

Phil Kirby
Chief Executive
Broadland District Council
Thorpe Lodge
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Norwich
NR7 ODU

19 December 2013

Dear Phil

**Broadland District Council – Corporate Peer Challenge
5-7 November 2013**

On behalf of the peer team, I would like to say what a pleasure and privilege it was to be invited into Broadland District Council to deliver the recent corporate peer challenge as part of the Local Government Association (LGA) offer to support sector led improvement.

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 Broadland were:

- Ruth Marlow - Managing Director, Mansfield District Council
- Councillor Paul Middlebrough - Leader, Wychavon District Council
- Steve Park - Head of Communication & Marketing, Newcastle-upon-Tyne City Council
- Andrew Stronach - Independent PR & Communication Consultant
- Jill Emery - Peer Challenge Manager

Scope and focus of the peer challenge

All corporate peer challenges consider the following five core questions:

1. Understanding of the local context and priority setting: Does the council understand its local context and has it established a clear set of priorities?

2. 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?
3. Political and managerial leadership: Does the council have effective political and managerial leadership and is it a constructive partnership?
4. Governance and decision-making: Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
5. Organisational capacity: Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

In addition you asked the peer team to provide observations and feedback on your PR and Communications functions, in particular:

- How the council engages and communicates with local communities;
- How the council might improve how it markets its services and itself;
- How the council might raise its profile;
- How the council might be more innovative and bold by exploring how it uses its communication function.

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 focus. 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 to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3 days on-site at Broadland, during which they:

- Spoke to more than 70 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 20 meetings and additional research and reading.
- Collectively spent more than 160 hours to determine their findings – the equivalent of one person spending more than 4 weeks in Broadland.

This letter provides the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their onsite visit (5th-7th November 2013). This letter provides a summary of the peer team's findings. 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. We hope the feedback provided will help stimulate further debate and thinking especially around communications and the future financial challenges.

Summary of feedback: overall observations and messages

Broadland is considered to be a great place to live and is clean, tidy and well cared for. Councillors and officers are proud of the Council and the area it serves. There is a strong sense of community pride and we heard this from a range of partners as well as within the Council. Staff are committed to a public sector ethos and see Broadland as 'the best council to work for in the area'. Councillors are advocates of community needs and employees know their district well. There is effective political leadership which is recognised by both partners and other stakeholders. You have very clear priorities and we think that these priorities are relevant to the challenges facing Broadland.

The Council has been bold in the past and have deliberately gone for a minimalist 'small government' approach to the delivery of public services. This has been achieved by outsourcing where possible or through the transfer of services to parishes. Systems interventions have improved customer outcomes and delivered financial efficiencies. You have developed a comprehensive system for creating the Medium Term Financial Plan and the process is currently under review to ensure it will continue to stand the Council in good stead to meet the financial net reductions in expenditure between now and 2018. The relatively new Finance team has a good understanding of the budget challenges ahead.

There are a number of issues for the Council to consider and tackle. You need to articulate what success in Broadland will look like and consider the benefits of an independent evidence base in deciding priorities and future budgets. Communication is key to many of the challenges. There is an urgent need to provide strategic communications input at the right level to help the organisation move forward and ensure that stakeholders and partners are clear about the council's direction. Achieving economic success is the council's main priority but to do this there needs to be a systematic approach in developing an economic strategy which links into other council plans. In order to make savings you will need to consider accelerating the savings and efficiencies programme. It will also be important to identify and develop models for new income streams to ensure they deliver savings as early as possible.

Detailed Findings

Understanding of local context and priority setting

The council is very clear what its priorities are and at a senior level there is an understanding of the four key priorities. We were told that the priorities had been identified by 'listening' to the communities through local councillors and front line staff and this gave a real sense of the council being close to its communities. The peers felt that the priorities were relevant to the challenges facing Broadland.

