

**REPORT TO THE MEETING OF THE EXECUTIVE – 6 FEBRUARY 2013**

**PORTFOLIO: OVERALL STRATEGY & POLICY DIRECTION**

**REPORT FROM THE CHIEF EXECUTIVE**

**SUBJECT: PEER REVIEW OF ROCHFORD DISTRICT COUNCIL**

**1 DECISION BEING RECOMMENDED**

- 1.1 To note the findings of the Peer Review and to agree the plan of action as outlined in appendix B.

**2 REASONS FOR RECOMMENDATION**

- 2.1 The Council invited the Local Government Association to undertake a Peer Review of the Authority in 2012/13 as part of the Local Government's Improvement Programme. Under previous external inspection regimes, the Council has been recognised as a 'good' Authority and under Investors In People has achieved the Gold Award.
- 2.2 Members have recognised the value in continuing to learn and improve the organisation, and hence the Local Government Association assembled a five person team comprising a Chief Executive and a Leader from other District Authorities, plus two officers from other Authorities and a Local Government Association representative, to carry out a review of the Council in November. A copy of the Peer Review team's findings is attached as appendix A.
- 2.3 It is pleasing to report that the Review team say many positive things about the Council. At the same time, we asked them to make some suggestions around areas where we were looking to progress and they have come forward with a number of suggestions on those.
- 2.4 The challenge is now to pick up on those areas. The schedule attached as appendix B attempts to do this and sets out a suggested work programme with key actions to address the issues raised, for Member consideration and approval.

**3 RISK IMPLICATIONS**

- 3.1 Inviting the Peer Review team into the Council represented a potential reputational risk for the Authority. However, the conclusions reached by the team endorse the reputational standing of the Council and provide a good basis on which to move forward.
- 3.2 The other key risks are either not to pick up on the points raised by the Peer Review team or to attempt to address them in ways that will not aid the development of the Council as an organisation.

**4 RESOURCE IMPLICATIONS**

- 4.1 The key suggestions outlined by the Peer Review team and addressed by the proposed action plan should not require additional resources as such. However, they may result in existing resources being used differently and/or diverted to alternative activities. A key message from the Peer Review is around getting the most out of the organisation and its resources for the benefit of residents, even though there is likely to be further budgetary restraint and a difficult economic climate.

I confirm that the above recommendations do not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

SMT Lead Officer Signature: \_\_\_\_\_

**Chief Executive**

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**Background Papers:-**

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.

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07 January 2013

Dear Paul

### **Rochford District Council - Corporate Peer Challenge**

On behalf of the peer team, I would like to say it was a pleasure to be invited into Rochford District Council to deliver the recent corporate peer challenge. 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.

You asked the peer team to provide a peers perspective and critical friend challenge on your plans and proposals for the future as set out in your Corporate Plan and associated strategies in order to help test and strengthen the current and evolving thinking.

You also asked the team to provide specific feedback on:

- The Council's approach to outsourcing and strategic partnership working;
- The contribution made by Elected Members, particularly with regard to their community leadership role and the function and impact of scrutiny;
- Capacity, succession planning and future leadership requirements
- Developing our housing strategy and ability to deliver housing.

To do this the peer team considered the ability, resilience and capacity of the council to deliver its future ambitions by looking at the councils:

- Understanding of the local context and priority setting
- Financial planning and viability
- Leadership and governance
- Organisational capacity

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 progress Rochford District Council has made in recent years while also stimulating debate and thinking about future challenges.

### **Key conclusions**

Rochford is a great place to live and is a well regarded council with positive officer and Member relationships. It is seen as an extremely good partner and has entered into and leads a range of significant countywide and more local partnerships. For a small council Rochford is regarded as 'punching above its weight'.

The senior leadership of Rochford, from both the Leader of the Council and the Chief Executive, is particularly well regarded. Comments were made to the team of how the CE is the 'heartbeat of the organisation' and this strong approach has made the council a very positive place to work which has been recognised by the highly acclaimed Investors in People Gold Award.

The council has a strong track record of achievement and is an innovator in outsourcing. This success is demonstrated by the high performance of its waste and recycling service which is one of the top performing in England and has been recognised with a national award. The adoption of its core strategy which demonstrated the councils commitment and resilience and the range of external contracts in place which include Leisure and Information Technology all contribute to the councils ability to deliver.

