

Councillor Peter Fleming, Leader
Pav Ramewal, Chief Executive
Sevenoaks District Council
Council Offices
Argyle Road
Sevenoaks
Kent
TN13 1HG

23 January 2014

Dear Peter and Pav

**Sevenoaks District Council
Corporate Peer Challenge 3-6 December 2013**

On behalf of the peer team, I would like to say what a pleasure and privilege it was to be invited into Sevenoaks to deliver the recent corporate peer challenge as part of the LGA offer to support sector led improvement.

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Sevenoaks were:

- Ian Davis-Executive Director- Rugby Borough Council
- Councillor William Nunn – member of Breckland District Council
- Robin Porter – Corporate Director for Commercial and Transformation Services, Luton Borough
- Paul Clarke – Programme Manager, LGA (Peer Challenge Manager)

The team was also provided with additional valuable input from:

- Harry Platt - Associate Growth Advisor
- Simon Ridley - Director of Local Government Finance, DCLG
- Brian Reynolds - Head of Programmes, LGA
- Angela Page - Conservative Group Office, LGA.

1. Scope and focus of the peer challenge

You asked the peer team to play particular attention to the following areas as part of the challenge:

- Organisational Transformation and Culture
- Financial Strategy
- Ambition to become more self-sufficient
- New management and governance structure
- Community-Third sector partnerships
- Assessing our fitness in delivering the new vision

The team explored the above within the broader context of considering the core components looked at by all corporate peer challenges:

1. Understanding of the local context and priority setting: Does the council understand its local context and has it established a clear set of priorities?
2. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
3. Political and managerial leadership: Does the council have effective political and managerial leadership and is it a constructive partnership?
4. Governance and decision-making: Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
5. Organisational capacity: Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

We hope the feedback provided, which is structured to address the areas you wanted us to focus on, will help Sevenoaks District Council (SDC) build upon its self-evident strengths and stimulate your future plans.

2. The peer challenge process

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

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing.

This letter provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit. In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors.

3. Summary of feedback: overall observations and messages

The material supplied in advance of the visit gave us a very favourable impression of the Council. The positive culture, ethos and morale that exist at Sevenoaks were confirmed during our initial contacts and were consolidated throughout the visit. We heard in advance of your impressive and proactive mantra 'The customer is anyone who isn't me'. We noted your productivity gains showed improvements of 35%. We read that your customer satisfaction rates had increased to 88%. Your Investors in People feedback letter told us that staff were universally proud to work for the council.

The challenge team therefore asked itself repeatedly the fundamental question during our four day challenge with you 'Does the council do what it says it does?' Our conclusions at the end of the challenge were an overwhelming 'Yes it does!'

Your success is built upon a strong foundation. This is not a question of good fortune but rather a planned, determined and sustained focus on doing the right things very well. We found some very impressive evidence to support this conclusion. Specifically:

- We found a council which demonstrates a clear commitment to all of its residents and will go that extra mile for its less privileged communities e.g. its effective engagement and support to gypsies and travellers
- We met with many staff. They universally felt valued by the council and in return are committed to and highly supportive of it. They are proud to work for SDC. There is real trust and confidence in both the political and officer leadership, through Peter and Pav.
- We met or spoke with a very broad range of partners for the council from the public, private and voluntary sector. All of them spoke of the council (its members and staff) in very positive terms as people 'you can do business with'
- We saw at first hand a council , which through effective financial stewardship is comparatively in a strong position
- Finally we saw a council, which through strong and determined political and managerial leadership, is ready to face the significant challenges ahead.

Recognising the positive elements outlined above we do have one main area of improvement. That is how you effectively face challenges in relation to future revenue funding and the current available capacity to deliver your ambitious agenda. The former issue must be dealt with through astute financial planning and a clear strategy backed up by streamlined decision making so you can continue to keep ahead of the pace. The latter will require a clear understanding of the needs of SDC in this new

public services environment and a commitment to utilise effective workforce planning to have the 'right people with the right skills' in the right place at the right time.

3.1 Organisational transformation and culture

The economic climate, coupled with reductions in government grant has in recent years significantly tested all councils. In response to this and in line with your vision you have made both senior management reductions as well as a change in your political governance arrangements within the last twelve months. You anticipated the need to change, planned it and are now implementing it well. You have done so with the knowledge and engagement of your customers, partners and staff.

