

Nick Parry
Chief Executive
Stevenage Borough Council
Daneshill House
Danestrete
Stevenage,
Hertfordshire
SG1 1HN

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Dear Nick,

Stevenage Borough Council - Corporate Peer Challenge

On behalf of the peer team, I would like to thank you for inviting us to deliver the recent corporate peer challenge in Stevenage Borough Council (SBC). It was a real pleasure and the team felt privileged to be allowed to conduct its work with the support of you and your colleagues who were open and engaged with the process.

Corporate peer challenge is part of the new approach to sector led improvement and you asked the team to provide peers perspective across the areas of:

- Your plans for improving the relationships and engagement with your citizens, organisations and businesses through the development of your Cooperative Council principles.
- To challenge and feed into your approach to Priority Based Budgeting and your future plans for financial and organisational resources
- To assess and contribute to the development of your 'Forward Together' transformation programme, looking at how you are building capacity to deliver your future priorities

To do this the peer team considered the ability, resilience and capacity of the council to deliver its future ambitions by looking at the core components that all corporate peer challenges cover:

1. Understanding of 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?

It is important to stress that this was not an inspection. Peer challenges are improvement focused and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement plans. The peers 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.

This letter provides a summary of the feedback that was presented at the end of our recent onsite visit. In presenting this the peer challenge team has done so as fellow local government officers and members, not professional consultants or inspectors. Our intention is to provide recognition of the significant progress Stevenage Borough Council has made while also stimulating debate and thinking about future challenges.

Key conclusions

There was palpable pride in Stevenage linked to its new town heritage and the council has a strong record of achievement with examples of particular note such as the Business and Technology Centre (BTC) which is the primary innovation and technology centre in Hertfordshire.

There is a strong demonstration of the desire and aspiration for growth in Stevenage and the council and its partners really want to take the town forward. This aspiration is supported by strong political leadership and clearly articulated political priorities with a corporate plan and community strategy in place.

The local ambitions, however, need to be realistic and seen in the wider context and the vision should be a driver for delivering growth in the town engaging with partnerships such as the Local Enterprise Partnerships (LEP) maximised to enable this to occur.

Sitting behind all of this are the skills and aspirations of the community and particularly the next generation. There were good examples of strong links into the skills base such as the North Hertfordshire College and the Da-Vinci schools with SBC having a clear understanding of skills as a strategic issue, but the attainment gap within Stevenage is still an issue to address and there is a danger that the people of Stevenage will not be able to access the opportunities available.

Local priorities need to be seen within the wider Hertfordshire and National context. SBC has a slightly paternalistic culture. There is an opportunity to strike a balance between its local pride and historic tradition and its desire to move forward and grow.

To deliver this the council needs to step back and reflect on its many priorities. As with many council's, it attempts to deliver too much. The team received evidence of lots of good examples of strong political leadership from the Leader and her Executive. But there is a need to manage political expectations and understand that the Council does not have the resources to deliver everything at once.

The council has great people and many creative ideas, but there are too many priorities and a tendency to over complicate things. SBC needs to step back and review the priorities to ensure that they are focussing on the key issues for your community.

The senior leadership of Stevenage is well regarded. The Chief Executive, along with his strategic management team, and the Leader work well together and they are engaged, on a local, regional and national level.

The council is however facing some significant change and it should ensure it plans for and is fully prepared both politically and managerial for 2015. The Forward Together transformation programme provides a significant opportunity to deliver transformation across the council. SBC should launch the programme, in partnership with Members, develop a clear set of projects that are fully resourced, managed and well communicated throughout the organisation.

The programme could also be widened to include the following work streams:

- Leadership and management
- Lean management and organisational design including customer transformation and channel shift
- Service planning, performance and learning
- Eliminating waste and bureaucracy
- Understanding and valuing each other
- Trust and personal accountability

SBC has a strong approach to financial management and its approach to Priority Based Budgeting has enabled the council to keep Members, staff and Voluntary and Community Sector (VCS) partners well informed.

There is clearly a strong, trusting relationship between Members and senior finance staff, with a track record of making savings and good financial management. This trust and strength should now be used as platform to allow mature, open discussion about the council's future savings agenda, its ability to deliver discretionary services and the consideration of delivering and influencing services that the county or other sectors could better deliver on their behalf.

