

# Corporate Peer Challenge

## **Maidstone Borough Council**

October 2013

Report

## Background and scope of the peer challenge

On behalf of the team, I would just like to say how much we enjoyed spending time in Maidstone to work with you on the recent corporate peer challenge. The team appreciated the welcome we received and the openness and honesty with which people engaged in the process as well as the support provided in the lead up to, and during the course of, the challenge. We must give thanks to Angela Woodhouse for overseeing the preparation and a special mention for Clare Wood who gave the team excellent support during our visit.

It is testimony to the confidence of Maidstone that you commissioned the peer challenge. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

- Paul Lankester, Chief Executive, Stratford on Avon District Council
- Paul Middlebrough, Leader, Wychavon Council
- Bev Smith, Mansfield District Council
- Alex Jeremy, London Borough of Barking and Dagenham
- Sue Avery, LGA Challenge Manager

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

The guiding questions for all corporate peer challenges are:

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

In addition, the council identified two issues for the team to explore:

- ❖ How well placed is the council to deliver its future ambition?

The current strategic plan runs to 2015 and therefore work on the strategic direction of the council will take place in 2014. The council asked the team to 'focus on its strategic planning and managerial and political leadership skills and approach - identifying existing strengths on which to build, as well as areas for future development, which will better enable the council to deliver our ambition'. In addition to the lighter touch core themes of the challenge they asked the team to 'explore where we can have the greatest impact'.

The team were asked to reflect on the impact of revised governance arrangements and a new senior management structure which were introduced in June.

❖ Further strengthening the approach to economic development

The council also asked for an in depth exploration of its work on economic development – local growth is at the core of its ambition. The team were asked to consider how well the council engages with local business and how they are supporting the resident and business community through the current economic conditions.

We agreed to write to you to confirm and expand on the team's findings as presented on the final day of the challenge.

## **Executive summary**

Maidstone is the county town of Kent, with the headquarters for Kent County Council, Kent Police and Kent Fire and Rescue Service all based here. It is a growing borough in terms of population with an aspiration to have a growing economy and has become a desirable place to live with extensive leisure and cultural assets.

Maidstone Borough Council is undergoing a period of change to help it better meet major strategic challenges to the borough around balancing economic growth, with protection of rural areas and dealing with notable demographic challenges due to the growing population. The financial position of the authority has changed in recent years and the future will see the council borrowing to invest in supporting services. The council continues to undertake significant work to shape its vision and strategic direction, leading up to a refreshed corporate/strategic plan in 2014. Work has been undertaken to support members and for members and senior officers to set a new ambition, with local growth at its core.

The planned changes to the senior management structure and governance arrangements around overview and scrutiny took place in June this year, and whilst it is still early days, the team were able to see the good start being made in re-focusing its ambition to place economic growth at its core.

The council has a strong history of achievements on which to build and has clearly identifiable strengths in partnership working, service delivery through shared services, and a politically-led passion for growth through increased opportunities for employment. It understands the significance of a highly motivated workforce and sends out a clear message to all staff with its strong message of 'Great Opportunity, Great Place, Great People'. It describes the underpinning priorities as 'outrageous ambitions' – language which attracts attention.

Senior members and managers are highly regarded by members, staff and partners and the council's commitment and focus on improving the prosperity, health and wellbeing of their communities is widely recognised. Staff are generally well motivated and positively view the aim to achieve liP Gold Award by 2015.

The Challenge Team were asked to focus on the council's ability to deliver their ambitions and how to further strengthen its approach to economic development. The council developed a comprehensive timetable for the challenge enabling the team to meet a good mix of appropriate stakeholders – all of whom actively engaged in forward looking discussions.

Fundamental to the feedback is the need to develop a clear, shared vision for Maidstone Borough Council particularly in relation to key documents such as the Local Plan and Economic Development Strategy. Whilst visions and values are articulated in council documents – and by members and staff – they are less understood by partners. Partners expressed the desire to engage more with the council, not least to have an opportunity to discuss how they can work together to tackle future challenges and deliver shared ambitions. The team met a mixed group of business and third sector partners who were very keen to meet collectively to share their ideas.

With this vision agreed and communicated the council will be able to move forward on shared action plans for the delivery of economic growth. The development of a communications strategy for key policies will be an integral part of this. Members will have a key role in creating certainty for the public, partners and staff by agreeing and communicating those issues which are not in dispute across political parties.

