

Corporate Peer Challenge

Eastleigh Borough Council

18th to 20th November 2014

Report

1. Background and scope of the peer challenge

On behalf of the team, I would just like to say what a pleasure and privilege it was to be invited in to Eastleigh to deliver the recent corporate peer challenge. The team appreciated the efforts that went into preparing for the visit and looking after us whilst we were on site and the participation of elected members, staff and partners in the process.

This was one of the corporate peer challenges delivered by the Local Government Association as part of the approach to sector led improvement. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

Penny James, Chief Executive, Taunton Deane Borough Council and West Somerset Council
Councillor Richard Kemp, Liverpool City Council (Liberal Democrat)
Robert Flinter, Head of Transformation, Staffordshire County Council
Dave Fergus, independent consultant focused on commercialisation
Alice Ward, Programme Co-ordinator for the New Models of Delivery Team, Surrey County Council (shadowing role)
Chris Bowron, Peer Challenge Manager, Local Government Association

It is important to stress that this was not an inspection. Peer challenges are improvement-orientated and tailored to meet individual councils' needs. Indeed they are designed to complement and add value to a council's own performance and improvement focus. The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read.

The guiding questions for all corporate peer challenges are:

- Does the council understand its local context and has it established a clear set of priorities?
- Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- Does the council have effective political and managerial leadership and is it a constructive partnership?
- Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?

- Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

To tailor the challenge to the needs of Eastleigh, the council asked us to also consider the extent to which it has the understanding, skills and capacity to pursue a more wide-ranging commercialisation agenda than has been the case to date.

As you will recall, we undertook to write to you to confirm the team's findings, building on the feedback provided to you on the final day of the peer challenge and, in particular, expanding upon those areas that we highlighted as likely to benefit from some further attention. This report sets out those findings. The contents of the feedback presentation, on which this report expands, are reproduced as an annex at the end of this document.

2. Executive summary and recommendations

Eastleigh Borough Council has a good and long-standing reputation for the way it is led and making a difference for the communities it serves. The local area focus of the council reflects a core belief in the Administration about decisions being taken close to local people. There are a lot of passionate and committed staff who are keen to make a difference in the borough. It is an ambitious authority that is not constrained in its thinking or its actions by what might be seen as the role of a 'typical' borough council. Successful partnership working can be seen in many aspects of what the council does and the authority has an ambitious capital programme.

The impact of austerity has thus far been minimised by the council, with a key contributory factor having been its creation of a revenue stream from investment in commercial property and assets. However, there is an increasing financial challenge facing the council. 2016/17 represents the key year and the time available to the council to address the gap is diminishing quickly.

The council is currently developing the next version of its corporate plan. Many people are looking for this to outline clearer priorities for the authority. The corporate plan process is likely to expose an issue around the council up to now having sought to deliver what local people 'want' and how, in a climate of ever-diminishing resources, a shift is likely to be required to focus on meeting their 'needs'.

'Commercialisation' is widely talked about in the organisation as a way of continuing to protect against increasing austerity. It is right that the council should have an eye towards 'growing' its way out of the financial challenge it faces as well as reducing expenditure. The council has ambitions about being able to generate much greater levels of income but it needs to be realistic about what can be achieved.

At present the council demonstrates little in the way of business planning, performance management and business intelligence. Services have difficulty in comparing their performance to that of other councils. They are also poorly placed to demonstrate value for money in the way they operate. The conducting of performance appraisals for individual members of staff is extremely patchy. All of this creates difficulty in the council being able to demonstrate to itself or others that the way it currently utilises its resources is the most effective or efficient that it can be. This situation needs to be addressed.

For the council's elected membership, there is a need to balance local focus and decision-making with recognising and addressing the strategic challenges being faced. This is not a challenge to the local area model. All councillors need to be enabled to, and ensure they are, playing a full role in helping the authority to function even more effectively going forward. The wider elected membership appears to have very limited awareness of the strategic challenges facing the council. As the council looks to progress, there is a requirement for much greater internal challenge.

The financial situation presents a challenge to the council being able to continue as at present. It is widely recognised that the council will be required to look and operate differently in the future. However, there is not a requirement to jettison all that has gone before and the council clearly wants to continue to be ambitious.