The council is now at a key point of its improvement journey and a 'step change' is required to address the future financial challenges and to deliver its priorities. Part of the council's ambition is directed to developing the wealth and prosperity of the area. This is important in order to guarantee the future performance of the local economy and to take advantage of the development opportunities presented by the London Southend Airport. The council also has an ambition to significantly increase the number of its housing and affordable housing units. Rochford therefore needs to clearly determine 'wealth, prosperity and housing' as a key priority within its corporate plan and adequately resource this area of work through identification of a member champion and a Head of Service Corporate Lead who will be responsible for delivering prosperity and the housing strategy.

In order to achieve its savings target, the council should consider a longer term approach to financial planning. Developing a 3 to 4 year programme of cost reductions based on the achievement of savings and efficiencies, increases in charges and income generation and providing opportunities for growth will put the council in a strong position going forward. The council should consider demand analysis and service transformation as an aide to achieving service improvements and efficiencies

As stated the council has a strong track record of achievement and for a number of years has been an innovator in outsourcing. However, a broader based commissioning strategy is now needed in order to identify and adopt new approaches and to avoid inertia.

The council has a wide range of outsourced contracts across a number of areas including waste and recycling, street cleansing, leisure and information technology. It could, therefore, benefit from developing a more corporate and more robust and joined up approach to contract management and procurement. It should also look to add new models of partnerships such as social enterprise, community based partnerships and more collaborative working to its current private sector base.

There are excellent opportunities to build on the already strong collaborative and shared working approach with your neighbouring district council, Castle Point. The highly regarded joint Local Strategic Partnership (LSP) and Community Safety Partnership (CSP) accompanied by other positive joint working arrangements such as the Rochford and Hadleigh Art Trail and the IT contract with three other local authorities provides a strong platform to continue to develop effective and productive collaborative and shared working arrangements.

The council also recognises that it wishes to provide quality services and to oversee quality development to support the future economy, clearly recognising the unique qualities of Rochford that make it a good place for work and for families to live. There is managerial and political buy in to delivering this agenda but there is a need to consider and clarify the role that Rochford, the place and the council, will play within the South Essex partnership network and its wider county role. The council should also look to develop a stronger partnership governance framework for South Essex building on the success of the Rochford and Southend Airport and Environs Joint Area Action Plan Forum and the opportunity that the wave 2 City Deals brings.

The council is well run but development is needed in two key areas. There is a need to invest in and develop an effective review and scrutiny function, which could involve joint review with neighbouring councils on big issues and the opportunity for member shadows. In addition the council could strengthen its community leadership role through improving its community engagement role and looking to work alongside parish councils and community organisations.

Rochford faces some significant challenges ahead and the peer challenge team were of the view that longer term planning for the funding shortfall by resetting the council's priorities, making decisions on future service provision and forms of delivery will require clear leadership going forward.

The council clearly recognises the need to plan for its future leadership requirements and to harness the potential within the organisation. There is, however, an urgent need to develop an organisational development plan for the future, identifying how the council intends to develop and support members to make some difficult decisions, how it will empower, develop and support staff to drive forward improvement across the organisation, how it will ensure it has sufficient senior management capacity to lead the process and how it will maximise the potential for partnerships solutions.

### Local context, vision and priorities

Rochford is a great place to live and the councils drive to make a difference to its people, its community, its environment and its local economy has delivered positive results.

The council has an up to date 'strategic triangle' of a corporate plan, medium term financial strategy and core strategy and the strong approach to partnership working through its joint LSP, CSP and the newly emerging Health & Wellbeing Board provide the council with a solid platform for improvement.

The council does need to be clear on its priorities. The council has many priorities that stretch the capacity of the organisation and are not sustainable. This is even more pressing for the council in the face of the imminent budget reductions. Ambitions need to be reined in and the council should select its core priorities and ensure these are aligned to available resources.

Clarity would be assisted by reviewing the current priorities within the corporate plan as part of the annual review and ensuring that the ambition for creating wealth, prosperity and housing is properly resourced through plan led budgeting and has appropriate senior management and political leadership assigned and accountable for the delivery.

#### Housing Strategy & Delivery

More detailed information on this area is provided in annex 2.

There is strong Member support for housing delivery and strategic housing in Rochford. Supporting this is a recently adopted Core Strategy and some positive outcomes from the engagement with Thames Gateway and South Essex on a sub-regional context with some efficiencies from joint commissioning already achieved.

The peer team, however, identified the need to prioritise this area and to fully engage partners to develop a plan and to deliver the priority of increasing housing and affordable housing units in Rochford.

