now undertaking complex client management roles, overseeing services for the Five Councils Partnership, without dedicated training or support.

The council has received national recognition for its approach to service delivery; Hart was recently shortlisted for an LGC Award for best service delivery model. The council takes a pragmatic position and uses a wide-range of approaches, including shared services with different neighbouring councils, in-house provision and private sector partnerships. In addition to this, the council is part of the Five Councils Partnership with non-neighbouring districts in the South East and South West for corporate and other services. Such a pragmatic approach to service delivery has clear advantages, including being able to select the best model and partner on a service by service basis. However, as a result, the council is now managing a significant number of partnerships and complex contractual arrangements. The peer team identified that this was putting some pressure on the authority in terms of its capacity and expertise.

The council should also ensure there is a strategic approach to services, even when they are delivered by a commercial partner. Information Technology, for example, is a key enabling function for the council where there remains some in-house provision and contracted services from a range of providers. The peer team could not identify an overall strategic approach to IT which set out respective roles and responsibilities between the council and its contracted providers, current and future needs, and the pipeline for investment. Similarly, while Hart’s property services were due to be part of the Five Councils Partnership (Lot 2), there is currently not an articulation of the council’s overall approach to assets, including any links with the council’s emerging commercialisation agenda. The council should take a greater coordinating role in these areas, recognising that its approach to workforce, IT and property should be inter-linked and part of a council-wide view of the role and shape of the organisation in the future.
The peer team also found strong examples of effective partnerships and contracted services which operate well and align with relevant council functions. Hart led the commissioning of waste services on behalf of itself and Basingstoke and Deane Borough Council. This has been recognised as an example of good procurement practice which led to a financial saving and an improved service for both councils. Significantly, the council’s customer service centre is also operated by Basingstoke and Deane Borough Council resulting in a strong functional alignment.

The peer team found that some council staff are currently unclear about responsibilities and reporting arrangements for Five Councils Partnership services which are now in place (Lot 1). Some employees are now managing a client function on behalf of a geographically disparate group of councils. These new roles have not yet been reflected in revised job descriptions and targets, or accompanied by dedicated support. The council is currently completing its renegotiation of the contractual arrangements for Lot 1 and reworking the existing partnership inter-authority agreement. Following this, there needs to be a clear critical path for implementation for these services. The renegotiation also provides an opportune time to address some of the initial communication and implementation issues with staff relating to the operation of these services.

The team received consistent feedback that the existing Five Councils Partnership had demonstrated mixed effectiveness across different service areas. It was not within the remit of the peer challenge to independently assess the effectiveness of particular functions. However both financial and performance benefits of the Five Councils Partnership need to be rigorously assessed and monitored. The peer team noted that regular performance monitoring is underway, including through a Five Councils Joint Committee. Positively, the council is also part of broader work, facilitated by the LGA, focused on effective contract management arrangements.

In January 2016, the council’s cabinet approved the provider for the Partnership’s Lot 2 services: parking, facilities and property management. However, these services did not commence for Hart and the council has recently confirmed that it is withdrawing from the Partnership’s Lot 2 arrangements. It is understood that the key challenge related to the appropriate baselining for the contract. The council now needs to put in place clear and robust arrangements for those functions that align well with other services, informed by its previous experience. While there may be benefit in maintaining these services within one contract for a single external provider, as these services are no longer part of the Five Councils Partnership, the council should consider a wider range of options for their delivery.

As highlighted above, there appear to have been governance and procurement issues in relation to the Five Councils Partnership, which may provide learning for the organisation’s future approach. More generally, there is potential benefit in the council considering a strategic stocktake of its overall approach to service delivery models – for both back office functions and front-line services. This could include defining the council’s key principles for service delivery and exploring whether there is value in seeking to align some services in future arrangements.
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 issues 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. Kate Herbert, Principal Adviser, is the main contact between your authority and the Local Government Association (LGA). Her contact details are: [kate.herbert@local.gov.uk](mailto:kate.herbert@local.gov.uk), 07867632404.