'Future Eastleigh' is the council's framework for change. It outlines why change needs to happen and draws together a number of themes key to the future of the council but it is not yet providing people with a clear sense of direction. In communicating the case for change, the senior leadership of the council is very conscious of not wanting to generate undue anxiety for its staff and risk destabilising the organisation. To this end, it is keen to involve and engage people in thinking and planning about the future. However, there is a need to balance this with ensuring enough of a 'sense of urgency'. The programme requires a number of basic building blocks still to be put in place. Having launched the programme and created a sense of purpose, it is important for momentum to be maintained.

Change of the type and magnitude required cannot be delivered by individual services themselves – they need to be supported and enabled to do so. There is a need for a co-ordinated and corporate approach to delivering the change agenda and thereby addressing the council's strategic challenges.

3.1 A story of success to date

The council has a good and long-standing reputation for the way it is led and making a difference for the communities it serves. The results from annual surveys undertaken with residents over recent years show consistently good levels of satisfaction with the council, with the outcomes for this year including the following:

- Improving the borough - 64%
- Being a responsive, friendly council with good customer service - 67%
- Offering quality, value for money services - 59%

There are a lot of passionate and committed staff within the council who are keen to make a difference in the borough. The council has had strong and stable leadership both politically and managerially over many years and enjoys a good reputation within local government nationally. It is an ambitious authority that is not constrained in its thinking or its actions by what might be seen as the role of a 'typical' borough council. Instead, it demonstrates a 'can do' attitude with a focus on doing whatever it can to deliver what local people want. As examples, it subsidises public transport provision in the borough to

ensure a more comprehensive weekend and evening service than otherwise would be the case, on an entirely discretionary basis. It also contributes funding to sustain youth services that had been threatened by austerity measures elsewhere within the public sector.

Successful partnership working can be seen in many aspects of what the council does. The authority is well engaged at both the local and sub-regional levels, for example in its relationship with Parish and Town Councils, its work on public health with Hampshire County Council and its liaison at the strategic level with other councils that form Partnership Urban South Hampshire (PUSH). The council is held in high regard by partners and is seen to 'punch above its weight' as a consequence of its ambitions, ability to influence and approach. Other examples of good partnership working include the Business Improvement District formed for Eastleigh town centre and the housing joint venture established with Fareham Borough Council and First Wessex and Radian Housing Associations.

The local area focus of the council, shown through the Local Area Committee structure, reflects both the nature of the borough and a core belief in the Administration about decisions being taken close to local people. Eastleigh is widely seen as an amalgam of five distinct areas, each with their own identity and character. Each of these has an Area Committee, established almost twenty years ago, on which all of the ward councillors within that locality sit.

The impact of austerity has thus far been minimised by the council, with a key contributory factor having been its creation of a revenue stream through the use of prudential borrowing to fund investment in commercial property and assets. This reflects a willingness to innovate and take managed risks. Whilst the authority has reduced its net spend by £4m since the austerity measures took effect in 2010, this is a lesser amount than would have otherwise been required without the income generated from the investments made. This has enabled the council to avoid cutting frontline services and making people compulsorily redundant. The situation has also been helped by further commercial success in the form of increased revenue from the commercialisation of the council's trade waste service and some, albeit limited, sharing of services. Such sharing includes building control being delivered from Southampton City Council and a joint post with Winchester City Council heading up learning and development within the two authorities.

The council has an ambitious capital programme. This has seen the construction of a new community centre in Lowford, investment in leisure facilities (including the Swan Centre complex and the planned redevelopment of Fleming Park leisure centre), the creation of the Berry Theatre and the establishment of new council offices in Eastleigh town centre to which the council relocated earlier this year. The council has also played a leading role in the development of the Ageas Bowl, home of Hampshire County Cricket Club, as an entertainment venue with a four star hotel, conference and leisure facilities which is due to come on stream next year.

There are good relationships between officers and elected members at all levels within the council. A key part of this is what councillors that we met highlighted as good responsiveness by officers on issues they raised with them, including casework. This is a very important aspect in elected members being able to represent their communities

effectively and contributes to that picture residents have of the council as being a responsive, friendly authority with good customer service. It is also central to the climate of trust and mutual respect that exists within the council.