There is a need within the council to co-ordinate and drive housing delivery through aligning the planning processes, the development of a housing delivery strategy and clear financial, asset and investment strategies. A reliance on planning, by itself, will not realise the council's ambition. A cross council team could drive this and present prospective development partners with a clear contact point and unambiguous message that Rochford is driving delivery.

Finally, the council should look to address the capacity and capability to deliver housing strategy. Strong leadership with appropriate organisational resources are required to achieve this challenging ambition.

#### Outsourcing and strategic partnerships

Future local government service delivery is undergoing major changes in response to significant financial pressures. Rochford District Council is in a strong position as a well regarded partner and with a strong record of outsourcing achievement in place. The strong partnerships with its neighbouring councils, Castle Point and Southend on Sea and within the wider Essex County in response to emerging challenges such as community safety, health and troubled families provide a solid platform for step change and improvement.

In terms of its strategic partnerships the council should consider and clarify the role of Rochford the place within the growth agenda and future economic development of South Essex. It should then complete the partnership mapping exercise it has commenced to

understand where the council can influence and contribute and where the council should cease its partnerships. Following this it should look to develop and refine the partnership governance framework for the South Essex area.

In terms of outsourcing, Rochford should look to build on its strong private sector outsourcing approach to date and the emerging good practice in terms of volunteering at the Rayleigh Mill and local guided walks and move to a broader based commissioning approach where it investigates various models of service delivery such as more shared and collaborative approaches to service delivery, social enterprise, parish councils and community based volunteering.

The introduction of a structured and corporate approach to service review and the further development of its systems thinking and demand analysis would also help achieve its savings agenda and improve service delivery. Developing a corporate approach to procurement and client management would be a first step to addressing this.

#### Organisational capacity

The peer team can not underplay the positive nature and the engagement from staff across the council. Rochford is a great place to work, recognised through its liP Gold Award, and the council has some rising stars who are energised, enthusiastic and are up for the challenges ahead. The council needs to harness the potential within the organisation. It should look to build the resilience of its staff through providing alternative ways of working corporately and internal development opportunities such as cross council working groups to drive forward corporate priorities.

The positive culture of the organisation is attributed to the strong leadership and in particular the contribution of the Chief Executive. Both the Chief Executive, and the leader of the council, are well regarded and the peer team received many comments about the openness and approachability in which they conduct business. This leadership demonstrates the positive officer/member relationships across the council.

If the council is to achieve its ambitions and manage capacity through building on its effective partnerships and develop additional joint working opportunities it needs to build the strategic and corporate role of its Senior Management Team and provide thinking space beyond the MTFS. There are significant challenges ahead and the council needs a focused and unified, strategic and corporate approach to delivering its priorities.

#### Financial Planning

The council has a robust medium term financial strategy with a four year view. The underlying financial position is understood, members recognise the challenges to be addressed and there was a positive Audit Commission view.

Members are also appreciative of the management, presentation and explanation of the council's finances.

The peer challenge team propose that the Corporate Plan and the MTFS are explicitly linked and work closely together over a 3-4 year period aligning council priorities with the resources to deliver these

The MTFs needs to be followed and a three to four year savings plan to address the funding issues ahead should be developed now. Savings should be secured by a variety of means including: new forms of service delivery, service transformation, use of assets, efficiency savings and through exploring new opportunities for income growth. The council can build on its system thinking work and look at demand analysis to further achieve its savings agenda and improve service delivery.

#### Governance and decision making

The council asked the peer team to look at its scrutiny and review function and the wider community leadership role. The peer team recognise that significant effort has been put into to developing this function and that the senior leadership are engaged in the review committee.

Training has been delivered to review committee members and Review and scrutiny actively used for developing new members and that an opposition member chairs the committee. This is to be commended.

The peer team, however, ask the council to review the effectiveness of the training provided and to seek to understand the outcomes delivered by the review committee in supporting the council achieve its priorities.

The council should continue to invest in and further develop effective review and scrutiny by:

- Reviewing the size of the committee – could more members be involved?
- Reviewing the work programme – does it cover the corporate challenges and does it review performance and finance?
- Undertaking joint review – are there opportunities for joint review of shared partnerships?
- Developing and clarifying the relationship between Audit and Review

Heads of Service and managers from across the council should look to support this drive and actively engage in the review and scrutiny function.

