


LGA Corporate Peer Challenge

Hartlepool Borough Council

6 - 9 December 2022

Feedback report





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1. Executive summary

Hartlepool Borough Council (HBC) has much to be proud of, described both internally and by partners as ‘punching above its weight’. The Council has a well-regarded Leader and Managing Director, a strong record of Adults and Children’s Services performance, and is seen as a good partner by many. This has been achieved against a backdrop of emerging from the Covid-19 pandemic, socioeconomic, and financial challenges. Whilst committed to improving outcomes for residents, HBC nevertheless needs to be clearer about, and more responsive to, citizens’ needs. A more holistic use of data, enhanced community engagement, and embracing greater delivery through partners would deepen its community insight and augment capacity to target its resources most effectively.

HBC has an ambitious growth programme - with numerous capital projects underway and funding bids in the pipeline – designed to drive social and economic prosperity. This ambition is not yet articulated into a shared narrative of what it means for HBC and its wider communities. Defining and communicating a vision that reflects the whole Borough - not just the town centre – will be important to galvanise everyone behind delivering shared strategic outcomes. As part of this, greater investment in, and a higher profile of, corporate communications and marketing will also be important to promote the Borough and ensure citizens, councillors, staff, and partners know how they can contribute.

HBC’s growth activities are having a positive impact, with impressive success in securing inward investment and notably the development of new social housing provided by the Council. To ensure that the benefits of its inclusive growth programme are felt by everyone, a stronger ‘people-centred’ approach and clear prioritisation of capital projects will be required.

HBC’s ability to influence longer-term place shaping would be strengthened if cross-party agreement could be secured for key strategic priorities. Enhancing the existing elected Member learning and development support would benefit the long-term prosperity of the Borough by helping to build further confidence, skills, positive behaviours, and understanding of councillors’ strategic, as well as community facing, roles.

HBC has a loyal workforce, that is passionate about serving its communities. The organisational ethos of 'getting things done no matter what' is a source of pride and has enabled HBC to deliver in the face of significantly reduced resources. This however brings capacity challenges, risks organisational overstretch, and inhibits strategic planning and innovation. HBC should review its existing operational arrangements (e.g. structure and operating model) to provide assurance it is not stretching itself too thinly in certain areas, posing a risk to the organisation. Revisiting HBC's Council Plan and Workforce Strategy as part of this will be important to bring together how HBC will align skills, capacity, strategies, and organisational values to mitigate risk and deliver ambitions.

HBC has a track record of good financial management, with a strong awareness across elected Members, staff and partners of the financial challenge HBC faces. There are some tough challenges ahead with increasing inflationary and service pressures. With a £10.1m funding gap over the 2022-2025 Medium Term Financial Strategy (MTFS) and £107.5m net revenue budget in 2022/23, there is a recognition that more radical action is required to address the budget gap. There is untapped potential to drive savings and productivity through systematically embracing service transformation, procurement, and municipal enterprise at a corporate level. Efforts to ensure financial sustainability would further be strengthened by a corporate wide and inclusive approach to budget savings, longer term financial planning and development of a Corporate Capital Strategy and Corporate Asset Management Plan.

HBC can be confident about positively promoting its achievements and has the different 'jigsaw pieces' necessary to achieve its ambitions. To do so, it must bring these together through greater strategic planning, prioritisation, transformation, and community insight to translate its exciting potential into tangible outcomes.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the Council:

- 2.1. **Develop a clear vision and narrative for the whole Borough of Hartlepool which all councillors, staff and partners can get behind, ensuring there is a clear link to strategies, plans and understanding of local community needs.** This will help promote a positive place identity and collective ownership of it, enhance HBC's place shaping influence and provide a framework through which to deliver this.
- 2.2. **Refresh the organisational plan for HBC - setting out the next stage of the journey for the Council, linked to a clear approach to transformation and values.** Setting out how it will operate, and what it will do, will provide clarity on how HBC's ambitions will be delivered.
- 2.3. **Review the existing operational arrangements (e.g. structure and operating model).** This will ensure strategies, policies and priorities are 'knitted together' corporately, with capacity, skills and resources aligned to key organisational goals and risks.
- 2.4. **Revisit the Workforce Strategy to ensure it is fit for purpose.** This will support recruitment and retention to enable the organisation to maximise its capacity, support future skills planning and be reflective of HBC's communities.
- 2.5. **Develop a centrally-led Communications, Engagement and Marketing Strategy, with a higher profile and an internal and external focus.** This will help create clearer messaging and foster collective buy-in by: (a) promoting the Borough and key changes planned; (b) engaging residents and stakeholders; (c) increasing feedback into council work and opportunities for co-design and co-production; and (d) enhancing internal communications.
- 2.6. **Invest further in Member development to support councillors in their**