Elected members and employees are clearly knowledgeable about the area and told us they knew what was needed in the community. But it was difficult to ascertain exactly how these needs had been identified. There is a danger that the views of some sections of the community are not heard. An independent evidence base for deciding future priorities and budgets would demonstrate that all sections of the community have been involved in the decision making process and would provide an objective basis on which to base future decisions which are likely to be increasingly difficult to make with reducing financial resources.

Employees are driven by a strong public sector and customer service ethos. There is a willingness to resolve problems and ensure that customers' needs are met. Staff told us that this is helped by the council being small and knowing who to contact with problems.

Enabling economic success is the main priority and this is reflected by the work you have done in partnership with neighbouring authorities to secure the Wave 2 City Deal. We heard that economic success will include a focus on micro businesses which is linked to new housing developments. It is also about meeting local need by ensuring young people can stay here but also bring people into the district due to lifestyle choices and retirement. The building of the Northern Distributor Road is seen as key to these developments coming to fruition. However, work needs to progress quickly on the adoption of the economic strategy that will underpin this priority. Delivering economic success will require the involvement of both the council and the wider community and business partnerships. This is an opportune time to review, not just the capacity of the council, but also the wider partnerships to ensure that the vision can be delivered.

We found it difficult to get a picture of what success would look like in Broadland. Although there was an understanding of economic success being the main priority we struggled to find a clear picture of how Broadland would look when the priorities had been met.

When we spoke to a number of partners and key stakeholders about working with the council there was a real sense of good partnership working. As one person put it 'of all our partners Broadland is the most consistently reliable.'

There has been a history of providing services in-house and, where it provides value for money, contracting out services. It is a council that states 'we know what we do well and we do that as cheaply as possible.' The Council does not currently provide a number of services that are traditionally provided by District Councils, such as parks as it has chosen to delegate these local services to parishes where possible.

Financial Planning & Viability

The council's finances appear to be under control. It is debt free, short terms plans are in place, reserves are at a prudent level and there is a history of under-spending. The council has developed a comprehensive system for creating its Medium Term Financial Plan and the process is currently under review. The future financial challenge should not however be under-estimated.

The Council needs to make savings of £2.2m over the next two years. There is confidence within the leadership that this can be met through the base budget review and looking at reserves, provisions and balances. The Medium Term Financial Plan reflects this. There has also been an increase in the minimum level of reserves from £1m to £2m. Included in the Medium Term Financial Plan is the assumption that Council Tax will not be increased before 2016/17 which allows financial planning to take place within this parameter. It would be helpful if members could confirm this assumption.

The council continues to review services, through systems thinking and obtaining value for money. This deliberate strategy is to ensure efficient and effective delivery of services which should deliver savings through increased productivity and better customer service. This has resulted in a mixed economy of both in-house and outsourced services. A recent success was bringing IT services back in house realising savings of £747k to March 2014. A joint service with South Norfolk District Council, Norwich City Council and Kings Lynn and West Norfolk Borough Council to deliver Building Control services has also been successful. As part of the review of services, the Service Improvement and Efficiency Committee proposes to focus on service plans.

A new Finance Team has been in place for about 18 months and this has introduced both rigour and a systematic approach to budget setting and longer term planning. Members knowledge and understanding of the issues identified in the plan continues to increase, for example the training given to the Audit Committee members. Throughout our discussions confidence was expressed by all members in the way the finance function is rising to meet the urgency of the challenges. Members have recognised that effective monitoring of the plan will enable the Council to meet its financial targets and its service priorities.

Consideration could be given to bringing forward some of the savings and efficiencies in order to ensure that delivery plans are in place and benefits are clearly defined. Although the base budget review will identify the need to review reserves, provisions and balances this needs to be ongoing in future years.

Progress must be made in taking steps to eliminate expenditure described as ‘additional saving yet to be identified.’ This requires quantified changes to service delivery plans, as well as introducing a budget process which no longer builds in safety nets.