The authority is willing to invest in staff and elected members and seeks to bring in learning from elsewhere. In the last staff survey conducted in 2013, 78% of respondents indicated they felt the council cared for its staff and 94% felt it is a good place to work. Staff we met indicated they had good opportunities for training and development. The same applies to elected members, with briefing sessions held on a regular basis on key issues facing the council and the borough such as the budget situation, the authority's change programme and fracking and wind turbines. Some councillors have also taken part in the Local Government Association's 'Next Generation' programme. We also heard about both officers and councillors being encouraged and enabled to visit other councils to draw in learning for Eastleigh.

3.2 The case for change

There is an increasing financial challenge facing the council. The projected financial gap in the financial years from 2015/16 to 2018/19 is widely cited in the council as being £4.7m, with 2016/17 representing the most challenging year with a shortfall of £1.75m. Whilst the £4.7m figure was quoted by many people we met, the financial gap stated in the council's budget strategy is actually £6.2m but this is assumed to reduce by £1.5m through increased income for the council. Given what we outline later in this report about the need for the council to assess what can realistically be achieved in terms of income generation, we believe it is important for the council to be clear with elected members, staff and other stakeholders about the full extent of the financial gap and plan accordingly. Achieving this level of income represents a huge challenge – in terms of the amount of money, the effort required and the timescale involved – and it would therefore be prudent for the authority to look to over-target on saving and efficiency initiatives.

Whilst 2016/17 represents the key year, with the council confident in its thinking about how to address the shortfall for 2015/16, the time available to the council to address the £1.75m gap is diminishing quickly. The council will need to be well advanced in its thinking for 2016/17 by the summer of 2015 in order to enable the smoothest and earliest possible implementation of the related changes.

The council has engaged in extensive prudential borrowing which, as we have outlined, has served it well in terms of the revenue stream generated by the commercial investments that such borrowing has enabled. However, the risks resulting from this borrowing – specifically the threat of interest rate rises and the impact this would have on the council's financial plan – need to be carefully managed. The council is fully aware of these risks and is actively considering the best ways of mitigating them.

The council's increasing challenge financially, along with the changing public sector landscape generally, present a challenge to the council being able to continue as at present. As we have outlined, the impact of the austerity measures have been minimised thus far by the council. However, this will become increasingly difficult to sustain as the options and choices become more constrained. It is widely recognised that the council will be required to look and operate differently in the future. However, there is not a

requirement to jettison all that has gone before – those elements that have made the council so successful to date – and the council clearly wants to continue to be ambitious.

‘Future Eastleigh’ has been launched as the council’s framework for change. It was presented at a conference open to all staff in September and briefing sessions on it have also been held for elected members. It outlines why change needs to happen and draws together a number of themes key to the future of the council, including commercialisation, digitalisation to support business transformation, a developing people strategy, the emerging corporate plan, enhanced project management and a review of the local area arrangements. Having such an over-arching framework is helpful in enabling people to see how what might otherwise appear as a myriad of strands of activity all contribute to the same end.

In communicating the case for change, the senior leadership of the council is very conscious of not wanting to generate undue anxiety for its staff and risk destabilising the organisation. To this end, it is keen to involve and engage people in thinking and planning about the future – giving them as much ability to influence the outcome as possible. The logical thinking is that the more influence people have over the situation the easier change will be and the less fraught things will become. However, given the pressing timescales on which change needs to be delivered, due to the scale of the financial gap in 2016/17, there is a need to balance involving and engaging people with ensuring enough of a ‘sense of urgency’ in order to achieve what needs to be done.

3.3 Shaping up for the future

The council is currently developing the next version of its corporate plan. It is anticipated that this will be agreed in the first few months of 2015. Many people that we spoke to in the organisation are looking for this to outline clearer priorities for the authority, in order to help address the financial challenge through informing an alignment of resources with what matters most. Linked to this, the process that will be followed to develop the corporate plan is likely to expose an issue around the council up to now having sought to deliver what local people ‘want’ and how, in a climate of ever-diminishing resources, a shift is likely to be required to focus on meeting their ‘needs’.

