

Corporate Peer Challenge Follow-Up Visit **Royal Borough of Kingston**

20th and 21st May 2021

Feedback Letter

1. Introduction

When the COVID-19 pandemic emerged and lockdown began in March 2020, the LGA suspended the physical delivery of all peer challenge work delivered face to face.

To continue to support councils during this unprecedented period, the LGA rapidly refocused their support and adopted a new remote approach. In this context, and with the timings revised to reflect the demands generated by the pandemic, the follow-up visit to the January 2019 corporate peer challenge in Kingston was delivered virtually and undertaken on 20th and 21st May 2021.

The team focused on organisational leadership and governance and elements crucial to the council's financial planning and viability. It comprised the following individuals:

- Andy Donald, until recently Chief Executive of the London Borough of Redbridge
- Councillor Sarah Butikofer, Leader of North Norfolk District Council and LGA Regional Peer
- Miranda Cannon, Director of Delivery, Communications and Political Governance at Leicester City Council
- Rebekah Sutcliffe, Strategic Director of Communities and Reform at Oldham Metropolitan Borough Council
- Chris Bowron, Peer Challenge Manager, LGA

2. Executive Summary

There has been a palpable and tangible shift in the way the council feels since the original corporate peer challenge in January 2019. Central to this has been the creation of the right 'conditions' to enable the council to progress and succeed. One of these conditions concerns the development of an organisational culture centred on visible leadership, listening, involving, engaging, empowering and collaborating.

A second key 'condition' concerns people now being able to see how a sustainable financial future can be achieved for the council. There is a positive narrative centred upon securing savings through the delivery of better, more targeted services and bringing about transformation and change. There was good delivery of savings by the council last year. The council is confident that it has been prudent in relation to both the budget for this year and the medium-term financial strategy (MTFS). Key financial challenges remain for the council and difficult decisions are required in order to address them.

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There are much improved relationships generally between the council and partners. 'Seizing the Moment for Renewal' has been integral as a platform for re-thinking the future of both the authority and the borough itself. The place-shaping agenda in Kingston is exciting and galvanising people and reflects bold and brave leadership and decision-making. The momentum generated by 'Seizing the Moment' needs to be capitalised upon, with this entailing the driving of a partnership-based piece of work to define a place-based vision for the whole borough.

Much closer working has developed across the council's senior political and managerial leadership in recent times. This provides confidence that the council's emerging thinking, ambitions and plans have solid foundations as a result of widespread engagement and dialogue.

People we met described a significantly changed culture. Both the Leader and Chief Executive have been key to this and it has been integral to, and fostered by, the way the council has worked during the Covid-19 crisis. It has also been aided by a very significantly changed approach to, and philosophy around, internal communications. Culture change has only reached so far, however, and a role exists for the entirety of the council's senior leadership to help move things to the next level over the coming months.

The council has many really good people working for it. Staff are clearly very committed and willing but there is a capacity challenge. In order to manage that challenge, the priorities for delivery across the council need to be made clear and, once agreed, adhered to.

3. Recommendations

- The priorities for delivery across the council need to be made clear and adhered to, in order to manage the capacity challenge
- The council ensures it maintains the discipline necessary to address the key financial challenges that remain and the difficult decisions that this entails
- The council takes forward its planned work to establish greater certainty in relation to the savings that could be derived from transformation beyond 2022/23
- The partnership-based piece of work to define a place-based vision for the whole borough is driven forward
- Two-way engagement in the council is extended
- The entirety of the council's senior leadership ensures they are visible and seen to be working to shift the culture of the organisation
- The council extends further, and translates into something clearer and more meaningful, the evolving picture of how the organisation will operate into the future and the ways of working and culture at the heart of this – with the development and implementation of an organisational development (OD) approach and programme being central

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4. Feedback on the core themes of the health check

The Right Conditions

There has been a palpable and tangible shift in the way the council feels since the original corporate peer challenge in January 2019. This is reflected in the way officers, elected members and partners generally speak about the council and the borough now. Central to this shift has been the creation of the right 'conditions' to enable the council to progress and succeed. One of these concerns the development of an organisational culture, to which the Leader and Chief Executive have been key, and which emphasises:

- Visibility amongst the senior political and manager leadership
- Listening
- Involving and engaging people across the organisation
- Empowerment
- A spirit of collaboration

These elements have been both integral to, and fostered by, the way the council has worked during the Covid-19 crisis.