Of the sources of funding, no allowance has yet been taken for Business Growth. At this time this is prudent, but once reliable figures emerge then consideration needs to be given as to whether such income should be used to support priorities or balance the budget.

There is a commitment as part of the financial pressures to look at new income streams. Although this is part of future financial plans it is vital that these income streams are identified and developed in the short term in order to realise the increased income by 2018/19.

It is recognised that there is a reliance on New Homes Bonus. Since the team’s visit the government has announced that nearly £500k per year will not be top sliced from 2015/16. This sum of £2m has not been used in the Medium Term Financial Plan so represents additional resources. The Council will need to determine the priorities for its use. New Homes Bonus cannot be relied upon post-2018 so all strategies must consider how a further £1.4million of reduction can be addressed.

Political and Managerial Leadership

Staff told us that there was strong and supportive political and managerial leadership. Senior managers were visible and approachable. The portfolio holders were skilled and knowledgeable about their portfolio and there was a culture in the council of openness and transparency.

Although there is strong leadership we found that the vision and narrative behind the vision was not communicated and understood by the wider audience including employees, businesses and partners. This will need to be addressed not only by the leadership but also as part of a review of PR and Communications within the council. It is important that members, staff, partners and stakeholders fully understand what Broadland is trying to achieve and share the responsibility for communicating the vision.

The business community commented on the visible political leadership and also the support provided to businesses by the council. The council is highly respected by partners and this was verified by the majority of partners and stakeholders. The Greater Norwich Development Partnership was mentioned as a good example of both political and managerial leadership.

Members are actively involved in the parishes and there is good engagement between the two tiers.

We saw and heard that there were good working relationship between members and officers. The Chief Executive and Deputy Chief Executive meet weekly with the Leader

to form the Council's executive group. Heads of Service report close working relationships with portfolio holders and easy access to the Council's leader.

The council has participated in the 'Best Companies' survey and the results instigated workshops with staff in order to identify issues and potential solutions. The Service Improvement and Efficiency Committee also reviewed the results and it is important that the next steps are completed and communicated to staff to ensure employees feel engaged and listened to.

Governance and Decision Making

The Leader of the Council has ensured that all members have the opportunity to play an active role in the Council by involvement in Overview and Scrutiny or the Service Improvement and Efficiency Committee. Overview and Scrutiny effectively contributes to decision making and are very engaged with the Cabinet work programme. There is a positive contribution from Overview and Scrutiny at Cabinet meetings.

Although both Overview and Scrutiny and the Service Improvement and Efficiency Committee have specific terms of reference, it is advisable that these are kept under review to ensure that there is no overlap of areas of activity.

As part of the peer challenge some of the peer team observed a Cabinet meeting. We noted that some of the reports being considered at this particular meeting were to update members rather than requiring decisions. As a considerable amount of time is invested in terms of both officer preparation and attendance at Cabinet the council may wish to consider the use of Member briefings as an alternative to Cabinet reports not requiring a decision.

There is a pro-active management of strategic risk. We observed Cabinet reviewing the risk register that had been produced for the delivery of the Broadland Business Plan. The peers were impressed to see risk looked at in this way with members in an open meeting.

Training has been given to all members of the newly formed Audit Committee ensuring that they are competent and confident in their role. Members are offered a range of training opportunities to assist them in their role and have the option of one-to-one interviews to discuss their training needs.

It is important that the commitment of members is maintained and the council needs to ensure there is full engagement with all members in the council. This should be extended to look at ways of encouraging members to attend training that will enhance their role and provide them with new and improved skills and knowledge to meet the changing demands of their role.

Organisational Capacity

We spoke to staff at all levels across the council and found a well motivated and committed workforce who want to provide a good customer experience for the people of Broadland. Many employees live in the district and are proud of the council and the area.