In the meantime we are keen to continue the relationship we have formed with the council during the peer challenge. We will endeavour to provide signposting to examples of practice and further information about the issues we have raised in this report to help inform your 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 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 March 2023.
HART ACTION PLAN
LGA PEER REVIEW 2018
Foreword

Hart District Council invited the Local Government Association (LGA) to conduct a Peer Review in March 2018. A Peer Review is improvement-focused and tailored to meet individual councils’ needs. It is not an inspection. Peer Reviews are delivered by experienced member and officer peers and consider the following questions which form the core components look at by all Peer Reviews;

1. Understanding of the local place and priority setting
2. Leadership of Place
3. Organisational Leadership and governance
4. Financial planning and viability
5. Capacity to deliver

In addition Hart District Council asked the Peer Review team to explore the council’s approach to commercialisation and member development.

The Peer Review Team spent three days in Hart. The process involved speaking to over 65 people including Councillors, staff, external partners and key stakeholders. They attended 30 different meetings and with additional research and reading spend collectively over 150 hours in determining their findings.

Key Findings

Overall, the Peer Review Team’s view was “that Hart District Council is a small organisation that is achieving a lot”, that it had

a. A strong track record of delivery including the Hart Leisure Centre, Suitable Alternative Natural Greenspace (SANG) and winning the Gold Standard for Housing.
b. Made good recent progress with its Local Plan which is due to be submitted for inspection shortly
c. Good working relationships between officers and members, and between different political parties which provides a solid foundation for strong political and managerial leadership going forward.

The Peer Review also offered a series of suggestions for how the Council could continue to improve. In particular it highlighted 10 key recommendations which are shown in bold in this document.

It is anticipated that we will monitor performance and achievement against these objectives through the Council’s existing performance management systems, including regular reviews of the Corporate Plan, Project Management Board and Service Boards.
Understanding of the local place and priority setting

<table>
<thead>
<tr>
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<tr>
<td>Establish a clearer long term vision of what Hart will be like in 20 years’ time and a more focused set of priorities to deliver the vision</td>
<td>Creation of a cross party Member sub-group to work together to create the vision for Hart in 2038</td>
<td>June 2018</td>
<td>Leader</td>
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<td></td>
<td>Report of sub-group to Cabinet on the vision for Hart in 2018</td>
<td>September 2018</td>
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<td>Amendment to the Corporate Plan to refocus around the new vision</td>
<td>Autumn 2018 –To include a period of public consultation</td>
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<tr>
<td>Continue the strong recent progress with the Local Plan and submit it as outlined at March Full Council</td>
<td>Submission anticipated in early Summer, with Examination in Public during Autumn. Progress against this target will be monitored via the Corporate Plan/Service plan approach Implement remaining parts of the Local Plan (Development Management Policies and New Settlement documents) in accordance with the adopted Local Development Scheme’ (the Local Plan’s overarching ‘project plan’)</td>
<td>June 2018</td>
<td>Joint Chief Executive</td>
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<td>As per the adopted Local Development Scheme</td>
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<td>Explore the perception that the Council could communicate more effectively with Parish Councils and the Voluntary Sector</td>
<td>Trial of a new format of newsletter being delivered to Town and Parish Councils, which will deliver much more effective and timely news on issues and events</td>
<td>June 2018</td>
<td>Joint Chief Executive</td>
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<td>Work with Voluntary Sector partners to explore improved joint working</td>
<td>June 2018</td>
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</table>
The Council should seek to increase its focus on strategic activity that will support economic development i.e. inward investment and growth. Having regard to the preparation of a long term Vision for Hart and future financial planning, prepare an Inward Investment Action Plan including:

- setting out and understanding the importance of business rates to future income and risks around this
- consider and if feasible undertake a Hotel Futures Report to understand future Hotel demand in the District as a possible growth sector
- Work with commercial property agents to understand business retention/location/investment issues
- Work with HCC to ensure Hart is fully represented on the Invest in Hampshire website including preparation of an 'Invest in Hart' prospectus if appropriate
- Work with Enterprise M3 and HCC to implement and make best use of the shared CRM Tractivity System [business database] to work collaboratively on inward investment opportunities and identify vacant units.
- Identify and pursue other possible growth sectors such as Hart as a film location
- Ensure high level Member and officer representation at appropriate business events
- Other elements of the existing Economic Development Strategy
## Peer Challenge Recommendation

