

Corporate Peer Challenge

Brighton & Hove City Council

2nd to 5th June 2014

Report

1. Background and scope of the peer challenge

On behalf of the team, I would just like to say what a pleasure and privilege it was to be invited in to Brighton & Hove to deliver the recent corporate peer challenge. The team very much appreciated the efforts that went into preparing for the visit and looking after us whilst we were on site and the participation of elected members, staff and partners in the process.

This was one of the corporate peer challenges delivered by the Local Government Association as part of the approach to sector led improvement. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

Adam Wilkinson, Chief Executive, Derby City Council
Jonathan Huish, former Plaid Cymru Councillor at Rhondda-Cynon Taf Council
Councillor Peter Abraham, Leader of the Conservative Group, Bristol City Council
Helen Riley, Deputy Chief Executive and Director for Place, Staffordshire County Council
Dr Kay Eilbert, Director of Public Health, London Borough of Merton
Maggie Sullivan, Head of the Independent Group Office, Local Government Association (shadowing role)
Chris Bowron, Peer Challenge Manager, Local Government Association

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, transformation and disinvestment?
- Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

To tailor the challenge to the needs of Brighton & Hove, the council asked us to also consider:

- The role of the council as a leader in the city and its' partnership working
- The culture of the organisation: the embedding of the purpose, ambition and values of the organisation amongst staff and the links between the performance of staff, the council and our partnerships
- The extent to which the council is managing need, demand and expectations in the context of diminishing resources
- The effectiveness and progress of integrated working with Health
- The way the council is managing within the context of no overall political control

As you will recall, we undertook to write to you to confirm the team's findings, building on the feedback provided to you on the final day of the peer challenge and, in particular, expanding upon those areas that we highlighted as likely to benefit from some further attention. This report sets out those findings.

2. Executive summary

Brighton & Hove City Council is widely seen by partners to have developed a clearer sense of direction over the last couple of years and to be demonstrating greater leadership of the city. Central to this clearer sense of direction is the emergence of a much greater focus on the economy and growth, with the authority having been instrumental in the securing of the 'Greater Brighton City Deal' with government. The city is keen to look outward, with a desire to learn from elsewhere and stretch horizons and ambitions. The 'City Deal' demonstrates real ambition and seems to be changing people's ways of thinking about the city and surrounding area and boosting confidence. There is also now momentum on a range of physical regeneration projects in the city – some of which have been long in gestation. However, there are a number of major challenges still facing the city. These are widely recognised and include housing availability and affordability, educational attainment and inequalities in health.

The Chief Executive was appointed on a cross-party basis with a clear agenda to take the council and the city forward. Her arrival and impact have been very widely welcomed. She, in conjunction with the strong Leader, is generating increased confidence both within the organisation and amongst the council's partners.

Whilst the economic strategy has been refreshed, we see there being a need for an overarching framework for the city which draws together thinking and plans around job creation, education and skills, transport, housing and regeneration projects. There is also an intention to review the employment and skills plan for the city but we see a need more generally for much greater leadership of the whole employment and skills agenda in the city.

The council acknowledges that it had not been sufficiently aware of the growth in the size of the black and minority ethnic (BME) population in the city between 2001 and 2011, until the Census results emerged. However, the council has acted to avoid something similar in the future plus it feels that the closer relationships it now has with partner organisations in the city means that changes of this nature would be much more quickly identified, enabling the implications to be better understood and planned for.

£60m savings have been achieved by the council in the last three years, with a further £17m needing to be secured in the current year. The authority is forecasting an additional £100m savings being required over the four years that follow. There are two different sets of perspectives within the organisation regarding the budget – which can be described respectively as “the budget challenge is serious” and “we’ll grow our way out of it”. Whilst the latter is an attractive prospect it is clear that such an approach won’t address the financial gap in the short-term. The focus therefore needs to be placed on achieving savings. The fact that there has already been significant slippage in aspects of the savings programme this year provides cause for concern, although we acknowledge the council is responding.

Savings targets to date appear to have been determined without the context and guiding framework that would have been provided by a process of prioritisation. More radical savings solutions than those adopted to date are required to address the financial gap going forward and this will require real priorities to be focused on. Determining and implementing these will demand extremely strong political leadership. We don’t underestimate the scale of this challenge given the complex political make-up of the council and the all-out council elections being held next year.

Integration with health, including the Better Care Fund, is a key opportunity to deliver both improved health outcomes and financial savings. Good examples of the council and health working together already exist – although it may not always be formally badged as ‘integration’. Public Health has, very positively, assumed a wider set of responsibilities than in many other local authority areas. Integration pilots are underway in two parts of the city, in what represents the first phase in a deeper and wider integration. A refreshed Health and Well Being Board, which is seen to represent a “radical refresh of health and social care leadership” takes effect shortly. It will look to progress integration more systematically. All of this provides a good platform to address health inequalities and improve health outcomes in Brighton & Hove but it needs to be supplemented by increased attention being given to the recognised ‘key determinants of health’.