The council should ensure that it has stronger focus on reducing costs to make savings from all internal services and be more commercially minded. It needs to explore all options for cost reduction such as more sharing with other councils, reducing paper and bureaucracy, management delayering, new and flexible ways of working, benchmarking and increasing productivity.

The council's cooperative principles are to be celebrated. The strong sense of community in Stevenage means that cooperative principles will work and serve the community well. The strong political commitment and the work to date means the council is well placed for the future.

SBC needs to ensure that it clarifies its cooperative message to ensure that all services within the council fully understand their role and how they can enable and support the community and VCS partners to deliver. The council also needs to ensure it delivers on its commitment and relinquishes control of services where that might be appropriate to fully enable its residents and VCS partners to design and run them.

The council is well placed to address this challenging agenda. It is well grounded and understands its community, it has a strong willingness to learn and deliver services that are right for the people, together this provides great prospects to exploit the opportunities available throughout the borough.

Local context, vision and priorities

The palpable sense of pride in Stevenage and passion that spans the council and the community, linked to its new town heritage, is evident throughout the borough.

With a clear set of well-grounded and understood political priorities to deliver:

- A Vibrant Town
- A Quality Environment
- An Excellent Council

Comprehensively detailed in the councils corporate plan, which are supported by the Community Strategies nine priorities under the three themes of:

- Healthy Economy
- Healthy Communities
- Healthy People

Coupled with excellent opportunities for growth and economic development with internationally renowned businesses choosing to locate in Stevenage. The council is well placed to deliver on its desire and aspiration for its community and to really take the town forward.

The council has some great people and was referred to the peer team as a caring and positive council with “a heart of gold”. The VCS is supportive and fully aware of the challenges faced by local government and the wider public sector.

This provides a strong platform for the future, however, there is somewhat of a clash between the Stevenage of the future and Stevenage the current place. There is a tendency to look back on its history and tradition and the peer team urge the council to set a clear organisational vision that drives transformation and ensures the council is fit for the future.

Local priorities need to be seen within the wider Hertfordshire and National context. SBC has a slightly paternalistic culture. There is an opportunity to strike a balance between its local pride and historic tradition and its desire to move forward and grow.

To deliver this the council needs to step back and reflect on its many priorities. As with many council's, it attempts to deliver too much. The team received evidence of lots of good examples of strong political leadership from the Leader and her Executive. But there is a need to manage political expectations and understand that the Council does not have the resources to deliver everything at once.

For example the ambitions for the regeneration of the Town Centre are to be congratulated. However, the council should ask itself whether they are overly ambitious and whether

smaller more manageable projects would over time deliver a more successful and achievable outcome?

The skills and aspirations of the community and particularly the next generation are crucial to the Boroughs success. There are good examples of strong links into the skills base and a clear understanding of skills as a strategic issue, but the attainment gap within Stevenage is an issue to address and the peer team did not receive a clear understanding of why education attainment is poor. We urge you to continue your work in this.

The commitment to consultation across the council was extremely positive and it is well grounded within its community. The next stage of this work is to move from consultation to engagement and co-production, to enable the Stevenage community and VCS partners to take on and deliver your cooperative council principles of designing and running services.

Governance and Decision Making

Executive and Scrutiny members were all complimentary of staff. The scrutiny officer, those supporting cooperative projects and housing staff were highlighted as particularly positive examples of supportive working.

Although the council has a strong majority Members are keen to work across party boundaries and the work on Priority Based Budgeting was considered good practice in order to ensure political buy-in.

The Leaders Strategic Priority Group was also commended and has led to the Executive being confident that it can make difficult decisions. The peer team urge the council to deliver on this commitment and to make those tough decisions to enable the council to achieve its desired savings and balance its budget.

Scrutiny members were clear about their role and there was a well-balanced approach to overview and scrutiny with a good mix of challenge, task and finish activities and policy development. They explained confidently the process for work programming and advised that the majority of recommendations submitted to the Executive were accepted.

