



New Forest District Council – LGA Corporate Peer Challenge Summary report - Follow up visit, 5th & 6th February 2019

1. Purpose

Following the LGA Corporate Peer Challenge in October 2017, the Council asked the peer team to make a follow up visit approximately 16 months later to help review and assess progress and developments in response to the recommendations made. This report summarises the main observations of the peer team during the follow up visit in February 2019.

2. Process and peer team

Peer challenge is one of the key tools to support sector-led improvement. It is tailored to meet individual councils' needs, and designed to complement and add value to a council's own performance and improvement focus. The peer team provide feedback as critical friends, not as assessors, consultants or inspectors.

The peer team for the follow-up comprised members of the original team as follows:

- **Lead peer** – Dorcas Bunton, associate peer (formerly Chief Executive, Derbyshire Dales District Council)
- **Member peer** – Andrew Proctor, Leader, Norfolk County Council
- **Senior officer peer** – Mark Green, Director of Finance & Business Transformation, Maidstone Borough Council
- **LGA challenge manager** – David Armin

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 during their visit to New Forest on 5th to 6th February 2019. To inform their findings, the peer team reviewed some key documentation in advance. During the visit we spoke to some 35 members and officers of the Council, in both interviews and themed group discussions to consider progress.

In exploring that progress, our discussions followed some broad themes which reflect the recommendations made following the 2017 peer challenge:

- strategic framework and alignment with financial plans
- alternative delivery models to achieve objectives
- using ICT to support change
- engaging and empowering staff
- planning for the future of the District
- relationships with New Forest National Park Authority.

Once again we were made welcome and people were open in sharing their experiences with us. We believe this has enabled us to provide a useful snapshot of

both the real progress made by the Council and some challenges that remain. We would like to thank you for inviting us back to New Forest and trust that our feedback helps inform future improvement and development.

3. Progress made

Prior to the October 2017 peer challenge the Council was already laying the foundations for future improvement and changes in the way that it works, for example in establishing a new Executive Management Team. However, the peer team consider that the pace and extent of change over the last 16 months is impressive. Of particular note is the greater corporate priority given to Local Plan work, with the submission copy being published in November 2018 in advance of consideration by the Inspector; Housing strategies have been agreed and significant investment made in the ICT infrastructure, which is now supporting the roll-out of smarter, more flexible working. We noted a continuation of the close, positive working relationships between members and officers we had seen previously. Task and Finish groups reporting to the Overview & Scrutiny (O&S) Panels are being used to engage a wide range of members in developing the Council's future direction.

The progress made by New Forest since the 2017 peer challenge can be summarised as follows:

Strategic framework and alignment with financial plans

A corporate framework has been developed that articulates how the Council's priorities will be delivered and identifies the strategies to support this. These linkages have been summarised in diagrammatic form. The Organisational Strategy has been updated. Housing is a priority for the Council's leadership and communities across the District and this is now reflected in an agreed Housing strategy and draft Housing allocations policy and in the final draft Local Plan. There is a better worked out medium term financial plan (MTFP) which enables a balanced budget over the three years from 2019-20, investment in key areas and the delivery of corporate priorities. However, the MTFP is dependent in part on the commercial and residential property strategy which inevitably brings some risks. The Council's s151 officer is now a member of the Executive Management Team, enabling him to be involved in discussion of the financial implications of strategy development at an earlier stage.

Alternative delivery models to achieve objectives

A particular example of this is the ongoing fundamental review of the Council's five health and leisure centres. This has drawn on external expertise, learning from a soft market engagement exercise and the work of a member Task and Finish group set up by the Community & Leisure O&S Panel to consider options. This has concluded that an external partner should be sought to operate the centres on behalf of the Council. A formal tender exercise is now underway, with appropriate project management and stakeholder engagement arrangements, which will ascertain if a suitable partner can be identified and enable a decision on the way forward. Alongside this exploration of future options, the Council's management of the Health & Leisure Centres has enabled a savings target of £600k to be identified through an operational review.

The Council appears to be more open to learning from elsewhere than previously. In addition to the use of external expertise and learning from the experience of other authorities as part of the Health & Leisure review, we heard for example of the

learning from Winchester City Council which has informed the development of Housing strategy and policy, including in respect of homelessness. New Forest is establishing a property holding company to help achieve its ambitions to provide more affordable housing.