Council and community leadership roles and to ensure the governance system functions efficiently and effectively. Consider the introduction of a ward budget for Councillors. Role model positive behaviours. This will strengthen strategic leadership, scrutiny, prioritisation and promote positive behaviours.

2.7. **Reconvene Group Leaders meetings to improve relationships and communications between political groups on strategic issues for the benefit of the Borough.** Cross-party agreement on key strategic priorities would strengthen HBC's place-shaping influence by demonstrate enduring place leadership.

2.8. **Strengthen longer-term financial sustainability by developing:**

- a) **a longer-term Medium Term Financial Plan, including scenario analysis, to inform the development of a Financial Strategy**
- b) **a Corporate Capital Strategy and Corporate Asset Management Plan**
- c) **review the approach to budget development to ensure greater ownership**
- d) **a better understanding of HBC's appetite for risk across all its activities**
- e) **an organisational approach to service transformation, procurement and municipal enterprise supported by requisite skills and capacity to support delivery**

This will help secure HBC's financial future by enabling longer-term planning, effective prioritisation and informed use of assets, resource, and capacity.

2.9. **Develop an explicit level of prioritisation for the Capital Programme and selective approach to future funding bids based on how these link to the vision.** By delivering priority projects first, this will target resources where they will have greatest impact and safeguard against organisational overstretch.

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced elected Member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Tracey Lee, Chief Executive, Plymouth City Council
- Cllr Craig Browne, Deputy Leader of Cheshire East Council
- Cllr Evonne Williams, Portfolio Holder for Children and Young People, Derby City Council
- Chris Ashman, Director of Regeneration, Isle of Wight Council
- Dean Langton, Director of Finance, Blackburn with Darwen Council
- Sally Rowe, Executive Director Children's and Customer, Walsall Council
- Nathan Brewster, LGA Shadow Peer
- Frances Marshall, LGA Peer Challenge Manager

3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to Councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?

5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition to these questions, the council asked the peer team to provide feedback on economic growth and organisational resilience and risk.

3.3. **The peer challenge process**

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. 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 by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent four days *onsite* at Hartlepool Borough Council, during which they:

- Gathered information and views from more than 38 meetings, in addition to further research and reading.
- Spoke to more than 100 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1. **Local priorities and outcomes**

The Council has bold ambitions for Hartlepool as a place, with a focus on growth as a catalyst to make it an "even better place to live, work, visit and invest". This ambition is not yet articulated into a shared narrative of what it means for HBC or its wider communities. Taking time to establish a defined vision for the Borough - alongside councillors, residents, businesses, the third sector and other partners and staff - will

help promote shared ownership and an understanding of everyone's role in delivering it. It will be important that the vision is not solely focused on Hartlepool town centre but reflects all parts of the Borough. Communicating this vision will be important so it is consistently owned, used, and delivered.

HBC's regeneration and redevelopment activities are numerous, and its success at leveraging in investment is impressive. Five large scale capital projects are being delivered through the Town Deal, there are plans to establish a Mayoral Development Corporation for Hartlepool, and the outcome of further Levelling Up Fund bids is awaited. Alongside this, additional infrastructure projects and events are also being progressed such as the Elwick Bypass and the hosting of The Tall Ships races in 2023. HBC's growth activities are having an impact. The establishment of the Creative Quarter is a direct result of HBC's proactive approach to attracting and nurturing new investment and building on the Northern School of Art relationship is a strong example of this. As is HBC's use of its Housing Revenue Account (HRA) to significantly increase the number of new social houses owned by the Council.

Distrust between elected Members can at times distract from moving the Council forward. For example, HBC's ability to influence longer-term place shaping would be strengthened if cross-party agreement could be secured for key strategic priorities so that HBC is able to speak with one voice on these matters. This would demonstrate enduring place leadership beyond electoral cycles and help give funding partners confidence to provide sustained investment.

