

Corporate Peer Challenge

London Borough of Barking and Dagenham

29th July to 1st August 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 Barking and Dagenham to deliver the recent corporate peer challenge. The team 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:

Michael Lockwood, Executive Director for Finance and Policy at the Local Government Association and former Chief Executive of the London Borough of Harrow
Councillor Stephen Alambritis, Leader of the London Borough of Merton
Councillor Graham Chapman, Deputy Leader of Nottingham City Council
Paul Martin, Chief Executive of the London Borough of Wandsworth
Frankie Sulke, Executive Director for Children and Young People at the London Borough of Lewisham
Rhona Cadenhead, Assistant Chief Executive at the London Borough of Waltham Forest
Robin Porter, Corporate Director for Commercial and Transformation at Luton Borough Council
Doug Flight, Head of Strategic Policy Group at London Councils
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 Barking and Dagenham, the council asked us to also consider:

- The council's vision for the future, its position in London and how it can best develop external partnerships
- How to cope with the increasing demands being placed upon children's services given the significant financial challenge
- The role of elected members in the authority

Within this, the authority posed the following specific questions to the team:

- Is there sufficient corporate and strategic planning to address the demographic change?
- Could children's services operate differently to maximise resources to meet the demand?
- How can the council provide clarity on the roles and responsibilities of elected members and officers and embed this quickly throughout the organisation?
- Are the council's existing elected member support structures adequate?
- Is the council's meetings cycle both an efficient and cost effective way for elected members to make decisions?

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

Under the new Leader, a different direction is being forged for the borough – reflected in the strapline ‘One borough; one community; London’s growth opportunity’ and the vision and priorities that sit behind it. The council sees Barking and Dagenham as having the greatest untapped potential for housing and jobs growth in London and is keen to realise that potential in a way that benefits its communities. There is real ambition being demonstrated in the vision – a desire to see the borough now playing a more significant role and being central to the future growth and development of the capital.

There are clearly huge demands on the council and these are continuously increasing given the demographic growth and the economic situation. The savings requirement for the council over the next three years is a challenging one and, whilst the authority has a good track record of managing the reduction in resources, this is becoming harder over time. The council needs to respond to the fact that it cannot continue to deliver everything that it has traditionally done. The traditionally paternalistic approach from the council will need to change. Only by genuinely revising what it does and how it operates can the council seek to address the financial, social and economic challenges being faced. It is also vital to get the council’s core services and delivery right.

A picture has emerged of an organisation that is insufficiently corporate. People spoke of the council having been much more ‘together’ until a few years ago, with subsequent instability at Chief Executive level, the existence of a devolved approach to many key support functions and the demands generated by the financial challenge all leading to fragmentation. Delivering the new vision and priorities, managing core business and addressing the financial challenge must be seen as a single focus that the whole council has to unite behind. A significant culture change is necessary in order to achieve what is required and delivering that culture change demands extremely strong and consistent managerial and political leadership.

There is a need to establish an agreed set of clear and robust savings proposals in September this year to meet the financial challenge being faced next year. We fully understand the rationale for having provided the council’s new Cabinet with a period of time over the summer to get up to speed with their portfolios before looking at the savings options. However, the process needs to re-commence soon and be driven hard. The savings proposals that emerge must be timely and shaped by a focus on clear priorities. They must be politically led and owned.

There is a clear commitment from the council’s leadership to addressing the endemic governance difficulties that have been prevalent in the organisation. There are seen to have been issues about the transparency of decision-making processes within the council, a lack of clarity about the respective roles and responsibilities of officers and elected members and concerns about some people’s behaviours and actions. The council is now focusing on putting things right. Resolving the issues, and delivering the changed culture that is necessary, will require a concerted and sustained effort and focus by the council’s senior leadership. Intensive, persistent and high profile action will be required but the initial signs are good.

The time needs to be taken to consider the role of elected members going forward. The more the council's elected membership is engaged outside, in wards and communities, the better informed decision-making and direction setting is likely to be and the more fulfilled councillors are likely to be. Integral to this must be elected members acting as community leaders. Also, adequate support both internally and externally urgently needs to be put in place to enable the Leader, Cabinet and Administration to fulfil their roles effectively. We also see the need for greater collective dialogue across the elected membership and with the council's senior management team.

The council needs to make a massive shift in relation to how it corporately uses resident insight, lobbying/public affairs, community engagement, internal and external communications and performance management to deliver the vision and priorities. They aren't at the level they should be. Moving forward, the organisation needs to have different, and much more demanding, expectations of what is delivered through the 'corporate core' and these functions.

There is much that is positive regarding the way staff feel about the organisation and the way it supports and invests in them. However, there are anxieties amongst staff regarding the strategic functioning of the authority – specifically the issues about a lack of corporate leadership, uncertainty regarding the senior management structure, the lack of momentum in relation to the budget setting process and the work that needs to be done to revise what the organisation does and how it operates in order to take forward the new vision and priorities. These issues need to be addressed if the council is to maintain the confidence and morale of its staff. It is also clear that staff would welcome greater engagement and involvement generally.