The council has significant experience of operating in an environment of no overall political control, stretching back around a decade or so. Such an environment undoubtedly makes things more complex and challenging but the council has the mechanisms in place to make things work. The ability of the council to manage in such an environment is evidenced by the fact that several key issues facing the city and the authority in the last

couple of years have been able to be moved forward, including pay modernisation of the council's workforce and the 'Greater Brighton City Deal'. However, the 2015 council elections are already looming large in the minds of elected members and officers, generating a risk of issues being slowed down or stopped. The council and the city cannot afford for this to happen.

The return to the committee system suits the council well and people are comfortable with both the way the transition was managed and how the system is operating. This shift reflects the council's willingness and creativity around continuously learning and evolving its governance arrangements.

A major level of change in the elected membership of the council at the next elections is already known about, with around a third of current councillors thus far having indicated they do not intend to stand again. This change is being planned for in terms of the induction of new councillors. However, it also represents the ideal time potentially to revisit elected members' roles, responsibilities and ways of working. A significant proportion of elected members are looking for greater understanding and flexibility from the authority as they seek to balance council responsibilities with their other commitments and priorities. The council has regularly looked at this issue but not managed to move away from the status quo – which has implications both for current and potential councillors.

With the growing demands that are being placed upon elected members, there is a need to ensure they are fully equipped to fulfil their roles to maximum effect and that they receive the maximum possible support from the council. Elected member training and development is felt to be good but we see an issue around 'you don't know what you don't know' and we therefore encourage the council to really challenge the comprehensiveness and robustness of the training and development agenda and the processes by which elected members' needs are identified.

There is seen to be a caring and supportive culture within the organisation and the council has adopted the 'Living Wage' for its staff. The council has little difficulty in attracting people to work there and staff largely remain with the council for a significant length of time. The authority acknowledges the challenge this generates in balancing experience with the bringing in of new ideas and fresh perspectives and sees benefit in having a greater degree of 'churn' than at present.

Unsurprisingly, given the challenges being faced, there is uncertainty in the organisation about what the future holds. It would help people if there was a clearer sense of the vision and direction for the future for the organisation. 'Modernising the council' features as a key element in the corporate plan – indeed it represents one of the authority's key priorities. Achieving this is important because the council is seen as lagging behind many others in the way it operates. With 'customer focus' established as one of the council's core values, the authority clearly recognises the importance of getting this right but there appears to be a long way to go.

The council recognises that the delivery of culture change is at an early stage. There is a strong sense of realism about just how extensive the programme will need to be and the time it will take to roll it out across the organisation. Wider modernisation activity around developing new ways of working needs much better integration between property services,

ICT and HR/organisational development. There is also a lack of clarity regarding the savings contribution that can be expected from this area of work – entitled ‘work style’. Other authorities have demonstrated that very significant savings can be achieved through such changes where they are effectively implemented. Brighton & Hove could potentially achieve something similar but there is a need to recognise that delivering effective change on a major scale, and securing the savings that could result, will require major investment.

We see a constructive relationship between the council and trades unions as being vital if change is to be delivered to best effect and, within this, a sound balance is to be struck between good quality services/improved outcomes for citizens, financial savings/efficiencies and safeguarding people’s employment and their well-being. The fact that only 23 per cent of staff view the council and trades unions as having an effective working relationship suggests significant shifts will have to be made if this is to be achieved.

The council’s business planning process appears well established. Central to this is the performance and development review process, of which there is widespread take-up by staff who indicated they value it. Despite this, there is widespread recognition of a need for more of a performance culture generally within the organisation, including a greater focus on outcomes.

3. Understanding of local context and priority setting – including the role of the council as a leader in the city

- The council is widely seen by partners to have developed a clearer sense of direction over the last couple of years – whilst recognising it can’t and shouldn’t do it all
- There is now seen to be a much greater focus by the council on the economy and growth
- The authority has successfully led the establishment of the ‘Greater Brighton City Deal’ with partners
- The City Management Board has been revised and is now seen to be a more dynamic body that is adding value and focusing on the right issues
- ‘Brighton and Hove Connected’ needs a similar refresh
- There is momentum on a range of physical regeneration projects – some of which have been long in gestation
- Brighton and Hove is established as a ‘One Planet’ City and awaiting a decision on Biosphere designation
- The city is keen to look outward and broaden its horizons – ‘Key Cities’, ‘Euro Cities’ and international benchmarking
- Whilst the economic strategy has been refreshed, there is an acknowledged gap around an overarching framework for the city
- There are a number of major challenges facing the city which are widely recognised, including housing, education, health inequalities and delivering growth
- The character of the city and the extensive range of council services encourages people to migrate here
- Educational attainment in the city is improving but there appears to be limited ambition to improve aspirations and outcomes
- There is also a significant issue in relation to school places for future years