Thus there is likely to be a challenge around the council being able to continue to deliver what local people have become accustomed to relative to what the authority has a responsibility to deliver. Providing public transport subsidies, contributing funding towards youth services and the maintaining of two theatres are examples of discretionary aspects of what the council delivers. We are not saying the council will or should move away from supporting these – we are simply highlighting the fact that difficult decisions will need to be made which will challenge the status quo. Through all of this the council will need to manage expectations effectively and be robust in both its decision-making and planning.

‘Commercialisation’ is widely talked about in the organisation as a way of continuing to protect against increasing austerity. It is right that the council should have an eye towards ‘growing’ its way out of the financial challenge it faces as well as reducing expenditure. However, an increased commercial focus will not represent a panacea and the council needs to ensure this is understood.

We see a need for the commercialisation agenda to be more clearly defined and communicated. There are two main strands to it, as we see it:

- Efficiency and being more ‘business like’
- Income generation

It was the income generation strand that many people emphasised when we sought their views on what the commercialisation agenda entailed. As we highlighted earlier, the council is already assuming in its budget thinking that £1.5m of extra income will be generated. The approach at present is to develop as many ideas as possible across the organisation to generate additional revenue. Whilst it is good to be ambitious and ask people to contribute views and ideas, there is a need for the council to assess what can realistically be achieved and, in turn, determine where to focus its effort. There is a danger that significant time and energy could be consumed by people generating and pursuing lots of initiatives for little reward.

In applying effort to the potential areas for income generation that have the greatest chance of success, the council will need to invest in greater capacity than it currently has. This will involve both sourcing external expertise and developing existing people’s skills. This can be done as part of an ‘invest to save’ and ‘invest to grow’ approach – a recognition that securing greater capacity requires investment but that additional capacity is likely (and the council will need to develop a business case to demonstrate certainty on the issue) to help reduce expenditure and generate revenue to an extent that exceeds the initial investment. In developing the business case, the authority will need to determine where such investment can most beneficially be made. As examples, can it best be made in sourcing external support that helps to assess/train/mentor staff to enhance their skills, or assists them in developing commercial business cases or directly identifies business development opportunities on the council’s behalf?

As regards the second strand of the commercialisation agenda, that of efficiency and being more ‘business like’, we see a need for this to feature more prominently in people’s thinking. At present it is very much the ‘poor relation’ to income generation. ‘Future Eastleigh’ features a ‘business support’ strand, demonstrating recognition of the need to enhance core elements of the way the organisation works in order to improve effectiveness and efficiency. However, we see this needing to go further, with a requirement to establish a strong corporate centre for the council that supports and enables the necessary changes. Such a corporate centre needs to significantly enhance the council’s approaches to the following areas:

- Business planning and performance management
- Business intelligence
- Organisational development and change management
- Project and programme management
- Service change including digitalisation

Achieving this will help to reduce the threat to services to residents – the more efficient and ‘business like’ the council is, the more frontline services can be protected. At present the council demonstrates little in the way of business planning, performance management and business intelligence. Whilst there is monitoring of performance within services, there is no system that sees performance reported corporately to Cabinet. The last such report

was produced in February this year. Also, services have difficulty in comparing their performance to that of other councils. They are also poorly placed to demonstrate value for money in the way they operate. The conducting of performance appraisals for individual members of staff is extremely patchy. All of this creates difficulty in the council being able to demonstrate to itself or others that the way it currently utilises its resources is the most effective or efficient that it can be. This situation needs to be addressed. A useful tool here could be LG Inform, hosted by the Local Government Association.

Organisational development and change management expertise in the council is very limited and there is also seen to be a need to enhance project and programme management in the organisation. Given the desire to deliver service change in the council, including significantly increased digitalisation to enable local people to undertake more activities for themselves on-line, there needs to be expertise in this area. Unless it is addressed, this situation will significantly hamper the council as it looks to deliver change over the coming months and years. The council needs to ensure staff are fully equipped and confident to meet the demands that are being placed upon them and identify gaps where additional capacity and skills will need to be sourced.