Throughout the peer challenge the team received information that there was significant unnecessary bureaucracy. This requires resolution and we encourage both senior Members and Officers to focus at a strategic level and empower staff to make the appropriate decisions fully utilising the delegation protocols that are already in place.

In view of the stark financial climate it would seem sensible to review this as a matter of urgency. Whilst the potential for savings is limited, an efficient decision making process will free up time and enable the organisation to focus attention on key challenges.

Some of the select committees use expert knowledge, but not all. Some of the chairs expressed a desire to do the same which suggests that learning and best practice from within the scrutiny cohort is not shared. The support provided to scrutiny members was commended. Consideration could be given to utilising the information prepared for scrutiny members, such as benchmarking and learning, across the organisation.

To help deliver its ambitions for growth and economic development, the council may want to consider establishing an informal regeneration partnership. This would bring together partners and interested parties such as the Homes and Communities Agency, Hertfordshire County Council, North Herts District Council and other LEP partners and provide the opportunity to informally discuss ideas, suggestions and to understand potential barriers. There are examples across the UK where this is successful such as the Thames Gateway Partnership in London, Kent and Essex.

Political and Managerial Leadership

It was evident that there was strong, clear and well-articulated political leadership who are effective advocates at a local, regional and national level.

The consistent and stable political direction, based on community views, enables the council to focus on its community and not on internal issues.

This strong political leadership must be matched by robust managerial leadership, so that there can be healthy discussion around the pros and cons of specific projects. It was clear that relationships between Members and officers are good, which should mean that open and honest discussions can take place and agreement reached and what should be delivered and more importantly what should not.

The senior management are also well regarded and are building relationships outside the Borough boundaries. Whilst conducting the peer challenge one senior officer was supporting another council within the East of England region on a recruitment project.

The council needs to fully prepare for post 2015 when key senior figures may move on.

SBC needs to start now and link this to its transformation plans. There is a clear deadline for the transformation of services which has the potential to save money, without impacting on front line services to residents. But this will only work if it has clear leadership and the active buy in from both Members and officers. This is a big opportunity to align the structure of the organisation with its mind-set and make it fit for purpose and fit for the future.

The Hertfordshire Local Enterprise Partnership is a business led organisation aiming to make Hertfordshire the ideal environment for businesses to flourish. Stevenage plays a key role in the growth of the county and it should fully exploit its position and the strategic opportunities available. The new approach to the Local Plan provides another opportunity to move from an adversarial to an evidenced based approach and help Stevenage, who can subsequently help their neighbouring councils, deliver on their housing commitments.

We urge the council to keep it simple and not to overly complicate solutions to basic issues. The Forward Together programme is one example. Going forward there is an opportunity to focus on delivery and action rather than branding and complex project management. Another example is the council's performance management system. SBC may wish to review the [LG Inform](#) system which is the LGA's benchmarking data system for councils.

The peer team understand the desire to keep services in house but there is a need to take a hard look at what and how services are provided. Take a reality check, look at what other councils are doing or have done and ensure you maximise opportunities for cooperation and reduce your organisational risk by relinquishing control. The landscape is changing and it is important to reflect on that when moving forward, whilst sticking to your principles.

Cooperative Council Principles

There is a strong pride in Stevenage from Members and officers who all acknowledge the strength of feeling. Apprentices valued their communities and the resident's survey also confirms this. This puts Stevenage in a good place and if the principles of a Cooperative Council are going to work, they are going to work in Stevenage

The vision for the cooperative is clear. Staff at SMT level and above understand and are clearly committed to the concept. There is a good range of examples of cooperative working. The Cooperative Council was seen as a Member led process with a number of Members and officers stating that the cooperative approach was not new in Stevenage.

Engagement with citizens is strong. Member's community representative role is clearly embedded and, encouragingly, appreciated and acknowledged by officers. This has also given rise to a number of cooperative activities such as Archer Road.

In terms of challenges, 3 key messages stand out. On the one hand, the organisation wishes to continue to support its residents directly but emphasises through its cooperative vision the need for residents to design and possibly help deliver services. The Council needs to give some clarity to which services it wishes residents and local organisations to assist with. In addition, the very good work that has been undertaken needs to be shared across the organisation to encourage further innovation.