- There is a question for us about the strength of the relationship between the council and schools
- There is an intention to review the employment and skills plan for the city
- However, we see a need for much greater leadership of the whole employment and skills agenda, with it being underpinned by a strategy linking education and skills to regeneration, growth and jobs
- There is seen to be a lack of engagement by the council with major local employers
- The council has a range of mechanisms for understanding the demography and make-up of the city, need and citizens' views
- However, the council acknowledges it had not been sufficiently aware of the growth in the size of the BME population and its implications
- Welfare reform, a major change impacting the city, has been successful in its planning and implementation

Brighton & Hove City Council is widely seen by partners to have developed a clearer sense of direction over the last couple of years. This focus is reflected in the following priorities outlined in the council's corporate plan:

- Tackling inequality
- Creating a more sustainable city
- Engaging people who live and work in the city
- Modernising the council

The council is also seen to be demonstrating greater leadership of the city – whilst recognising that it can't and shouldn't do it all by itself. The City Management Board, comprising the senior managerial leaders from a range of public sector bodies and chaired by the council's Chief Executive, has been revised and is seen now to be a more dynamic body that is really adding value and focusing on the right issues. There is a recognised need to undertake a similar refresh of 'Brighton and Hove Connected' – the Local Strategic Partnership – to ensure its contribution, from a wider range of partners than with the City Management Board, to the future progress of the city is maximised.

Central to the council's clearer sense of direction is the emergence of a much greater focus on the economy and growth. The authority has been instrumental in the securing of the 'Greater Brighton City Deal' with government, focused on delivering an increasingly vibrant local economy which, in turn, will deliver extra jobs and housing and enhance cultural and educational provision. The Deal aims to increase ambition, drive growth and improve job prospects, business opportunities and people's earnings – turning the area into one of the highest performing urban economies in the UK and operating on an international stage. It will look to build on some of Greater Brighton's emerging success stories, such as the creative-tech cluster and the significant investment from a range of green industries. The 'City Deal' is expected to deliver 8,500 new jobs and £361m in annual gross value added (GVA). It involves a £25m investment in the flagship New England House, home to creative-tech businesses, £173m of investment to create a network of Growth Centres across the City Region, the unlocking of sites to deliver up to 2,000 new homes, enhanced flood defences and a £2m business support programme. The 'City Deal' demonstrates real ambition and seems to be changing people's ways of thinking about the city and surrounding area (having successfully established the concept of a 'City Region' in people's minds) and boosting confidence.

There is now momentum on a range of physical regeneration projects in the city – some of which have been long in gestation. The highest profile of these is the i360 viewing tower on the seafront, on which construction has just commenced. Other projects that are now moving forward include mixed-use development sites at Preston Barracks and Circus Street, the revamping of the Brighton Centre and a range of developments around London Road, including New England House. These projects are all at different stages, ranging from financial deals nearing completion through to work having commenced physically on-site. The key thing, though, is that they are all actively moving forward and long-held aspirations are starting to turn into a reality.

Whilst the economic strategy has been refreshed, we see there being a need for an overarching framework for the city which draws together thinking and plans around job creation, education and skills, transport, housing and regeneration projects. This might best be understood as the ‘bringing to life’ of the local community strategy – how the variety of strands of activity across different organisations and partnerships link together to support the economic, social and physical development of the city. The sort of theme that could be ‘brought to life’ through this is how local people within more deprived communities, in addition to graduates from the local universities, might best be able to benefit from the anticipated growth in jobs and the economy.

There is an intention to review the employment and skills plan for the city. However, we see a need for much greater leadership of the whole employment and skills agenda generally. We recognise that responsibility for this agenda sits across a range of bodies and organisations, but it appeared to us that there is a need for somebody to really be championing it and drawing people together in a way that sees them focusing on a clear set of objectives – underpinned by a strategy linking education and skills to regeneration, growth and jobs. We would encourage the council to drive this agenda. We also noted that the council is seen to have limited engagement with major employers in the city and we would encourage the authority to address this.

Brighton & Hove is established as a ‘One Planet’ City and a decision is currently awaited on the potential designation of Brighton & Hove and Lewes Downs by UNESCO as a ‘Biosphere Reserve’. The city is keen to look outward. It forms part of the ‘Key Cities’ group of local authorities nationally and is a member of ‘Euro Cities’ – reflecting a desire to learn from elsewhere and stretch horizons and ambitions. A number of people that we met spoke of the intention to look at benchmarking the city and the council at an international level rather than just national or local benchmarking – for example in relation to council, tourism and economic performance.