The work/life balance policies that the council has introduced are valued and managers lead by example by ensuring that staff do not work excessively long hours. One relatively new employee commented that the policies ensure flexibility, are family friendly and are not just an enticement in recruitment.

As part of the challenge we attended the Middle Managers Group which was externally facilitated. This is a forum where managers can discuss with peers any problems and works like an action learning set. This forum has also helped with management development at this level. It also provides an opportunity for managers to understand what other service areas do and a chance to look at the policy and procedures across the authority. We were impressed that this forum was organised by middle managers for middle managers with the endorsement of senior management. This forum provides feedback to the Chief Executive and it has improved working relationships across the authority.

Staff felt that most Heads of Service were approachable and had a 'can do' attitude. What was important was that many of them had worked on the front line and had a good appreciation what it was like for staff.

Partners and stakeholders were particularly complimentary about some of the specialist staff in the council. Businesses had found the work of the Climate Change Team valuable and the support provided by Economic Development was appreciated by small and medium enterprises.

Performance management in the council is robust and based around systems thinking. Regular reports are provided to Cabinet and Overview and Scrutiny. It is well developed and meets the needs of the council, concentrating on the priority areas and objectives. The council has refined the systems thinking approach over a number of years but the peers were concerned that this had not been rolled out in a programmed fashion.

Although systems thinking reviews have been carried out on a range of services there needs to be a commitment, reinforced by management, to roll these reviews out across all services of the council but acknowledging that the process may need to be adapted for some services

Staff valued the 'bite size' training sessions that were offered by HR. A range of in-house training sessions are offered including appraisals and performance related pay.

The performance related pay scheme has been in place for about twenty years and is supported by the annual appraisal process. As a consequence 100% of appraisals are

completed. However, there is an issue regarding employees on the top of their grade who are prevented from receiving a performance payment. This is perceived, by some as unfair as newer employees enjoy performance payment if they meet the criteria. In light of this it would seem timely to review the mechanism for performance related pay and how this impacts on those at the top of their grade and ensures fairness for all staff.

The council is proud of its services but there are areas where it may be more cost effective for the work to be carried out by other organisations or companies. This would free up some capacity to focus on the priority areas within the council. Alternatively the Council could consider developing an arms-length company to deliver some of the services it provides for which there is a mature private sector market. This would reduce the burden on the General Fund and potentially generate commercial income.

There is still funding for training activities for employees and this is a mixture of corporate training and department-specific training. Budgets are devolved to departments with a core budget retained for corporate and academic training. It may be more cost effective to centralise the training budget to ensure that it is being used effectively to meet corporate priorities.

We heard from a number of partners about the valuable contribution of key individuals in the organisation. This is commendable but also raises issues if those individuals leave. There is no strategic view of future organisational staffing needs and it would help in terms of succession planning and talent management if this was done. It will also address any recruitment and retention issues in key posts.

It is important to remember that any organisational change needs to be carried out in an open and transparent way which will maintain employee morale and build trust.

PR & Communications: summary of feedback

You asked the peer team to provide observations and feedback on your PR and Communications functions. The following section provides a brief summary of our key messages. More detailed feedback and suggestions were provided by the peer team during our onsite visit.

We identified a number of strengths and good practice to build on, including:

- Positive working relationships at an operational level in the PR and Communications team, something that partners and the local media commented on.
- There are a range of communication channels that effectively target clearly defined audiences including Parish Pages which is valued by the parish councils, Business Focus which addresses the needs of the business community and a regular Members Bulletin. The main communication medium between the council and its residents is Broadland News which provides both information about the council's services and features on the area.

- The PR and Communications Team are willing and enthusiastic and provide a valuable service to the departments of the council on campaigns and leaflets. Members also feel supported in media relations when they are responding to media queries.