There are good examples of cooperative working such as:

- [Stevenage Business & Technology Centre](#)
- Community Centre review - centres were reviewed for condition and location and some were released for community use
- Community conference - set up in response to welfare reform and Spare Room Subsidy. People were matched with volunteers and mentors
- Green space volunteers and mentors in anti-social behaviour team

The profile of the Leader and the clear vision for the Cooperative principles coupled with the support from VCS partners who "really value the council" is an exceptionally powerful message that needs to be exploited.

SBC is open to learning as evidenced by the PBB based on approach developed by Aberdeen and the corporate peer challenge suggests a willingness to learn and develop

There is however a need to ensure broader understanding. Some staff struggled to explain how cooperative working applied to their service area. There is a need to capture learning from existing activities. This will not only capture best practice but promote the very good work currently being undertaken.

The co-operative leaflet sets out SBC's new approach to working with its citizens. However, the clear message throughout challenge, and in the response to the residents' survey, suggests a more traditional approach to service delivery. Both officers and Members seem happy with this, but it is a contradiction and could jeopardise, or at least slow progress, with cooperative working.

There is a need to urgently progress and deliver tenant involvement. This has been delayed for over a year and could undermine cooperative working in view of the significance of engaging and involving citizens.

The team strongly urges SBC to draw on VCS and exploit the key business opportunities that the Borough provides. The fact that the VCS really values the council is a powerful message. Utilising the skills and commitment of VCS will help deliver the cooperative agenda. The team remained convinced that business opportunities could be further maximised. An example being assistance with developing a more entrepreneurial approach and maximising technology. With the profile of the companies situated in Stevenage this could reap significant dividends.

Financial Planning and Priority Based Budgeting

The council has a strong approach to financial management and the approach to Priority Based Budgeting (PBB) has enabled Members, staff and VCS partners to be well informed on the financial challenges faced by SBC.

The PBB has kept Members well informed when making financial decision and there is a strong degree of trust between Member and officers. This provides a good platform for ensuring that the process is jointly owned by both Members and officers.

The clear process for Member involvement within the PBB has enabled an emerging agreement to £3m savings with a clear steer to increase fees and charges, increase tax and reduce service as a last resort, the council should now be clear about which areas increasing income will yield net increase revenue.

There are very good examples of small scale project work funded by community budgets or small cash injection having significant impact on residents and quality of life e.g. youth work, 'no more' project. The council should share this practice and use this learning to further develop the Co-operative Council approach.

There is a need to ensure that the overall vision of the council links to how the budget is set and to fully resource the councils priorities of creating jobs, economic development, housing and the regeneration of the town centre.

The council needs to be sure that providing services internally is delivering the best possible services for local people, giving them the best outcomes and delivering value for money (VFM). This means, that irrespective of the delivery model, the council needs to continue to benchmark and test all services are having the most positive impact on local people.

There are examples where a mixed economy of provision is working e.g. Housing – with large contracts in partnership with private sector; and in Leisure through the Stevenage Leisure Trust. The Council should look to learn the lessons from these approaches to improve services as there are examples where core services to vulnerable people could be improved such as improving the times to process benefit claims and achieving the decent homes standard

A number of staff have identified that there are still savings to be made from a range of internal services either through more sharing with other councils, new ways of working and being clear about industry norms. Some staff stated that compared to some SBCs is not as ruthless as others about costs and that there is still a fair bit to give. There is a belief that there is further opportunity for management delayering and that productivity can be improved. The council fully recognises that it needs to reduce its bureaucracy and reduce the amount of paper and form filling.

Stage 1 of the Asset Management Review (AMR) has been completed and there remains developer interest in borough. Maximising the value of SBCs assets remains a potential source of additional income, both capital and revenue and so it is important to prioritise this work both with focus and resources moving forward.

The Council has identified further opportunities to explore commercialisation and joint working e.g. building control that can bring in revenue or reduce costs, business rates pooling. As part of the on-going benchmarking process, there remains opportunities to further commercialise services and also to review contractual arrangements to ensure VFM is being achieved, through transparent open book processes

Organisational Capacity – Forward Together programme

The Council has identified the need to deliver a transformation programme with a key element of culture change across the organisation, to date, due to a range of other key projects, it has only had limited impact across the council.