The council has a range of mechanisms for understanding the demography and make-up of the city, need and citizens’ views. These include the Joint Strategic Needs Assessment, the ‘City Tracker’, the annual ‘City Statistics Summary’ and the ‘City Profile’ (reflecting the 2011 Census findings). The council does, however, acknowledge that it had not been sufficiently aware of the growth in the size of the black and minority ethnic (BME) population in the city between 2001 and 2011, until the Census results emerged. This growth saw the proportion of BME residents within the overall population increase from 12 per cent to 21 per cent and included a significant influx of people from Eastern Europe and a rise in the number of overseas students attending university in the city. The council feels that the closer relationships it now has with partner organisations in the city means that

changes of this nature would be much more quickly identified in the future, enabling the implications to be better understood and planned for.

The character of the city and possibly the extensive range of council services are seen to encourage people to the area. This has a positive impact, in terms of the vibrancy and cosmopolitan feel of the place. However, there is also a risk that the council's 'comprehensive' service offer increases demand for services, such as sexual health, as a consequence of drawing in people, including a proportion who may be defined as 'vulnerable', from other local authority areas that are scaling back some of their services.

Welfare reform, as another major change impacting the city, has been successful in its planning and implementation. However, there are a number of much greater challenges still facing the city. These are widely recognised and include the availability and affordability of housing generally and the quality of housing within the private rented sector. The housing situation is compounded by additional accommodation being required for a 5,000 people increase in the university student population over the coming years. Other key issues include educational attainment, inequalities in health and turning the ambitions and plans for economic growth into a reality.

Educational attainment in the city is improving but we were struck by what appeared to be limited ambition to improve aspirations and outcomes around schools and education. There is also a significant issue in relation to school places in future years, with planning and action required now to avoid around 750 children facing being without a place in 2021. There is also an issue for 2018, involving some children facing being placed in schools that may not be their preference and involving long journeys from home. Whilst these issues are being actively considered by the council, we were surprised by how relatively late in the day this appears to be happening. Overall, we question the strength of the relationship between the council and schools.

3.2 Financial planning and viability – including managing need, demand and expectations and integration with health

- “The budget challenge is serious” versus “we’ll grow our way out of it” – there needs to be a clear outline of the scale of the challenge and the options available to the council
- £60m savings have been achieved in the last three years, with a further £100m over the next four years
- The ‘Value for Money Programme’ is planned to only deliver £9m of the current year’s savings requirement
- The council is responding to a recognised need to establish greater pace, rigour, capacity and improved governance around the ‘Value for Money Programme’
- The authority recognises there is significant slippage in budget savings already this year and is responding
- To date, savings targets appear to have been determined on a pro rata basis rather than one of prioritising
- More radical solutions are required than those found to date to address the financial gap – which will demand extremely strong political leadership
- We encourage the council to consider all options for reducing spend – ranging from alternative methods of service delivery and what other providers (including the

voluntary and community sector and private sector) can be commissioned to deliver through to de-commissioning and cutting services

- People within and beyond the organisation want to know what the budget process and proposals will be for 2015/16 and beyond
- Integration with health, including the Better Care Fund, is a key opportunity to deliver both improved outcomes and financial savings
- There are good examples of the council and health working together – although it may not always be formally badged as ‘integration’
- Public Health has assumed a wider set of responsibilities in the council than in many other local authorities
- The potential for the co-location of the council and the Clinical Commissioning Group is being explored
- Health integration pilots are underway in two parts of the city
- A refreshed Health and Well Being Board to progress integration more systematically takes effect shortly and this represents a “radical refresh of health and social care leadership”
- All of this provides a good platform to address health inequalities and poor health outcomes
- There is a need to ensure increased attention to the key determinants of health – early years, education, employment, housing and primary prevention

£60m savings have been achieved by the council in the last three years, with a further £17m needing to be secured in the current year. The authority is forecasting an additional £100m savings being required over the four years that follow – from a gross revenue budget that in the current year is £404m.

We came across two different sets of perspectives amongst elected members and officers that we met, regarding the budget. These can broadly be described respectively as “the budget challenge is serious” and “we’ll grow our way out of it”. Whilst the latter is an attractive prospect (and the economic growth taking place and what that potentially offers in terms of increased council tax and business rates revenue along with New Homes Bonus does provide some grounds for optimism) it is clear that such an approach won’t address the financial gap in the short-term. The focus therefore needs to be placed on achieving savings. The starting point, as we see it, is the reiteration of the scale of the financial challenge over the next three to four years and the clear outlining of the options available to the council, including what potential there realistically is for increased income. This clear outlining will need to look at the potential for service changes, revised ways of working and future workforce requirements.

Savings targets to date appear to have been determined without the context and guiding framework that would have been provided by a process of prioritisation. Such a process would have centred on a key set of priorities reflecting need and a shared understanding of the core role and purpose of the council. More radical savings solutions than those adopted to date are required to address the financial gap going forward and this will require real priorities to be focused on. As we have touched on in the preceding paragraph, we encourage the council to consider all options for reducing spend – ranging from alternative methods of service delivery and what other providers (including the voluntary and community sector and private sector) can be commissioned to deliver, through to de-commissioning and cutting services. As an example, Ernst and Young (in a report commissioned by the council looking at the effectiveness of the ‘Value for Money

Programme’) cited the potential for alternative methods of service delivery in areas such as leisure and culture.