Our observation was that the organisation is 'led from the Top...and Bottom..and Middle'. By this we mean that your leader, his cabinet, your chief executive and his senior managers are very visible. As a consequence, staff at the point of delivery to your customers, know your leaders and what is expected of them. They trust the leadership and as one said '.. buy into what SDC stands for'. They are focussed on delivering to the customers. Equally your middle managers are a conduit for supporting this. This results in significant positive customer feedback (already referred to) across a number of services and some first rate performance.

You achieve all of the above because you work hard and are clear about what you are trying to achieve. We were told there is a 'no blame culture'. This is easy to say and less easy to do. You do it. We found staff who told us about how they had made mistakes and were supported to put things right and learn from it. Some of those same staff are now managers. As such there is an openness and transparency about how your officer team work together. We met staff across service disciplines and boundaries who know when and how they should work together. So to echo the feedback from one of the focus groups we met 'No blame means no blame' and 'One Team means One Team'

We saw at first-hand how your innovative Leadership programme was being developed and it is an example of how well you approach transformation and change. It is owned by your leadership team-concept, time and resources. It was created in conjunction with your managers who will experience the programme-ownership and focus on the real current and future issues. It will be delivered over the next 6 months or so and people will attend-timeliness and accountability. You will review the impact of what you do-evaluation and learning.

We saw a very effective and mutually respectful relationship between your leader and chief executive and also amongst the senior management team. We felt that this could be consolidated and enhanced by regular meetings between Cabinet and senior managers. The Council's ambition to become financially self-sufficient will require innovative solutions involving difficult decisions. Such meetings will allow these

to be aired and tested in a safe and supporting environment and will increase subsequent ownership and commitment.

The main area where we felt you could concentrate on here was focussing on the capacity within your team to take you to the next steps and cementing the informal and formal 'top team' working arrangements. Your senior officers have skills and experience based on delivering excellent services. That does not necessarily equip them with the commercial knowledge, skills or insights you may require for the future. We found senior officers who were committed but understandably nervous at taking on these new commercial roles. We felt that they will need more than your re-assurance and support. We felt you should take a critical look at whether you have sufficient internal capacity to deliver on your commercial plans and consider whether you should employ or buy-in the additional resources you will need for this core area and focus.

3.2 Financial strategy and ambitions to become self-sufficient.

We found SDC had a track record for proactive stewardship of its financial resources for many years. This had been rightly commended by external auditors. Equally, we found sound budget monitoring in place and the proactive engagement of members in doing so.

Furthermore the ten year budgeting approach that the council has adopted is a powerful tool for planning beyond the immediate 2-3 years and encourages the political and managerial leadership of the council to proactively project ahead. This is coupled with a sensible year on year review so the plan has both aspiration and is grounded. It is an approach that certainly has buy-in right across the council and creates stability.

The council has put in place a range of approaches to 'weathering' the financial recession, effective productivity savings and building in resilience as well as seeking to future proof the financial sustainability of the council. Specifically:

- You have made recent changes in terms and conditions where the staff helped to design a new scheme resulting in savings of over £300,000.
- There are a range of 'shared services' arrangements that SDC employs with several other Kent local authorities and others too, for example across revenues and benefits. It is clear that each has financial benefits which have accrued. It is also clear that other partners we spoke to have a strong trust in SDC. This is such a key foundation for the sustainability of these arrangements. However the approach taken has been essentially a 'tactical one'. This is not a criticism in itself, merely an observation. Whilst we applaud SDC for its pragmatic approach to shared services which we referred to as a patchwork quilt' we would encourage you to more fundamentally consider is there an opportunity to take a more strategic approach to shared services which may

deliver you more resilience and savings, led and driven from the top of the organisation

- The council has an ambition to be financially self-sufficient within ten years. We fully support that aspiration and given the existing and anticipated squeeze upon public finances this makes much sense. However, we would advise that this now needs to be both clarified in terms of the ownership and focus that the council will now employ to make this a reality, secondly a clearer vision of what this will mean for Sevenoaks the council and the place and thirdly recast with updated financial inputs that reflect evolving Whitehall thinking. In particular:
 - We feel that the vision around financial sustainability needs to be now translated into a coherent strategy. We do believe you need a plan to galvanise support and then confidence in it and then use clear and unambiguous language to specify your aims.
 - At its heart this will involve a description of what this will mean for the council (the way it operates, its style and approach and how it should be structured and organised to thrive within a more commercially minded environment.
 - Equally the council should think about what impact less government influence might have upon it and how it would exercise such freedoms and flexibilities.
- We would recommend that the plan utilises a range of financial scenarios with regards to Government support including an input assumption of a 10% year on year reduction.