SBC has a strong ethos and history of delivering services that the community value and should build on this going forward. It has invested significantly in organisational infrastructure with new teams and systems in place. SBC needs to ensure that investment in areas such as ICT and HR are based on the need to deliver the priorities of the council and have a clear business case. This will help ensure that support services are not process driven, that they do not create additional bureaucracy and become 'mini industries'.

There are well regarded member development and management development programmes in place such as the Modern Member and Management & Leadership Programmes

There remains a significant opportunity to deliver transformation across the council by launching the programme in partnership with Members. It should be carefully programme managed with a clear set of projects that are fully resourced and well communicated throughout the organisation. The programme needs to be properly resourced and additional capacity should be found to ensure this isn't an add-on to the day job for those managing projects.

It should, however, not be overly complicated and the message of keeping it simple should be applied.

The peer team believe the programme could be widened to include a range of projects and work streams, the key elements of which could be:

- **Leadership and Management** by focussing on new ways of working such as commissioning and commercialisation to ensure that supports the Co-operative Council approach and delivers VFM; negotiating and influencing skills – both internally and externally to support key relationships
- **Lean Management and Organisational Design** through management delayering including organisational design, job family modelling and spans of control
- **Service Planning, Performance and Learning** by reviewing the service planning process to enable a consistent and simpler approach across the council to planning and performance; this should ensure a consistent approach to benchmarking and VFM, therefore ensuring the services are as effective, efficient and well managed as possible. Improving learning across the council by better sharing and creating cross service task groups.
- **Eliminating Waste and Bureaucracy** by prioritising lean reviews on the identified priorities and having clear sponsorship at Director level to eliminate waste and failure demand e.g. Reducing paper and form filling, improving HR support and reducing Avoidable Contact which is at 24% as recorded by the Customer Service Centre
- **Understanding and Valuing Each Other** across both the Member and staff cadre is core to clearly understanding, through establishing a set of core values and the role that Members and officers play in setting priorities and delivery
- **Trust and Personal Accountability** by pushing decisions down to the lowest level, not pushing decisions up and supporting managers to support staff when some things go wrong, which they will. This should include giving managers the skills to manage performance
- **Communications** having a consistent and clear dissemination and communication strategy including the Cooperative Council approach and training to staff
- **Customer Transformation Project** to reduce avoidable contact and support residents who are able to move to new ways of communicating and engaging with the councils such as social media, online transactions and self-service.

Moving forward - suggestions for consideration

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

1. Further develop plans for 2015 and consider what the future of the council looks like.
2. Link this into the councils Forward Together transformation programme and remember to keep it simple and do not overly complicate solutions to basic issues
3. Set a clear organisational vision that drives transformation and ensures the council is fit for purpose
4. Ensure decisions are made in the right place and quickly assess decision making in the context of reducing bureaucracy
5. Clarify the co-operative message and further draw on the expertise of the Voluntary and Community Sector
6. Have a stronger focus on reducing costs and increasing income and satisfy yourselves that providing services internally is delivering the best outcomes and value for money for local people

We have attached a set of slides that summarise the above feedback. The slides are the ones used by the peer team to present its feedback at the end of the onsite visit.

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. In particular the LGA is able to offer an improvement and prioritisation workshop to the council to take place sometime after this letter is received by the council. I look forward to finalising the detail of that activity as soon as possible.

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 the 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 tel. 07795076834) and can provide access to our resources and any further support.

In the meantime, 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 for inviting the peer challenge and to everyone involved for their participation.

Yours sincerely
Gary Hughes
Programme Manager (Local Government Support)
Local Government Association
Tel. 07771941337
Email gary.hughes@local.gov.uk

On behalf of the peer challenge team:

- David Marchant, Chief Executive - Castle Point Borough Council
- Cllr Caitlin Bisknell, Leader High Peak Borough Council
- Andrew Seekings, Corporate Director Resources - Allerdale Borough Council
- Dave Burn, Head of Democratic Services and Scrutiny - London Borough of Lambeth
- Liz Stevens, NGDP Alumni – London Borough of Enfield

Appendix 1 – Feedback slides