Determining and implementing more radical solutions will demand extremely strong political leadership. We don’t underestimate the scale of this challenge given the complex political make-up of the council and the all-out council elections being held next year.

The council gives a high profile within its financial planning to the ‘Value for Money Programme’ but this area of activity is only planned to deliver £9m of the current year’s £17m savings requirement, thus creating a significant reliance on service changes making up the remainder. The fact that there has already been significant slippage in other areas of the savings programme this year therefore provides cause for concern. We do acknowledge that the council recognises this slippage and is responding to the situation. The council is also responding to what it has recognised as a need to establish greater pace, rigour, capacity and improved governance around the ‘Value for Money Programme’. A report is being taken to the next Policy and Resources Committee outlining how this will be achieved.

One final thing we would wish to highlight in relation to the council’s approach to the budget is the extent to which people both within and beyond the organisation want to know what the process will be for setting the budget for 2015/16. People, ranging from officers with service and budget management responsibilities through to partner organisations including the voluntary and community sector, are keen to understand how they can contribute to the development of proposals and help to address the budget position. They are naturally also keen to know what the savings proposals will be but recognise this is a way off yet.

Integration with health, including the Better Care Fund, is a key opportunity to deliver both improved health outcomes and financial savings. Good examples of the council and health working together already exist – although it may not always be formally badged as ‘integration’. Examples include the hospital discharge team and the co-location of Public Health staff with the Clinical Commissioning Group (CCG). Public Health has, very positively, assumed a wider set of responsibilities than in many other local authority areas, including environmental health, licensing and emergency planning. This should make it more straightforward to use council levers to improve health and wellbeing. Public Health also leads on the work on the Joint Strategic Needs Assessment for the council and this is now seen as a key planning document for the whole council. Public Health has had a jointly appointed Director of Public Health for a number of years. All of this has helped to integrate Public Health within the local authority since its transfer last year and represents a model that other local authorities might be interested in looking at.

The potential for the co-location of the council and the CCG together at Hove Town Hall is being explored. Integration pilots are underway in two parts of the city, in what represents the first phase in a deeper and wider integration. A refreshed Health and Well Being Board, which is seen to represent a “radical refresh of health and social care leadership” and is underpinned by a comprehensive governance and planning infrastructure, has been developed and takes effect shortly. It will look to progress integration more systematically. Partners are enthused by the changes that have been made around health and are keen to build on them as demonstrated, for example, by General Practitioners considering a federated approach to primary care in the city. All of this provides a good platform to

address health inequalities and improve health outcomes in Brighton & Hove. It needs to be supplemented by increased attention being given to the recognised 'key determinants of health' – early years provision, education, employment, housing and primary prevention.

3.3 Leadership and governance – including the way the council is managing in a context of no overall control

- The council has significant experience of operating in an environment of no overall control
- Such a context makes things more complex and challenging but the authority has the mechanisms in place to make things work
- Several key issues for the city and the council have been taken forward in a way that demonstrates strong political leadership
- The return to the committee system suits this council well and people are comfortable with both the way the transition was managed and how the system is operating
- The council is continuously learning and evolving in relation to its governance arrangements
- A significant level of change in the elected membership of the council at the next elections is already known about – this is being planned for in terms of the induction of new councillors
- However, the forthcoming election means issues risk being slowed down or stopped
- Growing demands are being placed upon elected members – there is a need to fully equip them to fulfil their roles to maximum effect
- A significant proportion of elected members we met are looking for greater understanding and flexibility from the council as they seek to balance council responsibilities with their other commitments and priorities – the council has regularly looked at this but not managed to move from the status quo, which has implications for current and potential councillors
- Whilst elected member training and development is felt to be good and has been accredited, we see an issue around 'you don't know what you don't know'

The council has significant experience of operating in an environment of no overall political control, stretching back around a decade or so. Such an environment undoubtedly makes things more complex and challenging, requiring a lot more effort by council officers and leading elected members in order to move things forward. However, the council has the mechanisms in place to make things work, including the 'Leaders Group', which brings together the Leaders of each of the political groups with the Chief Executive on a regular basis, and 'Informal Chairs', comprising the Chairs of each of the main council committees. The ability of the council to manage in such an environment is evidenced by the fact that several key issues facing the city and the authority in the last couple of years have been able to be moved forward. These include the appointment of the Chief Executive with cross-party agreement, pay modernisation of the council's workforce, the 'Greater Brighton City Deal' and the funding model for the i360 viewing platform (although we recognise one of the political groups abstained from the vote on the latter). This demonstrates strong political leadership and the issue of pay modernisation in particular is widely seen within the council and across partner organisations as having shown true resolve on the part of elected members across the different political groups as well as the Chief Executive. The 2015 council elections are already looming large in the minds of elected members and

officers, however, generating a risk of issues being slowed down or stopped. The council and the city cannot afford for this to happen.