#### Political and Managerial Leadership

The Capacity, succession planning and future leadership requirements for Rochford District Council was another area of focus for the peer team. The council clearly recognises the value of its staff and members and as stated throughout this letter the senior leadership is effective and well regarded by partners. There is, however, an urgent need to develop an organisational development plan for the future identifying how the council intends to develop and support members to make some difficult decisions, how it will empower, develop and support staff to drive forward improvement across the organisation, how it will ensure it has sufficient senior management capacity to lead the process and how it will maximise the potential for partnerships solutions.

#### **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. The council needs to give urgent attention to focussing its corporate plan so that it clearly sets out its core priorities which are matched to available resources.
2. Address future challenges and priorities by undertaking medium term (3-4 year) financial planning linked to corporate priorities and ensuring that the wealth, prosperity and housing strategy is clearly articulated, led and has sufficient capacity to deliver.
3. Adopt a broader based commissioning strategy and develop a more robust, 'joined up' approach to contract management and procurement
4. Consider and clarify the role that Rochford, the place and the Council, plays within the South Essex partnership network and review current arrangements on partnership working with a view for these to be reset to support delivery of the council's priorities
5. Continue to develop the partnership agenda with Castle Point and then later Southend
6. Strengthen the Review and Scrutiny function to enable the council to make difficult decisions
7. Develop a capacity and succession plan to manage the strategic risks

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 some time 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](mailto: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

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On behalf of the peer challenge team:

- Ian Fytche – Chief Executive – North Kesteven DC
- Cllr Paul Middlebrough – Leader, Wychavon DC
- Kirsty Cole – Deputy Chief Executive, Newark & Sherwood DC
- Stuart Palmer - Assistant Director for Homes & Communities, Plymouth City Council

**Appendix 1** – Feedback Slides

**Appendix 2** – Housing Information

## **Annex 2 - Housing Strategy – Rochford District Council**

Housing Delivery is a priority for the Council but clarity is needed with regards to capacity and ownership. While a target to increase housing numbers (and affordable housing) is in the Corporate Plan, there does not appear to be a strategic mechanism for driving delivery, and the key document of the Housing Strategy, is not listed in it among the important policies to be developed in 2012/13 and onwards.

There is an understanding of housing issues locally, and some good examples of sub-regional partnership/engagement, but it's not clear if this is at the right level to demonstrate that this is an organisational priority for Rochford. Thames Gateway and other partnerships could be used to develop new joint commissioning or procurement of housing services to achieve efficiencies with some further agreement about joint priorities.

A draft housing strategy is being written by the Council, and to ensure partners 'buy in' it should be developed actively with key partners including neighbouring authorities in the sub-region, through a rigorous process. An example approach is set out below:

Develop a strategy with key stakeholders by;

- Sharing and defining the key issues options and challenges – context and Rochford's role in this – what needs to be done
- Look at a range of options to meet them – what could be done
- Evaluate and choose which to focus on – determine what Rochford will do (and what others can do) – what will be done
- Determine key objectives – set clear aims and realistic objectives with partners
- Develop actions for each – time limited and resourced (SMART)
- Agree a review process that includes accountability for the objectives – annually with partners

Then pull this into a Strategy Document/ Delivery Plan

- Consult on the draft
- Review and amend
- Publish and celebrate success

The key is to engage partners in the process from the start through – for example – an event to achieve a common understanding of both Rochford's aspirations and ambition and most importantly an agreed commitment for joint delivery.

### Housing Delivery

This needs to be driven from senior management level and co-ordinated by a cross service delivery team to champion and broker solutions to different issues e.g. planning/development criteria/viability or potential barriers such as opposition.

Work together to get the details right – a common corporate 'buy in' to delivery to include

- Housing/planning/assets/finance/economic development i.e. 'one team around the task'.

In the current market, the planning process may not deliver the target without Rochford driving and co-ordinating with partners. There is a need to excite potential partners, have a clear and recognised open door for their approaches, a common and consistent message to them and a robust delivery approach.

Competition needs to be coordinated/'orchestrated' to avoid individual site competition by partners to avoid bidding up sites/schemes.

### Rochford Housing Association

Delivery on stock improvements for former council tenants is on track and good relationships and working practices are in place operationally between the association and the council.

However, it's not clear whether Rochford is realising efficiencies across the whole area of joint work?

- Two teams doing allocations? – Could there be a future for more integrated choice based lettings?
- Are RHA being fully used by the Council for temporary accommodation – to reduce Bed and Breakfast costs (take up of all temporary accommodation potential in contract)?
- Could they set up a private sector leasing scheme to deliver good quality temporary housing or note from partner work with RDC on one to reduce Bed and Breakfast costs.