The shift to developing a strong corporate centre will involve a re-balancing managerially. Currently, the organisation is structured and operates in a way that provides for an external focus and emphasises devolved ways of working as part of being a responsive organisation focused on local people. This model has served the organisation extremely well up to this point and the principles behind it can continue to be maintained. However, there is a recognised need to review the council's management structure both to deliver efficiency and provide the level of corporate support required. Change of the type and magnitude required cannot be delivered by individual services themselves – they need to be supported and enabled to do so. There is a need for a co-ordinated and corporate approach to delivering the change agenda and thereby addressing the council's strategic challenges.

For the council's elected membership, there is a need to balance local focus and decision-making with recognising and addressing the strategic challenges being faced. This is not a challenge to the local area model. We recognise the importance attached to this approach. Instead, we are saying all councillors need to be enabled to, and ensure they are, playing a full role in helping the authority to function even more effectively going forward. The wider elected membership appears to have very limited awareness of the strategic challenges facing the council. Understanding of the financial challenge is very limited and, where there is awareness of it, it is seen to be a matter that the Leader should and will address. 'Future Eastleigh' is not much known about and elected member turn-out for briefing sessions on the issue have been poorly attended. Awareness of, and involvement in, the development of the emerging corporate plan is similarly limited. Whilst a local area focus will inevitably represent the primary interest of many councillors, the elected membership as a whole is responsible for the sound stewardship of the authority. This cannot be the responsibility of just a handful of councillors.

As the council looks to progress, there is a requirement for much greater internal challenge and increased accountability. We have already highlighted the need for business planning, performance management and business intelligence to be significantly enhanced. Services need to be able to demonstrate a real understanding of how they perform and the value for money they provide, both in their own right and in comparison

with others. This then needs to translate in to those services and their relevant Portfolio Holder being better held to account by Cabinet, Overview and Scrutiny and Local Area Committees through their consideration of the related information, in order to drive improvement.

There is also a need to ensure that managers are clear about what is expected of them and held to account for delivering this. A situation where the undertaking of performance appraisals is 'patchy' cannot be sustained. We heard of a number of other requirements placed upon managers that had not been consistently delivered, including the undertaking of team meetings and the preparation of savings and income generation proposals. If the council places a requirement on managers to deliver something, it needs to ensure this is done. Equally, the authority needs to avoid making any unnecessary demands of those managers, who are under increasing pressure. As an example, we heard of each Service Unit Head being required to develop a business continuity plan for their service, rather than one being produced corporately for the whole organisation. There is a need to determine what is essential for managers to deliver, make this 'non-negotiable' and then ensure it happens.

Whilst the 'Future Eastleigh' programme has been launched and is widely known about within the council, it is not yet providing people within the organisation with a clear sense of direction. As we have already highlighted, it outlines why change needs to happen and draws together in a single framework a number of strands of activity that are key to the future of the council. However, it lacks sufficient detail at this stage to enable people to know how things might look in the future. That, in part at least, reflects a desire to involve and engage people in shaping that future, which is far preferable to imposing change upon them, but we reiterate the need for a sense of urgency in taking change forward.

The programme requires a number of basic building blocks including an overall vision, the priorities that need to be delivered, the benefits the programme will deliver and when, clear governance arrangements including roles and responsibilities and the organisational development elements necessary to underpin the changes. Having launched the programme and created a sense of purpose, it is important for momentum to be maintained – otherwise there is a risk that it will stall and it will be difficult to galvanise the organisation again.

The way that the 'Future Eastleigh' programme is being managed is designed to broaden involvement managerially. This sees some strands being led by people whose substantive role does not cover the area concerned and others, whose role does relate, not being particularly involved. There also appear to be some 'artificial divides' between work-streams, such as the ones related to the 'culture of the organisation' and the 'people strategy'. Through the approach that has been adopted, the desired broadening of managerial involvement has been achieved. However, at the same time, it appears to be causing some confusion and uncertainty, duplication of effort and lack of join-up. Based on our discussions with frontline staff, it also appears that the broadening of involvement hasn't extended sufficiently to them. They would certainly welcome the opportunity.