The return to the committee system suits the council well and people are comfortable with both the way the transition was managed and how the system is operating. This shift reflects the council's willingness and creativity around continuously learning and evolving its governance arrangements. Further examples include the absorption of the Adult Social Care Committee in to the new Health and Well Being Board and a review undertaken every six months of the council's Constitution.

A major level of change in the elected membership of the council at the next elections is already known about, with around a third of current councillors thus far having indicated they do not intend to stand again. This change is being planned for in terms of the induction of new councillors. However, it also represents the ideal time potentially to revisit elected members' roles, responsibilities and ways of working.

A significant proportion of elected members we met are looking for greater understanding and flexibility from the authority as they seek to balance council responsibilities with their other commitments and priorities. Examples include revising the timing and frequency of council meetings, given the current emphasis on afternoon meetings, and the availability of training and development which seems to be concentrated in the day time. The council has regularly looked at this issue but not managed to move away from the status quo – which has implications both for current and potential councillors.

With the growing demands that are being placed upon elected members, there is a need to ensure they are fully equipped to fulfil their roles to maximum effect and that they receive the maximum possible support from the council. There is a great deal of frustration in relation to the provision of ICT for them and there are mixed experiences regarding officer responsiveness to case work issues councillors raise. Elected member training and development is felt to be good and, indeed, has been accredited by the South East Employers Organisation. However, we see an issue around 'you don't know what you don't know' – as highlighted with the awareness raising sessions that were delivered for them on trans-gender issues – and we therefore encourage the council to really challenge the comprehensiveness and robustness of the training and development agenda and the processes by which elected members' needs are identified.

3.4 Organisational capacity – including the culture of the organisation

- The Chief Executive was appointed with a clear agenda to take the council and the city forward
- Her arrival and impact have been very widely welcomed – 'a huge sigh of relief' – and she is generating increased confidence within the organisation and amongst the council's partners in conjunction with the strong Leader
- 'Modernising the council' features as a key element in the corporate plan
- The authority is seen as lagging behind others in the way it operates
- There is a caring and supportive culture within the organisation
- The council has established 'customer focus' as one of its core values – whilst it recognises the importance of getting customer service right, there appears to be a long way to go before that becomes a reality on a truly consistent basis

- There is uncertainty in the organisation about what the future holds – it would help people if there was a clearer sense of the vision and direction for the future
- Pay modernisation has been achieved and the ‘Living Wage’ established
- Staff remain with the council for a significant length of time – generating a challenge in balancing experience with new ideas and fresh perspectives
- A degree of personnel change has taken place, largely through voluntary redundancy – although the council’s spend on staffing has not reduced significantly
- The ‘modernisation’ agenda relates to culture change, founded upon a set of values
- Culture change is at an early stage and there is a strong sense of realism about just how extensive the programme will need to be
- Communication, communication, communication – engagement, ownership, buy in
- “How can we take responsibility if we are just directed”
- The management development aspect of the programme has been made mandatory and is being cascaded through cohorts
- The programme is starting from the senior management level – this is inevitably leading to it being seen as ‘hierarchical’ and the rationale for the approach needs to be explained
- The crucial issue is what happens when the desired values are being flouted and what happens when there are examples of the values being delivered? – excellent opportunity to celebrate and communicate
- We would encourage the council to think about the role and involvement of elected members in the culture change agenda – at present there is a significant disconnect
- Historic lack of investment in ICT has been a significant barrier to change and to modernisation
- Wider modernisation activity around ‘work style’ needs much better integration across property, ICT and HR/organisational development
- Staff are experiencing genuine difficulty around ‘work style’ – ability to work remotely, car parking, hot-desking provision, channel shift
- There is a lack of clarity on the savings contribution from ‘work style’
- There is a need to recognise that achieving the very significant savings that could potentially be secured will require major investment by the council
- There is a significant managerial hierarchy in the council
- The ‘middle management’ tier is widely seen as requiring development – which will require support beyond the culture change programme
- Many people we spoke to referred to silos within the organisation
- The council takes a long time to do things – need for prioritisation, pace, urgency
- We met very committed and passionate frontline staff – but good quality are staff being lost
- There is a mixed picture in relation to staff having access to training and development opportunities
- The performance and development review process has been revised to reflect the organisational values
- The council’s business planning process is established
- However, there is recognition of a need for more of a performance culture generally in the organisation, including a greater focus on outcomes
- The council is planning the integration of performance, people and financial management via a single on-line system
- Increasing levels of sickness absence are being seen, with work-related stress as a significant factor

- There is now more accurate recording of sickness, some progress been made in managing absence more effectively and there has been increased investment in occupational health - but there is still a way to go
- 23 per cent of staff see the council and trades unions as having an effective working relationship

The Chief Executive was appointed on a cross-party basis with a clear agenda to take the council and the city forward. Her arrival and impact have been very widely welcomed – many officers made comments along the lines of her acting like a ‘breath of fresh air’ or them ‘breathing a huge sigh of relief’. She, in conjunction with the strong Leader, is generating increased confidence both within the organisation and amongst the council’s partners. Pay modernisation represented a ‘baptism of fire’ for her but the determination that she showed through that period, working alongside elected members, served to establish her credentials immediately.