HBC's capital programme provides a fantastic opportunity to drive social and economic prosperity across the Borough. HBC's communities however do not yet appreciate how these developments will benefit them, and developments appear strongly weighted towards the town centre and Waterfront. To fully realise the inclusive growth potential from HBC's growth programme, a more holistic people-centred approach will be needed. Communicating early progress on delivery will help demonstrate impact and promote external confidence. Additionally, HBC may benefit from reviewing its partnership arrangements - including the Town Deal Board - to enable even broader stakeholder engagement. An inclusive approach would help maximise the benefits from all investment across the Borough.

HBC has a record of strong performance across several services, with a 'Good' Ofsted rating in 2018 for Children's Services and Adult Social Care services ranked within the top 10 nationally on several LG Futures Report metrics. There is however no single view of how HBC is performing, with each service and their respective Policy Committees monitoring performance individually. Whilst oversight is provided through performance clinics with the Managing Director, a Council-wide approach to corporate performance reporting would strengthen the visibility and strategic oversight across the whole Council. This would enable earlier identification of issues, more robust risk management, enhanced political oversight and enable more informed prioritisation of resources when it is considered necessary to do so.

HBC has its communities' best interests at heart, with the introduction of the 'Your Say Our Future' digital consultation and engagement portal reflective of this. Whilst the portal is being used, the Peer Team heard feedback that consultation is not consistently undertaken on issues that matter to communities, and often deeper engagement would be beneficial. Enhancing HBC's approach to community engagement - with generic community feedback on services - would improve service outcomes through strengthened community insight and partnership working.

Reducing health inequalities and poverty is a clear priority for HBC. It is important this positive focus on health inequalities is replicated for all protected characteristics. HBC has committed to step-up its work around equality, diversity, and inclusion (EDI), reflecting a recognition that there is more to do. Its access to rich data sets provides a strong foundation for informed policy making; however, a more holistic use of data would deepen HBC's understanding of its communities, ensure it does not have any blind spots, and enable a joined-up approach for EDI across HBC. Updating the Joint Strategic Needs Assessment (JSNA) and how it is used will also be important as part of this and the planned introduction of an Intelligence Hub also has potential to do so. HBC has acknowledged the need to accelerate its work on climate change and has invested in a new dedicated officer resource which reflects the commitment they have made towards achieving net zero.

4.2. Organisational and Place Leadership

There was wide recognition from those the Peer Team spoke with about the positive leadership and relationship-building approach of the Leader and Managing Director. This has been welcomed internally, across the Borough, and in the sub-region.

HBC is generally seen as a good partner at a local and regional level, sharing information to tackle key issues and realise opportunities. It has long-standing shared service arrangement with neighbouring authorities, and its current and future regional contribution within the Tees Valley Combined Authority (TVCA) is widely recognised and understood. Strong relationships are also evident across wider partners such as the further and higher education sector, blue light services, and local businesses.

There are examples of some co-production with partners, such as the Community Hubs, and joint delivery through the Town Board. Nevertheless, many partners expressed a desire to go further to work together on shared objectives. The business sector being willing to help promote what is happening across the Borough, and Voluntary Community Sector (VCS) keen to maximise outcomes for citizens through community wealth building for example. The role of VCS in supporting the delivery of HBC's economic, inclusive growth ambitions will be critical to their success. Embracing VCS involvement - and building on regional and local contribution to employment and skills - will help further this agenda.

HBC is building capacity in communications in recognition of its importance in driving HBC's place-based and internal change aspirations. Whilst internal communications with staff are improving - such as through the Our People App - there is more to do. A centrally coordinated higher profile communications function would enable HBC to speak with a single voice and takes citizens, staff and partners on its aspirational journey. Equally, a more proactive joined-up approach to communications would also help minimise energies spent on responding to a vocal minority who comment negatively on social media platforms. HBC should not be afraid to shout louder about its achievements to promote the Borough positively.

A consistent shared understanding of HBC's priorities was not evident across HBC's elected Members, with a tendency to focus on operational as opposed to strategic issues. Enhancing the existing elected Member learning and development support would be in the longer-term interests of the Borough by helping to build further confidence, skills and understanding of councillors' strategic, as well as community facing, roles.