At this time of inevitable uncertainty and anxiety, people are seeking even greater leadership. Currently, managerial leadership of the organisation is seen to be coming from the Chief Executive, with other senior managers more externally focused. The Leader also has a high profile in the organisation. Responsibility for providing the extra leadership

that is required at this time needs to be more widely shared, extending across the senior managerial tiers and Cabinet, and the people at that level need to be more visible across the organisation. Staff want the opportunity to engage with managers and the political leadership in order to both get a clearer sense of what the future might hold and contribute their thoughts and ideas to help shape it.

The council has favoured internal recruitment and progression in recent years. This has delivered many benefits to the organisation, including providing people with the opportunity to gain greater experience, take on new responsibilities and progress in their careers. It has also provided for continuity and stability. However, the future requires internal progression to be balanced with bringing in new skills, talents and experiences in order to help address the different challenges that are emerging, for example the desire to develop greater commercialisation. The council absolutely recognises the shift that it has to make around this and is committed to doing so. However, this needs to be informed by a clearer understanding of what the council's workforce needs will be going forward.

As we outlined earlier, the staff that we met were passionate and committed and keen to make a difference and the staff survey shows that people see the council as a good place to work and feel that it cares for its staff. Taking forward some 'quick wins' to address a small number of sources of frustration for staff would assist in helping to maintain the positive relationship between staff and the council at this time of change. The most significant issue we picked up on was the frustration around the staff car parking arrangements that have been put in place following the relocation of the council offices. We didn't probe the detail of this but it is clearly a sensitive issue that needs to be decisively addressed. We have already highlighted the desire people have for greater engagement in 'Future Eastleigh' and more visible leadership. There are also some frustrations around IT, although they aren't out-with the norm for such an organisation.

Many partners spoke positively of their experiences of dealing with the council. We outlined a number of examples earlier in this report both of good joint working and the positive way in which the authority is viewed by partners. There are, though, a couple of issues that we would wish to highlight that emerged from our discussions with partners. The first is that when dealing with the organisation below the senior leadership level (i.e. Leader, Chief Executive and Corporate Director), the experience is 'patchy' for some of them, with less responsiveness and things being slowed down by process and bureaucracy. We wouldn't wish to see this issue become overblown and there may be a degree of inevitability about things becoming more slowed down as decision-making moves down the tiers of the organisation. However, it would be good for the council to ensure partners feel able to highlight such experiences to the senior leadership so that things can be improved.

The second issue is specific to Eastleigh town centre and is one that the council recognises. Whilst the authority has ambitions for the regeneration of the town centre, partners in that area are unclear as to what this entails. In discussing this issue with the council, it became clear to us that this is not an issue of the authority not communicating its thinking and plans sufficiently well. It is more the issue that whilst the ambitions are there, the thinking has not yet crystallised and thus there is little to communicate. Partners are clearly keen for the town centre to move forward and the time appears right for the council to engage them in thinking about what the future might entail.

Following on from the peer challenge

Through the peer challenge process we have sought to highlight the positive aspects of the council and the area but we have also outlined some difficult challenges. It has been our aim to provide some detail on them through this report in order to help the council understand and consider them. The council's senior political and managerial leadership will therefore undoubtedly want to reflect further on the findings before determining how they wish to take things forward.

Members of the team would be happy to contribute to any further improvement activity in the future and/or to return to the authority in due course to undertake a short progress review. Heather Wills, as the Local Government Association's Principal Adviser for the region within which the council sits, will continue to act as the main contact between the council and the Local Government Association, particularly in relation to improvement. Hopefully this provides you with a convenient route of access to the organisation, its resources and packages of support going forward.

All of us connected with the peer challenge would like to wish Eastleigh, both as a council and a place, every success in the future.