You have the perfect vehicle with your ten year budget to help achieve the above. In our view it can help drive the approach and then behaviours you require. In terms of approach we believe you will be best placed by pursuing active income generation strategies, including for example: investment in land and property assets in order to generate commercial returns.

With this in mind you know this ten year plan now needs updating in line with your normal planning cycle. We would advise you to specifically address the following:

- Be explicit about income generation forecast in the 10 year plan, separating it out from expenditure to help drive your commercial focus
- Once the strategy for self-sufficiency has been finalised, to set stretching net income targets.
- Map out how the net income can be delivered, encouraging non-traditional local government thinking

SDC also has an opportunity to prudently utilise the resources currently at hand. Your reserves are currently generating a cash return below the inflation rate. We would recommend SDC look at ways to utilise a portion of your cash reserves and potentially prudential borrowing to drive income generation. Commercial property investments for example can deliver a secure long term return

A theme already referred to is the need to ensure that that there is sufficient capacity to help deliver the aims of the financial sustainability plan. It is the peer challenge teams view that you should consider the following within that context:

- Buttressing the existing capacity and skill base around income generation, business and commercial acumen so you have available to you the staff, partners and contractors to match your needs
- Prioritising and streamlining your existing list of projects which underpin your approach to the above and ensuring this is then appropriately programme managed including appropriate member overview
- We know you intend to undertake a review of your Constitution. We believe this review should be used to put in place a more streamlined process for the acquisition of and active management of assets, as part of an Investment Strategy. Things you might consider are delegating to a small number of specified individuals (officers and members) the power to acquire assets up to a certain level within clear frameworks.

3.3 New management and governance structures

You asked us to consider how well the new management and political governance arrangements have been to date. The first and obvious comments refer to the seamless transition from one highly respected chief executive to another. It is clear that this has allowed you to maintain continuity and pace. The move to a flatter structure of senior management has served several useful purposes:

- allowed for significant financial savings
- served to reinforce your 'one-team' ethos
- for the new chief executive and his team to have in place a platform from which to embark on further proactive change.
- Focussed the specific need to secure the right skills and experience within the officer establishment to fulfil the council's new ambitions.

There have also been changes within the political governance arrangements of the council. The Cabinet has been reduced from 7 Members to 5 and the Portfolios for each Cabinet Member has been made more diverse. Each Cabinet Member is

supported by two deputies. Three post decision Select Committees have been abolished, with 5 Cabinet Advisory Committees, aligned to Portfolio's, providing a policy development function and pre-decision guidance and advice to Cabinet. A dedicated Audit Committee and Scrutiny Committee have also been formed.

It is our view that the new political governance arrangements are proactively engaging more councillors. It is also creating a focus for policy development and underpinning the member's role within this. The advisory committees are making strong and clear recommendations for cabinet and the council to consider e.g. the finance and resource advisory committee making specific recommendations about the council's future financial investments.

Members are visible in and around the organisation. The leader sets the standard in terms of this. His own involvement in manning the call customer services phone lines on different occasions is just one small example of many interventions where members show they not only lead the organisation but are willing to act to understand the needs of residents and the roles of staff. This creates better insights and engagement.

We did receive some feedback about the additional demands being placed upon officers as a consequence of the additional resources required to service and support committee meetings. In truth we were told by many that it is ...early days..' in terms of the new arrangements. Therefore our advice is two- fold:

- The council needs to weigh up the relative merits of the 'trade-off' between increasing member engagement but the consequences this has for increasing officer workloads at a time of reduced capacity
- We have already made plain our views about ensuring there is effective governance in place to manage any new approaches to pursuing commercial opportunities including asset acquisition and disposal. This should become a consideration as the council both reviews and then projects forward in terms of the governance structures

3.4 Community partnerships and 3rd sector

It was our privilege to meet with a range of your community partners. Our overwhelming view was that what underpins all of these are strong relationship based on mutual trust and respect. Our sense was that the council and its partners collectively recognise the challenges they face in terms of capacity and funding but view this as the opportunity for closer working & mutual support.