A second key 'condition' concerns people now being able to see how a sustainable financial future can be achieved for the council. There is now a much more positive narrative, which contrasts strongly with the 'deficits' narrative of a couple of years ago. This changed narrative is centred upon securing savings through the delivery of better, more targeted services and bringing about transformation and change. There is another strand, too, relating to the investment being made in the place-shaping agenda for Kingston and which is both exciting and galvanising people.

Council Finances

There was good delivery of savings by the council last year, with the senior leadership being pragmatic regarding slippage of £1.9m within a savings programme budgeted to deliver £7.1m in a year that, clearly, saw a very major set of additional demands being placed upon the organisation. The council is confident that it has been prudent in relation to both the budget set for 2021/22 and the medium-term financial strategy (MTFS). The MTFS reflects a projected gap of £16.7m over the four years starting this year, with £7.4m required in the current year. The council has also moved to increase its reserves in recent times.

Key financial challenges remain for the council and difficult decisions are required in order to address them. Central to this is implementation of the Special Educational Needs and Disabilities (SEND) recovery plan as part of the 'Safety Valve' funding agreed with the Department for Education in relation to the 'High Needs Block' of the Dedicated Schools Grant

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(DSG). Difficult decisions also need to be taken in relation to the potential disposal of some of the council's community-based assets, whether that be to facilitate the place-shaping of Kingston; support the development and changed ways of working of the organisation; or generate capital receipts. Key aspects within all of this may well be politically challenging.

The transformation governance arrangements put in place within the council are comprehensive and provide reassurance to the senior political and managerial leadership. There is confidence in the potential that transformation offers around the securing of financial savings, particularly through the use of council assets and the digital agenda. With the latter, the sense is that the council is in the process of 'putting the foundations in place' and thus there is much opportunity still to be realised in this sphere. There are good signs of savings being realised already through transformation, in the form of the 'Smarter Commissioning, Better Contracting' element, and there is clarity around the financial benefits expected to be realised from transformation over the next year or so. The council recognises that the situation in relation to the savings that could be derived from transformation beyond 2022/23 is less clear and has ambitions to commence work in the coming weeks to establish greater certainty in relation to this.

Delivering the council's ambitions linked to the SEND recovery plan, community-based assets and transformation are crucial in ensuring the council's financial sustainability. A 'Plan B' would inevitably involve major cuts delivered on short timeframes.

Partnership Working

There are much improved relationships generally between the council and partners, with the authority seen to be listening and collaborating well. A piece of work entitled 'Seizing the Moment for Renewal', commissioned from 'New Local', has been integral in providing an opportunity for reflection, both within the council and amongst partners, and what has emerged is being used as a platform for re-thinking the future of both the authority and the borough itself. Central to this is finding ways of sustaining the new ways of working that have emerged through the period of the pandemic, entailing working more effectively internally and externally as a council, and also arriving at a new, shared vision for the whole of Kingston.

Key aspects for the future identified through 'Seizing the Moment' are the empowerment of Kingston's communities and deeper collaboration between the many organisations the borough is home to. As things move forward, the council needs to be mindful that there is uncertainty at present for the voluntary and community sector. This is in a context of the extension of the council's commissioning model and the related challenges for this very diverse sector around future funding arrangements and the skills and capacity to adapt to the requirements of commissioning.

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Place-Shaping

The place-shaping agenda in Kingston is exciting and galvanising people and reflects bold and brave leadership and decision-making. Ambitions include the 'Transform Kingston' plans for the town centre, involving a cultural quarter and replacement leisure centre; the developments relating to the Unilever inward investment which is generating 2,500 jobs; and the Cambridge Road Estate re-development. Partners highlighted the importance of ensuring equal attention on the other urban centres that make up the borough and collaboration at the Kingston Strategic Partnership level around this. The momentum generated by 'Seizing the Moment' needs to be capitalised upon, with this entailing the driving of a partnership-based piece of work to define a place-based vision for the whole borough.

Organisational Leadership

Much closer working has developed across the council's senior political and managerial leadership in recent times, a key element of which is the performance and risk framework that has been developed and the regular meetings between Portfolio Holders and the senior management cohort that are focused on this. The Leader is seen to have created a culture in which the large majority group is involved and able to input. All of this provides confidence that the council's emerging thinking, ambitions and plans have solid foundations as a result of widespread engagement and dialogue across the senior political and managerial leadership of the council. An example of this is the confidence that exists in relation to the deliverability of the budget savings planned for the current year. This stems from the approach to the budget-setting process last year which actively engaged and involved people from a very early stage and enabled input from across the elected membership, including Portfolio Holders leading key stages of the discussions.