Within the council improved performance management should be a priority to ensure its ambitions are met. This includes performance management of staff, specifically the continuing inconsistency of line management for example in the application of staff benefits. The trend of worsening sickness absence figures warrants a review of sickness absence management. The future of Maidstone House should be clarified and decisions made.

The council is clearly a learning organisation and has many examples which demonstrate this. In future, it could benefit members and managers to look further than Kent for examples of best practice and take advantage of opportunities to meet with exemplars elsewhere, as well as showcasing its own examples of best practice.

## **Delivering future ambition**

The council has a strong history of achievements and, the team frequently heard from staff, members and partners about the High Street development, museum and Kent Institute of Medicine and Surgery (KIMS). The High Street Development Project has delivered a new event space, Jubilee Square and a move towards lower business unit vacancy rates. Several architectural awards have been won by the new Museum. KIMS, expected to open next year, will provide the only cardiothoracic and neurosurgery tertiary care beds in Kent. The council was celebrating achieving green flag status within one year for Mote Park (against an anticipated target of three years). Whilst the Challenge Team were on site the council heard that Mote Park was named third most popular nationally from a field of 1,448 green flag qualifying open spaces.

To reflect the council's ambition for economic growth, additional skilled resource is being built into the economic development team and is already demonstrating a more focused,

commercial approach. A new economic partnership has been developed and provides a stronger voice in the LEP.

Strong partnership structures are already in place and partners, staff and members gave examples of work in skills and employment, troubled families with Maidstone Families Matter, domestic violence and the frequently praised Town Team which has increased community engagement and diversified the local offer. The Chief Executive and portfolio holders meet regularly with the top twenty local businesses.

The council has good experience of shared services working with Swale, Tunbridge Wells and Ashford which has generated extensive knowledge and a strong skill set at strategic and operational levels as well as application of lessons learned. Both CLT (Corporate Leadership Team) and Cabinet demonstrated clarity on potential shared services for the future (Cabinet having a list of those services which will not be considered).

Maidstone Council is described as a market leader on health and wellbeing, taking the lead at the local Health and Wellbeing Board. The leadership on initiatives by the Corporate Leadership Team coupled with the excellent relationships with partners in the health and voluntary sectors is no doubt a major contributor to this. Emerging innovative activities including tackling stress-related mental health issues in concert with the voluntary sector and CCG will continue to keep Maidstone ahead of the game.

However, the council needs to develop a clear, shared vision for Maidstone. The team perceived that the greatest threat to the council's ambitions lie in their lack of clarity of vision for Maidstone in relation to their strategic plans. The strategic documents reflect a lot of work and detail but the underpinning vision is not evident. This was reflected in meetings with partners, businesses and the third sector – most of whom struggled to identify what exactly they were all working towards for the Maidstone of the future. Completion of the Local Plan will be an integral part of this process – something which is challenging for most councils in the ever changing legislative climate. A master plan is needed for Maidstone town centre. The current town plans are rather project based without clear prioritisation or co-ordination so would benefit from a clear programme.

The council should review its approach to the development of strategies to better engage public, partners and staff. Whilst partners are engaged in several local partnerships, these appear to be mostly at the delivery level. The council needs to involve partners more in the development of policies and ensure early communication. Partners are keen to help make this happen. Likewise, partners shared a desire for closer alignment with the council to ensure the future of the Mid Kent Improvement Partnership (MKIP). They feel unclear on their role going forward and want to make this a 'real partnership' approach.

In many respects the council appears to be a learning organisation (shared services being a positive example). However, there seems to be a reluctance to look outside of Kent for examples of best practice. This can be a two way process, with members and officers sharing their achievements and learning with other councils. Learning from mistakes made here and elsewhere can also provide valuable insights, as well as provide better value for money.

Opportunities to borrow and invest are good at the moment and it is tempting to consider quick wins. Prudential borrowing is linked to corporate priorities but the council should ensure there is a robust investment appraisal process to make informed decisions.

Each policy and strategy must be considered in a 'whole organisation' way. Review policies and services to re-check that they are not impacting adversely on the council's ambition for growth.

Many of those the team spoke to expressed concerns that insufficient engagement took place with rural communities and businesses. This will be a long held concern and the council should look again at its local involvement with the large rural wards of the borough.

## **Strengthening the approach to economic development**

The drive and enthusiasm for economic growth in Maidstone by the Cabinet and CLT is widely recognised by partners and staff and is clear for all to see.