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<td>There is a potential benefit in reducing the frequency of Full Council meetings with a view to freeing up time and capacity for other work Cross party Member sub-group to work together to consider whether to reduce Full Council meetings to improve efficiency</td>
<td>September 2018</td>
<td>Leader</td>
</tr>
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<td>Develop the council’s corporate risk strategy to consider a broader range of risks, and appropriate mitigation, linked to performance management Full refresh of both corporate and operational risk registers. Recent update of risk management policy to clearly identify roles and responsibilities for risk management Use of an independent challenge on the content of the corporate risk register using free consultancy days from the council’s insurers.</td>
<td>August 2018</td>
<td>Audit Manager</td>
</tr>
<tr>
<td>Working with the other councils involved, manage the issues and risks emerging from the Five Councils Partnership’s Lot 1 Contract. Revise the governance arrangements to ensure that the contract delivers against expectations</td>
<td>Autumn 2018</td>
<td>5 Councils Client Relationship Director</td>
</tr>
<tr>
<td>Ensure that the lessons are learnt from the procurement of Lots 1 and 2 of the Five Councils Partnership. Review of the procurement process by Monitoring and Finance Leads</td>
<td>Autumn 2018</td>
<td>Monitoring Officer/S151</td>
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## Financial planning and viability

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<td>See Leadership of Place Activities</td>
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<td>By the end of 2018, produce a fully developed medium term financial strategy that looks across at least three years</td>
<td>Develop scenario’s based on likely changes to Government funding from 2020/21. Ensure MTFS reflects revision vision and corporate strategy and that strategy is affordable.</td>
<td>December 2018</td>
<td>Head of Corporate Services</td>
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## Capacity to deliver

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<td>Review Staff Structures to align capacity with priorities and workloads, including spans of control</td>
<td>Review and reorganisation of staff and resources, once the vision and Corporate Plan amendments have been concluded</td>
<td>Spring 2019</td>
<td>Joint Chief Executive</td>
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<td>Develop corporate strategies to support the council’s current and future needs, including in relation to organisational development, asset management and IT</td>
<td>Review of requirements for each of these areas, once the vision and Corporate Plan amendments have been concluded. Develop project plans to deliver Organisational Development Plan IT/Digital Strategy Asset Management Plan</td>
<td>Spring 2019</td>
<td>Joint Chief Executive</td>
</tr>
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<td>The Council needs to put in place clear and robust arrangements for those functions (car parking, FM and Property)</td>
<td>Complete a review of options and make recommendations for future service delivery. Options considered to include development of in house service and shared service provision with neighbouring authorities.</td>
<td>Autumn 2018</td>
<td>Head of Environment and Technical Services</td>
</tr>
<tr>
<td>There is a potential benefit in the council considering a strategic stock take of its overall approach to service delivery models – for both back office functions and front line services.</td>
<td>Review of shared services and reorganisation of staff and resources, once the vision and Corporate Plan amendments have been concluded</td>
<td>Spring 2019</td>
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# Commercialisation

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<td>Develop further the Commercial Strategy to define what commercialisation means in Hart, with implementation supported by appropriate resources.</td>
<td>Creation of the Member sub-group to establish the vision of Councillors moving forward as part of the broader vision.</td>
<td>March 2019</td>
<td>Leader</td>
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<td>Commercial activities often require initial 'spend to save' funding and the council should consider providing resources (from reserves) to support commercial or other transformational activity.</td>
<td>S151 to work alongside Members in the consideration of a 'spend to save' approach as part of the MTFS preparation</td>
<td>March 2019</td>
<td>Head of Corporate Service</td>
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## Member Development

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<td><strong>Establish a Member Development programme with a clear timetable for delivery.</strong></td>
<td>The Council has arranged the following training sessions, which have been made available to Councillors and (where asterisked) Town and Parish Councils. General Data Protection Regulations* Safeguarding* Licensing Planning Future training is to be arranged on the following topics; Cyber Security* Equal Opportunities Health and Safety Local government finance Chairmanship of Meetings Councillors will be reminded of the range of free training opportunities available via the Local Government Association on topics such as Community Leadership, Effective Opposition, Leadership Essentials Programme We have established this as part of a continuous rolling programme of development</td>
<td>December 2018</td>
<td>Joint Chief Executive</td>
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<td><strong>A reduction in Full Council meetings would also provide members with some additional time to participate in briefing sessions and pursue other development opportunities.</strong></td>
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<td><strong>Seek cross party support and engagement with the LGA on their 'Be a Councillor' campaign.</strong></td>
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