In developing the service further we suggested a number of areas for further consideration. In particular we suggested that now is an ideal time for the council to consider how strategic leadership of the communication function can be further developed, a major concern when the council is facing a range of difficult presentational challenges. More specifically there are several areas that will benefit from attention:

- Internal communications are generally good but they are not co-ordinated and key messages are relayed by either HR, senior managers or individual departments. Improved coordination could strengthen the approach to internal communication.
- The council's intranet – 'Broadcast' had information readily available but it was not always engaging and did not support business processes. Important information was contained in blogs and we found that the Chief Executive's PA e-mailed all staff with a link to the blog to ensure the information was accessed.
- There is no structured method of internal communication in the council and we were told by staff that not all departments had regular team meetings and the cascading of information was inconsistent. Combined with the way the intranet is used it would be appropriate to formulate a strategy for internal communications.
- Although the publications we saw are specifically targeted there was no consistent corporate identity so it was difficult to identify that they were council publications. The appearance of the literature was inconsistent and often appeared dated. There is a real need to update and create a consistent corporate identity. This will also help reinforce the council's priorities and vision for Broadland.
- The use of social media is limited. The council's Twitter account is not used regularly and there is no defined approach to digital communications. Many councils have active Twitter and Facebook accounts and Broadland can learn from other councils on how these platforms can be used to engage with the public including groups that have previously been difficult to engage e.g. young people. There does need to be a clear strategy which identifies how the council will take advantage of the opportunities created by social media.
- The website is in need of a refresh. We heard from users that it was difficult to find information which is partly due to the site having too much content. There is no regular maintenance to ensure that obsolete information is deleted. The website would also benefit from being optimised for smartphone and tablet use. Clear protocols are needed for maintaining and updating the site.

Suggestions for consideration

Based on what we saw, heard and read we suggest you consider the following actions. These are things we think will help you improve the effectiveness and capacity to deliver your future ambitions and plans:

- Define what success looks like and communicate this to stakeholders, residents and employees.
- Communicate Broadland's key priorities clearly to partners. This will enable them to have a comprehensive understanding of what Broadland is aiming to achieve both as a council and in partnership.
- Broadland has a good reputation and high levels of satisfaction but it does face some difficult challenges, not least budget reductions and the growth agenda. Providing strategic communications input at the right level is vital to help the organisation move forward. There is an urgent need for some focused leadership of the communication function at a strategic level to identify and take forward improvements in the service and to clearly articulate the contribution the service can make to help the organisation achieve its strategic ambitions
- Undertake evidence-based research to underpin future priorities and budget decisions. The council is close to its communities but there needs to be a more systematic approach to establishing what the community, including those difficult to reach groups want from Broadland.
- The economic strategy is fundamental to the success of Broadland achieving its priorities and it needs to be formulated in a systematic and strategic way, linking in to the Medium Term Financial Plan. This needs to be progressed quickly to ensure the council's main priority of achieving economic success is delivered.
- Expedite the identification of future savings and income streams including identifying areas that can be done more cost effectively by others to release capacity.
- Carry out a strategic review of future organisational staffing needs which will help with capacity, resilience and future skill requirements.

Next steps

You will undoubtedly wish to reflect on these findings and suggestions made with your senior managerial and political leadership before determining how the council wishes to take things forward. As part of the peer challenge process, there is an offer of continued activity to support this. If you wish to discuss in greater detail how this might be utilised please contact me to arrange the detail of such activity.

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. Rachel Litherland, Principal Adviser (London and East of England) is the main contact between your authority and the Local

Government Association. Rachel can be contacted via email at Rachel.litherland@local.gov.uk (or Telephone 07795 076834) and can provide access to our resources and any further support.

All of us connected with the peer challenge would like to wish you every success going forward. Once again, many thanks to you and your colleagues and to everyone involved for their participation. The council embraced the challenge positively, transparently and openly. In particular, please pass on our thanks to Chris Tyacke and Helen Cowles for the support and assistance in organising the challenge and the onsite visit.

Yours sincerely

Jill Emery - Peer Challenge Manager

On behalf of the peer challenge team