In this vein we saw new, emerging and mature relationships with partners. All of them had a sense of purpose and everyone knew to what end they were working. We didn't see any passive 'talking shop' arrangements. Rather we saw the emergence of practical, results-based engagements. For example, vulnerable residents are undoubtedly assisted by the close working between learning disability groups and your

Housing service and also by the support that you have given to local mental health charities

Our view is that this sound platform can only be enhanced further and we believe there might be three specific areas to help that:

- Where you can to support the 3rd sector in terms of training and skills (involve them in your impressive masterclass management development programme perhaps?)
- In line with our comments about adopting a more determined strategy in relation to shared services we believe the council might consider whether some council services could be delivered by, or in partnership with the 3rd sector
- The sector generally referred to very close working with officers, some Members and with the Leader and said that they would very much welcome the active engagement of a wider range of Members. You may wish to reflect on how to bring this about.

3.5 Assessing our fitness in delivering the new vision

We can only reiterate the strong message that permeates through this letter. The political and managerial leadership that the Leader and Chief Executive of this council preside over is impressive. As such that creates a perfect foundation and continuity to help the council deliver its vision.

We believe the council's vision represents a convincing narrative which gave us a clear understanding of what you want for the district of Sevenoaks between 2013 and 2028. In terms of your priorities we found that you were delivering upon them, for example we saw evidence to support 6 core themes of the community plan i.e. :

- Safe communities-we heard about targeted work between community safety partners to address theft in tourist spots during the summer
- Caring communities-we were told about the range of support the council offers to various community groups, for example in relation to gypsy and travellers and the very impressive "HERO" programme which has reduced evictions and provides assistance with energy bills and rent arrears.
- Green environment-the council has designated additional conservation areas and is responsible for the management of substantial areas of common woodland
- Healthy environment-the council promotes healthy, active lifestyles,
- Dynamic economy-we heard about the focus on supporting broadband in some of the villages and also the continuing "LEADER" rural diversification programme, particularly in the Darent Valley.

- Sustainable economy-we saw at first-hand the building of the flagship Marks and Spencer's shop and the emphasis on ensuring a fully occupied high street. We were also impressed by your active engagement in the LEP in general and the West Kent Partnership in particular.

Our main observation in terms of recommendations for the council to consider was to give some time thinking about what the physical environment for the district might look like in 2028 and the issues that might present. We heard many times about the AONB and green belt and how that influenced development (or lack of it). We also heard about your support for incorporating Swanley within Zone 6 of London Transport. We were told that the Council is doing this to secure improvements to Swanley station. Clearly, it is for Sevenoaks District Council as the Local Planning Authority to determine the future shape of the district. However, it is suggested that it would be prudent to at least consider a strategic review of the less sensitive area of Green Belt in that area coupled with an assessment of the investment potential associated with Zone 6 status (which is likely to be considerably more far reaching than station improvements).

4 Key suggestions and ideas for consideration

The peer team developed some key recommendations for you to consider. These are based on what we saw, heard and read. Drawing on our experience of the sector and knowledge of local government improvement, the following are things we think will help you to make best use of your skills and experience, deliver some quick wins, and develop the strengths you will need to see your change agenda through:

- Keep doing what you are doing in supporting, training, enabling and valuing you staff and partners. It represents practice the sector can learn from
- Regular meetings between senior management and cabinet to enhance the effectiveness of their already good working relationships
- You should critically examine and then prioritise the projects which underpin your commercial plans. Prioritise according to community benefit, finance return and capacity. Then project manage those that you take forward coherently and within your revised governance framework
- Review how you use your reserves. Use them to convert your projects from a small investment return on cash into a substantial revenue stream
- Use the 10 year plan to model financial independence via increased revenue rather than capital subsidy
- Consider this sort of place you want Sevenoaks District to be and ensure that your planning policies are aligned towards achieving it

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 the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. We will endeavour to signpost you to other sources of information and examples of practice and thinking.

I thought it helpful to provide contact details for Heather Wills who, as you know, is our Principal Adviser (South East, South London). Heather can be contacted via email at heather.wills@local.gov.uk (or tel. 07770 701188). She is the main contact between your authority and the Local Government Association. Hopefully this provides you with a convenient route of access to the Local Government Association, its resources and any further support.

All of us connected with the peer challenge would like to wish you every success going forward. Once again, many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation.

Yours sincerely

Paul Clarke – Programme Manager
Local Government Association
Tel. 07899965730
Email paul.clarke@local.gov.uk

On behalf of the peer challenge team and colleagues:

Ian Davis
Cllr William Nunn
Robin Porter
Simon Ridley
Harry Platt
Angela Page
Brian Reynolds