Delivery has been slow – but each agency has a different view on why this is the case.

It is not healthy having all Rochford's affordable housing delivery ambition predicated on one partner. There may be others out there with capacity and an appetite. The message is not out there, neither is the mechanism 'delivery team' to drive that.

Under strategic issues further questions/areas to develop:

- Welfare reform – prevention of homelessness, are they directly linked and is there an action plan?
- Could DFG's (major adaptations) be procured cheaper/more efficiently on an Essex wide consortium?
- Housing conditions and private sector – is this reflected adequately in the strategy?
- Potential for private investment tools on a sub-regional basis?
- Homelessness – average per head of population but service appears to be high cost. Is this due to type of temporary accommodation Bed and Breakfast?
- Make use of what you have access to? (Transfer gives RDC access to 8 RHA properties plus a further 6 if needed for temporary housing?)
- Potential to use RHA to develop private sector housing or similar schemes?
- Prevention of homelessness techniques – what works well elsewhere. Has RDC explored this?

**PEER REVIEW CHALLENGES – SUGGESTED ACTIONS**

Review Corporate Plan	<ul style="list-style-type: none"> <li>Align timeframe with MTFS</li> <li>Refocus/review core priorities – wealth, prosperity and housing</li> <li>Use Corporate Plan to re-enforce/clarify role of Rochford in partnership context – South Essex</li> </ul>	By April 2013
MTFS	<ul style="list-style-type: none"> <li>Work on link to above</li> <li>Review and re-evaluate through 2014</li> <li>Develop series of internal/external VFM work programmes on key budget issues for deliver by Oct/Nov 2013 to feed into Budget process</li> </ul>	Revised format for MTFS by January 2014
Organisational Review	<ul style="list-style-type: none"> <li>Review organisation/HOS responsibilities in light of revamped Corporate Plan</li> <li>Review Executive roles/responsibilities in light of revamped Corporate Plan</li> <li>Further review following final alignment of Corporate Plan/MTFS work and completion of Organisational Development Plan</li> </ul>	<p>April / May 2013</p> <p>Jan/Mar 2014</p>
Organisational Development	<ul style="list-style-type: none"> <li>Re-name Workforce Development Plan as Organisational Development Plan. Review and re-align with revised Corporate Plan priorities and re-working of MTFS.</li> </ul>	Complete by January 2014
Partnership Structures	<ul style="list-style-type: none"> <li>Complete initial review</li> <li>Test against revised Corporate Plan</li> <li>Refresh in light of completion of revised Corporate Plan/MTFS review and Organisational Review</li> </ul>	<p>By March 2013</p> <p>May / June 2013</p> <p>March / April 2014</p>
Review Commissioning Strategy/Client side and procurement arrangements	<ul style="list-style-type: none"> <li>To feed into revised MTFS Jan 2014</li> <li>May also impact on organisational structure and organisational development</li> </ul>	By Jan 2014
Develop New Housing Strategy	<ul style="list-style-type: none"> <li>In conjunction with South Essex partners</li> </ul>	By May 2013
Focus on Housing Delivery	<ul style="list-style-type: none"> <li>Use internal Economic Regeneration Group for internal co-ordination and secure organisational buy-in</li> <li>Establish HA forum to meet/progress 4 X per year</li> <li>Review relationship with RHA – are we too dependent?</li> </ul>	<p>From April / May 2013</p> <p>From April 2013</p> <p>As part of strategy/delivery work</p>

Review Overview & Scrutiny Function	<ul style="list-style-type: none"><li>• Look at functions of Review – Can it be used for<ul style="list-style-type: none"><li>➤ More robust/systematic look at Finance throughout the year and more service improvement/development work – tied into internal IMG work programme?</li><li>➤ More joint reviews of external services with CPBC; and also possibly SBC?</li><li>➤ Review membership – extend to 15? Same as Licensing?</li></ul></li></ul>	By April 2013
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Strengthen Member Leadership Capacity	<ul style="list-style-type: none"> <li>• Develop work shadowing/support/reference initiative for Executive Members – 2 to 3 Members per Executive Member</li> </ul>	By April 2013
Strengthen Community Leadership Role	<ul style="list-style-type: none"> <li>• Review success/effectiveness of Community Forums</li> <li>• Review 2 yearly meetings with Parishes.</li> <li>• Could Review do more around this?</li> </ul>	By April 2013