Using ICT to support change

The Council has invested £1 million in new ICT infrastructure and devices to support smarter working, both in the office and remotely. A Smarter Working Project is underway to introduce more flexible working. This has already enabled the Revenue and Benefits team to be relocated to the Council's main Appletree Court Offices from Lymington Town Hall (where the space released has been rented out to the Police and third parties). The re-designed office space at Appletree Court for the Finance teams is being used to showcase how a modern office can support more flexible working within an improved environment. Work is underway to refurbish more office space at Appletree Court, but the design of much of the building will constrain the extent of further refurbishment.

At the time of the October 2017 peer challenge, ICT was a source of real frustration to many staff – now it is seen as a key enabler. The Council sees flexible working as providing benefits in terms of financial savings; increased productivity; more choices for staff to help improve work-life balance (and aid recruitment and retention) and improved service to meet the changing needs and expectations of customers. To date, the main benefits experienced are in terms of increased staff choices (which is helping buy-in to the new ways of working) and better productivity in response to reductions in headcount. Improvements to customer experience and service access are less developed at this stage, although ICT is helping outreach in some services such as benefits advice. Significant re-design and re-development of the Council's website is seen as key to improving customer experience. However, New Forest feels that the underpinning systems and back-office arrangements need to be enhanced first before the website can become more transactional, providing digital access in accordance with users' preferred ways of interacting with the Council.

Engaging and empowering staff

The Council established an Employee Engagement Forum in 2018, to provide a more informal environment to engage with staff than the existing Employee Engagement Panel (which brings together Trades Union representatives and the political leadership). The Forum meets quarterly and is made up of up to 30 staff who have volunteered to represent their service area. Senior managers attend to discuss issues raised. The introduction of new technology and the smarter working initiative has been an area of focus for the Forum. Staff on the Forum believe that it does make a difference – for example in increasing communication around the smarter working initiative.

The intranet (ForestNet) is also being used to enhance communications with staff – in particular the Q&A facility used to support the roll-out of smarter working and associated blog posts. A video of the Leader and Chief Executive's annual staff briefings is available on ForestNet for staff unable to attend in person. Visits to the frontline by senior managers (such as the Chief Executive doing a shift with refuse workers) has raised their visibility among a number of staff groups. Taken together, these measures make a number of staff feel more engaged than previously. But more can still be done to widen engagement across more staff groups – in particular

those away from the main offices – and the progress made in improving communication and engagement needs to be maintained.

The Council has reviewed its Contract standing orders and Financial regulations with a view to increasing staff empowerment through raised thresholds for decision making. However, from our discussions with managers and staff it seems that they are feeling more empowered through the opportunities presented by more flexible working and other shifts in the organisation's culture. Reference was made to a more business-like approach, where additional resources can be made available on the back of a convincing business case and the sense of an organisation in transition where new ways of doing things can be considered.

Planning for the future of the District

Increased corporate priority and focus has helped accelerate progress in the review of the Local Plan for 2016-2036. The revised Local Plan was submitted to the Secretary of State for public examination on 1st November 2018. The timetable for public hearings is not yet set, but the Inspector's report is expected by late 2019 which should enable adoption of the Plan in early 2020. The Plan identifies the need to deliver 10,500 new homes over the plan period (equivalent to an increase in annual build from 192 to 525 homes). This will present a significant challenge and the planning service has been strengthened, including the recent appointment of a new Head of Planning.

Alongside the new Local Plan, the profile of Housing has been raised to reflect its priority to the Council and importance to local communities across the District. As noted previously, new Housing and Homelessness & Rough sleeping strategies have been agreed and a revised Allocations policy agreed for public consultation. Resources for Housing have been increased, with £100 million identified in the MTFS for the period up to 2022. The Council has an ambitious strategy to deliver a minimum of 600 affordable homes by 2026, to help local people remain and thrive in the District – including within the area of the National Park.

Relationships with the New Forest National Park Authority

Relationships with the National Park Authority (NFNPA) are important – the National Park covers 71% of the District and the NFNPA is the planning authority in this area (although the majority of the population of the District live outside the park area). The Council needs to work effectively with the NFNPA. For example, in addressing challenges in respect of affordable housing within the National Park area.