There are good examples of delivery on economic development such as those above, and also including the work with KCC to attract Regional Growth Fund of £5m recyclable loan fund for high growth businesses; partnership working with Ashford BC to extend business start-up advice; the Enterprise Hub; and Business Growth and Start Up programme. The council has focused on skills and employment and shown that it has a strong influence in driving the local skills agenda. This includes support for work experience and 'Inspiring the Future', a campaign to encourage business people to sign up to volunteer in schools (discussing their jobs and career).

At the operational level, relationships between MBC and Kent County Council (KCC) are effective and ensure aligned strategies on economic development. The new economic development partnership is widening the council's influence at the LEP – essential as up to 40% of the New Homes Bonus (NHB) will be top sliced by the LEP and Maidstone BC will want to have a say in its future use.

There is recognition from partners that they want to be part of the growth agenda. They show enthusiasm and willingness to deliver as well as a desire to be more involved in articulating the vision for growth in Maidstone.

An economic health check of the town centre has just been completed and plans are underway to further engage partners; a good start to providing an evidence base for the production of a shared economic development strategy.

There has also been good progress on the delivery of affordable house building – of 630 new homes, 40% are affordable. This is a good achievement – above many other district councils. The innovative affordable homes policy encourages greater viability in the development of brownfield sites through zoning.

However, as shown above, there is a paramount need to define a clear, shared vision to achieve economic prosperity for Maidstone. Consideration should be given to the question 'What does growth mean to Maidstone?' People the team met found it difficult to articulate

a clear answer. Having done this, the council should be able to go forward and make great progress. It will be essential to engage all stakeholders in the development and implementation of the economic strategy and they are keen to do so.

An integrated economic development and planning policy should be developed. All planning and economic development policies should be aligned which will inevitably be a challenge – but a shared understanding between members and officers will be crucial to the achievement of the Borough’s growth ambitions. There are polarised political views on development, but it will be important to find areas of agreement and to focus on these. It will also be important for accessing funding streams to have congruency with LEP and KCC economic strategies whilst maintaining the distinctiveness of Maidstone Borough.

The council should develop a clear communications strategy for key policies and strategies. The speed and effective communication of decisions is an issue; making the right decision and communicating it clearly at service and political level is a key area for improvement.

The council should consider how statutory services can reduce the impact of regulation on business and the role those services have in supporting local growth. It should look at the internal approach to business growth: take account of regulatory services and reduce the impact of regulation and red tape on local business whilst referring to the new regulators code set out by the Department of Business Innovation and Skills.

## **Leadership and Governance**

The council has a very committed and focused Cabinet and CLT. Partners, staff and members all expressed great confidence in the Chief Executive and CLT. There is a recognised strong relationship between members and officers, and particularly between the Chief Executive and Leader. This will be essential if ambitions are to be achieved. Business engagement takes place at the highest level, with the Chief Executive and portfolio holders having regular meetings with the top twenty local businesses.

The council’s aims and values are clearly articulated across the organisation with good use of ‘posters and flyers to re-enforce the key messages. STRIVE values are articulated by staff (‘service, teamwork, responsibility, integrity, value and equality’) and annual staff awards are based on these. The team were particularly impressed by the STRIVE DVD used in ‘one council’ meetings with staff - a compilation of staff describing the impact of these values on local residents.

Scrutiny is working effectively and demonstrating robust performance management exemplar in some projects. The joint cabinet on shared services enables efficient decision making, although there is a need to ensure all partners have a shared vision for the future programme and delivery of these shared services.

However, completion of the Local Plan is necessary and will underpin clarity going forward.

A changing political environment with election by thirds could potentially undermine the sustainability of strategies. There is a strong public perception that elections are followed

by reviews of policies which slows progress. Members should consider the introduction of joint scrutiny of shared services with partners to further enhance performance management.

It will be important for the council to guard against complacency amongst operational staff. A 25% cut in funding will inevitably impact on staffing and more should be done to discuss the future shape of local government with all staff.

Partners and staff are not engaged in the early stages of some strategy development and feel that decisions are 'one way' with no meaningful consultation. Partners shared a view that 'Maidstone knows best'.

The council should continue to strengthen the relationship with Parish Councils and KCC, recognising all three tiers of local government have a role in community development. There will be some overlap but it's important to identify respective strengths and clarify their contribution.

To build on your strengths as a learning organisation, the council are encouraged to continue to enable senior members and officers to learn from the best in the local government family. Joining peer review and challenge teams can be just one good way of seeing other ways of working first hand

## **Financial Planning**

The council sees their financial challenge of £4m net savings by 2019 as an opportunity to drive ambition. The organisation can focus on its priorities and choose non delivery of some services. Advantage has been taken of increased funding through localised council tax benefits and business rate pooling with partners. Maidstone has a track record of sound financial management, for example, not relying on the New Homes Bonus.