Service delivery appears to happen predominantly at a Directorate level, with cross-cutting collaboration often occurring by virtue of relationships rather than process or system design. Enabling a better joined-up approach across the organisation will help improve outcomes and organisational efficiency. The Corporate Management Team (CMT) will have an important role in role-modelling this culture. It is timely to reflect on how to achieve an optimum balance for CMT members to be able to lead their respective Directorate's delivery, lead on cross-cutting Council agendas, and maintain an external focus. There is also an opportunity to further invest in the Senior Leadership Team (SLT) as a collective unit - building on the positive working during pandemic. This would also further deepen collegiate team working across corporate agendas to the benefit of the whole of HBC.

4.3. Governance and culture

HBC staff the Peer Team spoke with described a positive a 'can do' workplace culture in which they felt supported by their peers and managers. The role of the Leader and Managing Director in seeking to foster a positive ethos was recognised. Staff and external stakeholders alike welcoming their open, accessible leadership style. Similarly, positive working relationships were apparent between HBC and the Trade Unions. Recent years of significant funding reductions and responding to the pandemic have nevertheless taken a toll on the workforce in terms of mindset and fatigue. Work to define a new set of values for HBC - although at an early stage - will be important to reenergise the organisation by providing hope for the future and embedding this new organisational culture.

HBC's Committee System of governance has been operating since 2013 without significant changes. HBC may wish to consider if there is scope to streamline the decision-making process. By ensuring that decisions are made at the most

appropriate forum based on the Scheme of Delegation (and not by their perceived level of controversy), HBC could reduce the number of Full Council meetings, empower Committees, and promote efficient decision making. Aligned to this, there is a cross-party consensus that the Audit & Governance Committee is not as effective as it could be and could be strengthened.

The framework for effective political governance is in place, with a Member - Officer Protocol, an Officer Code of Conduct, and HBC having adopted the LGA's Model Code of Conduct for Members. Examples of positive Member and officer relationships within HBC were evident, but equally there were also reports of some poor Member behaviours in relation to conduct at public meetings and unacceptable expectations as to the responsiveness of officers. Taking steps to persistently promote a positive Member-Officer culture of working will be important to ensure there are clear expectations and boundaries which are respected by all. More consistent use of the Member Casework Portal may assist with this.

Elected Member development is supported, with an induction programme and annual Member development programme in place. It is important that councillors take personal responsibility for attendance at training and in ensuring that they keep up to date with their obligations, relevant legislation, and Council practices. Further investment in supporting elected members to build confidence, skills and understanding of their respective roles is required. This should support those in leadership positions, opposition, and frontline Members, and include sessions on HBC's constitution, scrutiny, chairing skills and effective strategic leadership.

The Council could also usefully consider the introduction of delegated ward member community budgets. This could empower councillors in their local ambassadorial roles, dealing with some parochial issues in their wards. In turn this should create space in Committee meetings for the proper discussion of issues of strategic importance.

4.4. Financial planning and management

HBC has a track record of good financial management, consistently delivering balanced budgets in the face of funding reductions, whilst maintaining strong outcomes in certain services. There has been a conscious prioritisation of the Children's Services budget, reflecting its importance to HBC and in recognition of the potential impact of an adverse inspection result on corporate finances more broadly.

There is a shared understanding across elected Members, staff, and partners of HBC's financial challenge. There are some tough challenges ahead, with a £10.1m funding gap over the 2022-2025 MTFS and increasing inflationary and service pressures. HBC's two-year MTFS is not conducive to long-term transformational financial planning, with HBC's approach to savings being described by many as tending towards "salami slicing". Balancing the draft 2023/24 Budget for example relies heavily on reserves or other one-off resources. HBC recognises that this approach is not sustainable. Longer-term financial planning, including scenario analysis, would strengthen the MTFS as a strategic planning tool and can inform the development of its future saving plans.

There are several other measures that would further advance HBC's efforts to provide longer term financial resilience. Developing a coordinated corporate approach to the transformation of services is essential. Better use of digital transformation, service redesign and a strategic approach to procurement would drive productivity, efficiency, and service improvement outcomes. Greater involvement of elected Members and the public in budget setting and cost saving discussions would also support HBC's budget challenge by allowing for greater review, challenge and understanding of the options.