The Council has given attention to how to improve relationships with the NFNPA. In February 2018 the Council made proposals to strengthen working relationships with the NFNPA, including an informal forum for engagement between members of the Council and the NFNPA and a shared planning service under one Head of Service. These proposals were not adopted by the NFNPA, but the Council reports that relationships with the NFNPA have improved, with some good examples of working together around particular issues. These include promoting economic development with the National Park while preserving environmental value, meeting the need for more affordable housing and in developing the Totton & Waterside Forum to facilitate growth in this area, including on the former Fawley Power Station site. This has the potential for 5,000 new homes – a major contribution to the Local Plan target. Given the importance of relationships with the NFNPA, both members and

officers should continue to give attention to how to improve these further, including engagement at member level outside of formal governance arrangements.

4. Areas for further consideration

There are some issues to which the Council should give further consideration, to sustain and build on the substantial progress it has already made.

Greater attention should be given to articulating what the Council of the future will look like. There will be some uncertainty around this – given the potential impact of external factors and changing public expectations. But whilst staff know that the Council is changing and on a journey, a clearer understanding of the destination and the stages on the way will help ensure continuing positive engagement with the organisation's transition.

A particular case is the need for more clarity about next steps for ICT and smarter, more flexible working arrangements. This should include more information and communication on the roll-out to staff across the Council. Inevitably this will need to be done in stages, but those not yet benefiting from flexible working arrangements or based elsewhere than Appletree Court will want to know when they will be part of the programme. Attention should be given to how ICT and smarter working can realise benefits to the customer, from the website refresh onwards and what will be the key success measures.

Although it has engaged with residents around major service and policy developments, and intends to do so in future, New Forest has not systematically consulted with residents in setting the priorities for the Council and its future direction. The peer team believe this could be helpful in ensuring that the Council's priorities continue to reflect those of local communities; that it is engaging with the full range of residents (including those who are hard to reach or otherwise reluctant to come forward) and taps into a source of new ideas and perspectives. This is something the new administration may wish to consider following the May 2019 elections.

Corporate performance measures and targets should be reviewed, in terms of relevance to the Council's priorities and ambition to drive improvement. For example, some key performance measures have exceeded targets for the past few years. An element of stretch would signal the ambition to improve, which should be facilitated by the Council's new ways of working.

After increases in the Council Tax, the commercial and residential property investment strategy is the main element in addressing the funding gap after savings in the MTFS in the period up to 2022 – a cumulative contribution of £750,000. The strategy needs further refinement and management and mitigation of the risks, given its key role in the MTFS.

New Forest has not undertaken a staff survey for several years. Notwithstanding the increasing attention given to engaging with staff recently, a survey would provide a further tool enabling all staff to have the opportunity to express their views and provide a 'temperature check' across the organisation which could be repeated at intervals. The Council may wish to tailor the survey to reflect the needs of different staff groups and working arrangements, for example depot and office based staff. The messages from such surveys can be challenging for leaders and managers, but if issues raised are responded to they can underpin the credibility of that leadership.

Moreover, they can provide reassurance of the progress made in developing a new culture and the positive impact of changes made.

5. Conclusions

Since the peer challenge in October 2017, New Forest has made significant progress and at pace. There is evident enthusiasm and positivity about the Council's direction from both members and officers and much that they can be proud of. This gives confidence that this progress will be sustained.

To underpin this continuing improvement, having done much to establish the necessary strategies and plans, the Council needs to ensure that these are living, working documents for delivery. Many of its ambitions for New Forest will be challenging – for example the delivery of new homes and more affordable housing. Appropriate focus, resources and tenacity will be required.

The Council needs to ensure that the necessary capacity is available for delivery. This includes in the critical area of ICT where expectations are high. The Council has entered into partnership arrangements to increase capacity in this area, but careful planning, prioritisation and support where necessary will continue to be required.

New Forest needs to maintain its focus on the changing needs of the customer, and ensure that its investments into ICT and new ways of working are utilised to meet these. Its vision and articulation of the Council of the future should show how it will continue to meet the needs of residents and other customers, what success will look like and provide the performance measures to demonstrate achievement.