Shared services continue to produce recurring savings and opportunities will be taken to extend the range of shared services to achieve more.

End of year savings are spent on corporately determined one off spending. This has proved to be an effective process in meeting the needs of a range of services.

New borrowing will be used to facilitate investment in income generating projects and better use of existing assets as a result. This has been a brave decision for the council and a change from its earlier 'debt free' policy. The council will use this as the first step to test out potential future opportunities.

However, the next stage of the Shared Services Strategy needs to be clarified with partners. It's unclear exactly how shared services will be delivered. There is a positive opportunity to engage the public and partners in discussions on possible options for delivering services differently in a tighter financial environment. Ideas can be shared and developed collectively. The council already has a local example with the closing of public toilets in the town centre which led to several local stores offering toilet facilities for members of the public to use.

The council should create a culture where finance is a corporate issue and managers 'own' all aspects of their budgets. Not all members and managers recognise the risks presented by the current and future financial challenges. There is some silo working, thus missing the opportunities offered by the one organisation the council aspires to achieve. These are fundamental issues to address for the council's aspiration to achieve the liP Gold Standard.

At present the council operates very effective standing orders but if it moves towards a more commercial approach, these may not be appropriate for the future.

As the council moves to commissioning through contracts and shared services there are some questions that will need to be addressed. For example, will this limit opportunities for further change? If 80% of staff were in shared services how would this work and where would any savings be derived?

## **Organisational Capacity**

The new Cabinet member position for Planning and Transport has been positively welcomed by staff and members and recognises this shift in focus. This is supported by having experienced economic development and procurement teams in place. Project management has been embedded using Prince 2 which is commendable in a district council. Likewise contract management is a clear strength and should be built on.

There is a history of strong partnership working with KCC on waste, economic development and supporting people.

Work is being done to improve the council's public website and has led to increased customer self-service, whilst social media is proving a useful tool in providing customer information. It is recognised that more has to be done, but a good start has been made.

Staff told the team that they are motivated by the council's aspiration to achieve Investors in People (liP) Gold Award by 2015. They compare their situation with other organisations some have worked for, and feel that the support and benefits provided by MBC far outweigh those experiences. They positively support the Gold Award ambition. There is a strong coaching culture, introduced at senior management levels to support the management restructure earlier this year.

Working within the Mid Kent Improvement Partnership (MKIP) increases Maidstone's resilience in the current climate.

However, partners appeared unaware of the council's vision and values and their contribution to them. This reinforces the need for early engagement with partners in developing strategy.

The council should manage the expectations placed on the new commercial and economic development Head of Service – early support will be needed to build expertise and ensure that the individual does not face an overwhelming start in the new role. The planning team will require further development in order to deliver a robust, evidence-based local plan. This is a corporate issue, and the team needs appropriate support.

Whilst the coaching model has been successful to date this could be extended to offer more support to the newly appointed Heads of Services and those with new responsibilities. Members, too, might benefit from 'buddy' relationships to provide further support. Staff are still reporting inconsistencies in the approach of line managers, so it will be important to review progress made on interventions such as the revised competency framework and coaching.

The worsening sickness absence figures should be treated as a matter for concern, having previously been consistently good. The process for managing sickness absence should be reviewed, possibly benchmarking how other organisations tackle this issue.

Staff are feeling rather overwhelmed and find training an unnecessary pressure. Consider creative alternatives and channel shift approach to training and meetings to encourage greater participation – considering timings, duration, e-learning, lunchtime webinars etc..

The lease on Maidstone House runs out in 2023 and political decisions are needed now to put plans in place, particularly if implementing the earlier break clause for part of the building is under consideration.

Relationships with the local media are described as generally negative and more work should be done to improve these at all levels. It's particularly hard when there are elections in thirds and regular turn-over in senior member roles, but all the more need to work hard on the relationships.

Finally, we would like to thank colleagues and members at Maidstone Borough Council for their support in the lead up to and during the peer challenge.

Heather Wills, Principal Advisor from LGA has discussed the benefit of a follow up visit from members of the peer team and advised of other help which may be available from the LGA. This is aimed at reflecting and building on the outcomes from the peer challenge. The council is still in the process of determining the need or focus of the follow up visit and we will explore this over the coming months.

Sue Avery  
Peer Challenge Manager for LGA