HBC has demonstrated a proactive approach to inward investment. It has had notable success in securing inward investment to support regeneration and economic development and is committed to using prudential borrowing to support strategic developments. There are also examples of municipal enterprise in some services - such as Housing Revenue Account and Traded Services in Neighbourhoods – with

the revenue raised contributing to sustaining services and delivering priority projects. This approach to risk and commercial acumen is not consistent across HBC, with a perception that at a corporate level, the Council is risk averse. Developing a clearer and more granular understanding of HBC's risk appetite across all its activities would encourage innovative thinking and a consistent approach to municipal enterprise where appropriate.

Responsibility for HBC's vast portfolio of capital projects is dispersed across the Council. With delivery of these critical to HBC achieving its aspirations for place, prioritisation will be essential to ensure resources are not stretched too thinly. Phasing of the Capital Programme would help HBC decide how best to target its finite resources and would concentrate capacity on the successful delivery of a smaller number of key projects which are time sensitive. As example of this in the immediate term is The Tall Ships races in 2023. Going forward, HBC can be confident in being more selective about funding or project opportunities and not pursue those which do not support HBC's vision for place. This prioritisation should be aligned to development of a Corporate Capital Strategy linked to the Council Plan priorities. It would also ensure that revenue consequences of capital projects, both now and in the future, are fully understood. Aligned to this, agreeing a Corporate Asset Management Plan would give HBC a better understanding of its asset base, what it needs to invest in for service delivery, and what it can dispose of to release funds for more capital investment based on how these fit with the Council Plan.

4.5. Capacity for improvement


HBC's workforce was frequently described as an asset, with a willingness to "go above and beyond" and being integral to delivering throughout the pandemic and beyond. There was general willingness from most staff the Peer Team spoke with to learn, adapt and change, as well as examples of sharing good practice with other councils. Fostering and harnessing this ethos will help HBC in the next stages of its journey where change and transformation will be key. There are good examples of transformational thinking to build on and learn from, such as the development of Community Hubs as the front door to ASC to manage demand and improve outcomes.

HBC's organisational structure has evolved over time in large part due to vacancies and cost-saving drivers. This has resulted in large portfolios for many staff, some with conflicting priorities, and some corporate core functions operating beyond capacity. The 'Hartlepool Way' of 'getting things done no matter what' has enabled HBC to deliver in the face of significantly reduced resources. This however risks staff burnout, organisational overstretch and inhibits strategic planning and innovation. HBC should review its existing operational arrangements (e.g. structure and operating model) to provide assurance it is not stretching itself too thinly in certain areas, posing a risk to the organisation. In doing so, it should also seek to ensure strategies, policies and priorities are 'knitted together' corporately so that capacity, skills and resources are used in the most optimal way and aligned to key organisational goals and risks.

Creating bandwidth across the organisation to think strategically about tackling corporate challenges, and doing things differently, would unlock HBC's capacity to improve significantly. Robust prioritisation will be required to release capacity to do so. Without this, there is a risk that currently "nothing is a priority, if everything is a priority". As part of this, HBC should consider if it has sufficient senior capacity to drive forward its vision for the town, whilst also continuing to deliver across ambitious plans already in place.

HBC's success in securing inward investment, and wide partnerships engagement, brings increased opportunity for leveraging additional capacity and maximising the collective resources across the Borough. With several partners expressing a desire to "lean in more" to work collectively on shared objectives, there is potential to go further. It is timely to reflect on HBC's risk appetite to see partners as an extension of its own capacity. Considering what is in the best interests of the people of Hartlepool may be a helpful guiding principle in determining which organisations are best placed to lead on different projects.

There is an organisational-wide awareness of HBC's aging workforce profile, retention challenges and difficulty in recruiting new staff across the organisation. Steps are being taken to address this, with the use of apprenticeships to develop future workforce, as well as investment in senior leadership development. There is however more to do to ensure the Workforce Strategy is fit for purpose to enable the organisation to maximise its capacity, support future skills planning and be reflective



of HBC's communities. It will be important that this Strategy is further developed, given higher profile, collectively owned, and linked to HBC's activities on equality, diversity and inclusion.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the Council's senior leadership to update peers on its progress against the action plan and discuss next steps. In the meantime, Mark Edgell, Principal Adviser for North East, Yorkshire and Humber and East Midlands, is the main contact between your authority and the Local Government Association. Mark is available to discuss any further support the council requires. mark.edgell@local.gov.uk.