Chris Bowron
Programme Manager – Peer Support
Local Government Association

Annex – Contents of the feedback presentation delivered to the council on Thursday 20th November

A story of success to date

- The council has a good and long-standing reputation for making a difference for the communities it serves and the way it is led
- It is a council with a focus on delivering what local people want and is not constrained by the role of a ‘typical’ borough council
- The local area focus reflects both the nature of the borough and a core belief of decisions being taken close to local people
- The impact of austerity has thus far been minimised – protecting both services and staff
- The council is innovative and willing to take managed risks – reflected in an ambitious capital programme and use of prudential borrowing to fund commercial investment
- There are a lot of passionate and committed staff who are keen to make a difference
- Successful partnership working can be seen in many aspects of what the council does, with good engagement at both the local and sub-regional levels, and the authority is held in high regard by partners – ‘it punches above its weight’
- Some commercial success has been achieved, including increased revenue from trade waste and investment in assets
- There has also been some sharing of services with other councils
- There are good relationships between officers and elected members at all levels, with a key part of this being good responsiveness on casework issues raised by councillors
- The authority is willing to invest in staff and elected members and seeks to bring in learning from elsewhere

The case for change

- The increasing challenge financially and the changing public sector landscape present a challenge to the council being able to continue as at present
- However, there is not a requirement to jettison all that has gone before and the council clearly wants to continue to be ambitious
- ‘Future Eastleigh’ has been launched, outlines why change needs to happen and draws together a number of themes key to the future of the council
- There is a challenge in balancing a ‘sense of urgency’ and driving change with involving and engaging people in the organisation
- Financially, 2016/17 represents a key year – with a need to address a gap cited as being £1.75m
- It is important for the council to establish clarity regarding the size of the financial gap over the medium term
- The time available to the council to address the gap is diminishing quickly
- The risks resulting from the council’s prudential borrowing, in the form of interest rate rises, need to be carefully managed – which the council is aware of

Shaping up for the future

- The council is currently developing its corporate plan, which must determine clearer priorities for the authority
- This process is likely to expose an issue around local people's 'wants' relative to their 'needs' and what they have become accustomed to relative to what the council has a responsibility to deliver
- 'Commercialisation' is widely talked about in the organisation as a way of continuing to protect against increasing austerity – but it will not represent a panacea
- The commercialisation agenda needs to be more clearly defined and communicated:
 - Efficiency and being more 'business like'
 - Income generation
- In relation to income generation, there is a need to assess what can realistically be achieved and thus determine where to focus effort
- In applying that effort, the council will need to invest in greater capacity than it currently has, involving both sourcing external expertise and developing existing people's skills – 'invest to save' and 'invest to grow'
- As regards efficiency and being more 'business like', there is a need to establish a strong corporate centre in the council that supports and enables the desired changes
- Such a corporate centre needs to significantly enhance the council's approaches to:
 - Business planning and performance management
 - Business intelligence
 - Organisational development and change management
 - Project and programme management
 - Service change including digitalisation
- Doing so will help to reduce the threat to services to residents
- This shift will involve a re-balancing managerially of the external focus and devolved ways of working with a co-ordinated and corporate approach to addressing the council's strategic challenges
- Within this, there is a recognised need to review the council's management structure
- For the council's elected membership, there is a need to balance local focus and decision-making with recognising and addressing the strategic challenges being faced
- This is not a challenge to the local area model, rather it is saying all councillors need to be enabled to, and ensure they are, playing a full role in helping the authority to function even more effectively going forward
- As the council looks to progress, there is a requirement for greater internal challenge and increased accountability
- The 'Future Eastleigh' programme is not yet providing people within the organisation with a clear sense of direction nor the opportunity for people at all levels to contribute and be involved
- The way the programme is being managed, which is designed to broaden involvement managerially, appears actually to be causing some confusion and uncertainty, duplication of effort and lack of join-up
- At this time of inevitable uncertainty and anxiety, people are seeking even greater leadership – responsibility for delivering this needs to be more widely shared and those leaders need to be more visible across the organisation

- The council has favoured internal recruitment and progression in recent years but the future requires this to be balanced with bringing in new skills, talents and experiences – which the council recognises
- This needs to be informed by an understanding of what the council's workforce needs will be going forward
- Taking forward some 'quick wins' to address sources of frustration for staff would help at this time of change
- Many partners spoke positively of their experiences of dealing with the council but for some it becomes 'patchy' below the senior leadership level
- Whilst the council has ambitions to regenerate Eastleigh town centre, partners are unclear as to what this entails