Budget and Transformation

Budget-setting and transformation linked closely in this process and it was overseen by a cross-cutting working group. It sought to develop a joined-up and holistic approach and identify 'big ticket' transformational items that the organisation could focus on to deliver both better services and financial savings. From this work, four Transformation Delivery Boards emerged, each focusing on a cross-cutting theme – Enterprising Borough, Maximising Independence, Sustainable Communities and Leading Council. Each of the Boards is chaired by a member of the Strategic Leadership Team (SLT) and they feed into the Transformation Board, in the form of a meeting of SLT every six weeks. The Transformation Board has a remit providing co-ordination of the synergies and overlapping elements between the four themes as well as monitoring progress and delivery. Thus, the way the transformation arrangements are operating is generating culture change, facilitating the organisation working in more joined-up and cross-cutting ways than before.

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Organisational Culture

People we met described a significantly changed culture. As we outlined earlier, both the Leader and Chief Executive have been key to this and it has been integral to, and fostered by, the way the council has worked during the Covid-19 crisis. It has also been aided by a very significantly changed approach to, and philosophy around, internal communications and people are really welcoming of this. A wide range of mechanisms now exist, including the Chief Executive's weekly message; the weekly staff newsletter; Livestream sessions involving the senior managerial and political leadership; a fortnightly managers' briefing; and monthly directorate meetings. The opportunity exists to now extend two-way engagement and, in seeking to do so, the council can take confidence from the way in which 700 staff dedicated time and effort to helping develop the council's STAR (Supportive, Transparent, Appreciative and Respectful) values and the energy that is being generated through the staff networks.

It is important to emphasise that culture change has only reached so far and is, unsurprisingly, clearest to those who are most close to the senior leadership. There is inevitability around this, given these are still early days for change of such significance in a large and complex organisation. A role exists here for the entirety of the council's senior leadership to help move things to the next level over the coming months, ensuring they are visible and seen to be working to shift the culture of the organisation.

There is an evolving picture of how the council will operate into the future and the ways of working and culture at the heart of this – with lots of engagement and dialogue taking place around the 'Future Workplace' stream of activity. The council recognises that this work needs to extend further and translate into something that is clearer and more meaningful to people. Developing and implementing an organisational development (OD) approach and programme would be central to this. It will be clear that things have been made more systemic when there is greater commonality and consistency of language across the organisation around themes such as 'involving', 'engaging', 'empowering' and 'collaborating'.

The council has many really good people working for it. Staff are clearly very committed and willing but they are also very tired – inevitably so given the last year. Concerted effort is required across the organisation to maintain the delivery of transformation, which as we have highlighted is integral to the future financial sustainability of the council. More widely, there is a capacity challenge going forward that needs to be managed, extending across the continued activity relating to Covid-19 and 'business as usual' as well as the transformation agenda. Consideration of issues relating to inequality are also now much more to the fore in the work of the council, including emerging thinking around placing the Marmot Principles at the heart of what the council does and how it operates. This enhanced focus on inequalities will need to be absorbed effectively into existing priorities. In order to manage the capacity challenge, the priorities for delivery across the council need to be made clear and, once agreed, adhered to.

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One of the findings from the 2019 corporate peer challenge related to supporting elected members more effectively around casework. The council recognises that this represents 'work in progress'.

Governance and Constitution

The pandemic has, as with all councils, led to changed ways of working in relation to the governance and democratic processes of the authority. It has sought to adhere to established principles and maintain involvement, openness and transparency but it inevitably hasn't felt the same. As things return to 'normality' it will be important to ensure the opportunities for involving the political opposition are maximised.

A lot of work has gone into revising the council's Constitution and governance arrangements. A key change here is the shift to three Committees – for People; Place; and Corporate and Resources. This takes effect from the outset of the current Administrative year. Central to the effectiveness of the changes that have been delivered is the philosophy around engagement and involvement of communities at the outset of activity. This is seen as key in ensuring what flows to Committees has already taken account of the views and perspectives of key stakeholders and thus enables elected members to focus on taking fully informed decisions at the final stage of an inclusive democratic decision-making process.

5. Final thoughts and next steps

The LGA would like to thank the Royal Borough of Kingston for undertaking the corporate peer challenge follow-up visit.

We appreciate that the senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this. Kate Herbert (Principal Adviser) is the main point of contact between the authority and the Local Government Association (LGA). Her e-mail address is kate.herbert@local.gov.uk

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