There is seen to be a caring and supportive culture within the organisation – which the Chief Executive herself embodies – and the council has adopted the ‘Living Wage’ for its staff. The council has little difficulty in attracting people to work there and staff largely remain with the council for a significant length of time. The authority acknowledges the challenge this generates in balancing experience with the bringing in of new ideas and fresh perspectives and sees benefit in having a greater degree of ‘churn’ than at present. Thinking around the workforce requirements for the future, including talent management, is taking place but this work has not yet been prioritised – with the organisational development capacity of the authority currently focused on implementing a programme of culture change.

A certain degree of change has taken place within the council’s workforce but this has largely been as a result of people taking voluntary redundancy. Whilst people have left the organisation on this basis, we noted that the council’s spend on people has not reduced significantly.

Unsurprisingly, given the challenges being faced, there is uncertainty in the organisation about what the future holds. Staff that we met highlighted the extent to which good quality staff are being lost as a result of that uncertainty or the changes taking place. It would help people if there was a clearer sense of the vision and direction for the future for the organisation.

‘Modernising the council’ features as a key element in the corporate plan – indeed it represents one of the authority’s key priorities. Achieving this is important because the council is seen as lagging behind many others in the way it operates. With ‘customer focus’ established as one of the council’s core values, the authority clearly recognises the importance of getting this right but there appears to be a long way to go before that becomes a reality on a truly consistent basis. Staff spoke of a lack of investment in the basics – such as replacing broken light bulbs or windows in council offices visited by the public and significant waiting times for people calling or visiting certain council services. The council’s historic under-investment in ICT contributes to it lagging behind and is presenting a major barrier to change and modernisation.

We met very committed and passionate frontline staff during the course of the peer challenge. We also identified a significant degree of managerial hierarchy within the

organisation, with many tiers and some very limited spans of control. Many people we spoke to referred to silos within the organisation, attributing this at least in part to those narrow spans of control plus protectionist attitudes born out of nervousness about the future. The 'middle management' tier is widely seen within the council as requiring development, with variability in skills and attitudes. Delivering the necessary change at this level will require support for some people beyond what the culture change programme is designed to deliver. Ultimately, structural change is likely to be required.

Whilst it is not always the case, the council does seem to take a long time to do things. People spoke of the need for greater prioritisation in terms of being clear about what is important to be achieved and then developing the ability to deliver those things at pace and with a sense of urgency, through the focusing of resources and effort.

A key strand of 'modernising the council' is concerned with culture change. Such culture change is founded upon a set of values that originate from extensive engagement with staff and to which the Chief Executive added her thinking when she arrived, prior to them being launched. The values are as follows:

- Collaboration
- Efficiency
- Customer focus
- Creativity
- Openness
- Respect

These are underpinned by a set of 'work objectives' – delivery, personal impact, working together and accountability. The performance and development review process has been revised to reflect these values and work objectives.

The council recognises that the delivery of culture change is at an early stage. There is a strong sense of realism about just how extensive the programme will need to be and the time it will take to roll it out across the organisation. There are many different strands to the programme but effective communication is rightly recognised as key to getting people to buy in – focusing on securing their engagement in the change and ownership of the values and work objectives. The way in which the Chief Executive is visible and seen to demonstrate the desired values is extremely helpful here, as is the fact that senior officers, including those forming the Executive Leadership Team, are now seen to be 'out and about' more generally than before. This helps people to engage in change by being involved in dialogue and seeing people demonstrating what is desired.

The management development aspect of the culture change programme has been made mandatory, which has not often been the case for training and development activity in the council before. The way the management development programme is being rolled out sees it starting from the senior management level, with a series of cohorts being formed of people at similar levels in the organisation. This is inevitably leading to it being seen as 'hierarchical' in its implementation but we understand the rationale for the approach. That rationale places a strong emphasis on practical learning being cascaded down the management tiers through the cohorts, with people at more senior levels, once they have embarked upon the programme, talking to subsequent cohorts about what they have learnt, how they have adapted as a result and the way in which they are applying the

values in the way they work. Given this approach, we see the 'hierarchical' nature of the programme as the inevitable, but correct, one – but perhaps it needs to be more fully and clearly explained to the organisation. This would help to remove some of the cynicism that is emerging around the values, reflected in the question posed by one person of "How can we take responsibility if we are just directed?"

The crucial issue, as we see it, around the culture change agenda is the council being willing to act when the desired values are being flouted – in order to avoid the whole concept being undermined. On this front, we understand there have already been certain instances of people going against the values and that the council has been quick to respond to them. Equally important is the authority needing to highlight good examples of the values being demonstrated and applied. The 'Big Difference' awards that the council runs could usefully be adapted to ensure a focus on the values – providing an excellent opportunity to celebrate and communicate positive behaviour.

Finally on the subject of culture change, we would encourage the council to think about the role and involvement of elected members in this. At present there is a significant disconnect, with a low level of awareness amongst councillors of the values that have been established and limited recognition of the importance of them leading the way in demonstrating them if culture change is to successfully be achieved. A good basis has been established with the Code of Conduct and Constitution being revised to incorporate the values. However, this needs to be supplemented through practical learning and awareness raising – perhaps as a key aspect of a comprehensive induction programme following the elections next year.

Wider modernisation activity around what the council is terming 'work style' needs much better integration. 'Work style' is about developing new ways of working throughout the organisation, concentrating on increasing the ability for staff to work flexibly and remotely and reduce the council's office accommodation requirements. However, at present, the approach appears to be property-led, with other key elements including ICT and HR/organisational development not sufficiently woven in to the thinking and planning. Essentially there is a need for much better linkage across all such enabling services if 'work style' is to succeed. Some change has already been delivered in parts of the organisation, with mixed degrees of success. Our discussions highlighted this lack of integration, with some staff having experienced a change of office or other location but then encountering genuine difficulty in their ability to work remotely because of ICT issues, access hot-desks and find the car parking necessary to enable them to move efficiently between the office and places they need to visit.

We also identified a lack of clarity regarding the savings contribution that 'work style' can be expected to deliver. Other authorities have demonstrated that very significant savings can be achieved through such changes where they are effectively implemented. Brighton & Hove could potentially achieve something similar but there is a need to recognise that delivering effective change on a major scale, and securing the savings that could result, will require major investment by the council. This potential exists not just around 'work style' but in other areas as well, not least the concept of 'channel shift' - based on enabling citizens and customers to interact with the council in more efficient ways, capitalising on technological innovation and opportunity.

The council's business planning process appears well established. Central to this is the performance and development review process which, as we outlined earlier, has been revised to reflect the organisational values and work objectives. Based on analysis by the council and a less scientific poll we took amongst council staff we met, there is widespread take-up of such reviews and staff value them. There is, however, a mixed picture in relation to staff having access to training and development opportunities, with differences across the various directorates reflecting the devolved nature of the related budgets and decision-making.

Despite the business planning process being well developed, there is widespread recognition of a need for more of a performance culture generally within the organisation, including a greater focus on outcomes. The council is planning the integration of performance, people and financial management via a single on-line system but this is a way off yet. Implementing it will assist the authority greatly in being able to develop the performance culture that it is seeking.

Increasing levels of sickness absence are being seen within the council, with stress as a significant factor. This situation is recognised and is being responded to by the council. First and foremost, there is felt to now be more accurate recording of sickness – which in itself may account for some of the increasing levels being seen. Beyond that, though, some progress has been made in managing sickness absence itself and particularly good practice is felt to exist within adult social care, which could be built upon by the wider organisation. There has also been increased investment in occupational health, enabling staff to be seen by somebody from that service more quickly. However, there is still a way to go in addressing sickness absence in the authority. Consideration could usefully be given to extending the employee well-being programme, as a proactive step aimed at avoiding absences arising in the first place. This will become increasingly important as the organisation experiences more and more change, linked to the budget issue, and the strains that this generates in terms of anxiety for the future and increased workloads.

Finally on the subject of organisational capacity and the culture of the organisation, we see a constructive relationship between the council and trades unions as being vital if change is to be delivered to best effect and, within this, a sound balance is to be struck between good quality services/improved outcomes for citizens, financial savings/efficiencies and safeguarding people's employment and their well-being. The fact that only 23 per cent of staff view the council and trades unions as having an effective working relationship suggests significant shifts will have to be made if this is to be achieved.

Through the peer challenge process we have sought to highlight the positive aspects of the council and the area but we have also outlined some difficult challenges. It has been our aim to provide some detail on them through this report in order to help the council understand and consider them. The council's senior political and managerial leadership will therefore undoubtedly want to reflect further on the findings before determining how they wish to take things forward.

Members of the team would be happy to contribute to any further improvement activity in the future and/or to return to the authority in due course to undertake a short progress review. Mona Sehgal, as the Local Government Association's Principal Adviser for the region within which the council sits, will continue to act as the main contact between the

council and the Local Government Association, particularly in relation to improvement. Hopefully this provides you with a convenient route of access to the organisation, its resources and packages of support going forward, which we know the council is keen to tap in to.

All of us connected with the peer challenge would like to wish Brighton & Hove, both as a council and a place, every success in the future.

Yours sincerely

Chris Bowron
Programme Manager – Peer Support
Local Government Association