The council recognises that it has a traditional feel to the way it operates. There is a desire to see much more in the way of innovation, creativity, managed risk-taking and commercial acumen. A new set of cultural values is being developed by the authority and it is important that these values encourage people to operate in new ways. The council's senior leadership, both managerially and politically, needs to champion and demonstrate the new values. There is a lack of clarity regarding what type of organisation the council needs to be in two or three years' time. There is no shared understanding of what its role will be, what form it will take and how it will operate. As a result, it is very difficult for people to plan for the future in respect of the workforce, infrastructure and organisational change requirements. We see the need for a major re-think regarding the council's approach to organisational change.

The potential for Barking and Dagenham is hugely exciting and the new vision provides the opportunity to capitalise on this. The challenge is turning the potential into a reality and, in doing so, ensuring that local people benefit from the employment opportunities and housing growth that are being planned. A compelling picture needs to be provided to residents of the benefits that will be delivered for them through future growth in the borough. With growth on the sort of scale that is anticipated, there is a risk of existing communities feeling 'done to' and cohesion being undermined. It is important to develop the future plans with local communities and for the social and economic benefits of the growth to be shared right across the borough even though the physical re-development will be concentrated in certain areas.

The council is committed to working with London partners to deliver the new homes and additional jobs. There is clear recognition by the council of the need for it to have stronger partnerships moving forward and to be in a greater position of influence. We see good progress having been made on this in recent weeks, led by the Leader and Chief Executive. Partners have a growing confidence in the council, which is seen to be increasingly outward looking and now consistent in the expressing of its ambitions and outlining of what the borough requires from key partners. A focus, with partners, is now required on the education and skills agenda in order to ensure local people are able to benefit from the employment opportunities that will be generated. Also, whilst the borough has traditionally been good at delivering regeneration on a site-by-site basis, the council recognises that what is required now is an over-arching approach to the growth agenda, reflected in a 'Masterplan' that draws the whole regeneration and growth agenda together.

We were asked specifically to look at whether there is sufficient strategic and corporate planning to address the demographic change and whether children's services could operate differently in order to maximise resources. In relation to strategic planning within children's services and corporately, we identified a strong improvement culture, with people keen to do whatever they could to support children and families in the borough. However, we saw less of a culture around working to reduce costs.

We found a number of ambitions that might be seen to represent strategic planning for the demographic change. These do not, however, in our view, constitute the extent of strategic planning required. Thus more still needs to be done to reform services and scale back the volume of delivery if the council wants to achieve a bringing together of the organisation to deliver the Leader's vision, while delivering high quality core services with high demographic growth, and do both of those things within a significantly reduced budget.

Some of the issues are cultural. Children's services feel that their demand issues are not well enough understood or accepted within the organisation, whilst corporately there is a view that the service repeatedly says it cannot save any more. Considerable effort and emotion are expended on putting this demand argument to colleagues. There is a need now instead to put the energy into finding the necessary savings.

There needs to be explicit recognition that the demand issue is a corporate issue. Combined and corporate leadership is needed to ensure children's services can see that the issues are taken very seriously and that they are supported; and to ensure that children's social care services develop a stronger culture of reducing costs whilst improving quality through revising what it does and how it operates.

3.1 New leadership and new ambitions

- Under the new Leader a different direction is being forged for the borough – reflecting ambition and growth
- The vision is clearly and succinctly captured by 'One borough; one community; London's growth opportunity'
- The vision, combined with the Leader's energy and vibrancy, are exciting people across the organisation – but also raising expectations
- There are inherent risks in any vision – these will need to be carefully managed

- Staff and elected members that we met are clearly very committed to the borough and its residents, passionate about the place and working extremely hard
- Great opportunities exist for the borough – now is the time to capitalise on its huge potential
- The council has started working to ensure it is appropriately positioned and sufficiently influential to secure what is necessary to unlock and fulfil the growth potential of the borough

Under the new Leader, who assumed his role shortly after the local elections in May this year, a different direction is being forged for the borough. This direction is outlined in the vision and priorities that are set for adoption by Cabinet when it meets on 4th August and are due to be endorsed by Assembly on 17th September. The vision is clearly and succinctly captured by the strapline ‘One borough; one community; London’s growth opportunity’ and is underpinned by the following priorities:

- Encouraging civic pride
- Enabling social responsibility
- Growing the borough

The council sees Barking and Dagenham as having the greatest untapped potential for housing and jobs growth in London and is keen to realise that potential in a way that benefits its communities. There is real ambition being demonstrated in the vision – a desire to see the borough now playing a more significant role and being central to the future growth and development of the capital.

The vision, combined with the Leader’s energy and vibrancy, is exciting people across the council and beyond. Elected members, staff and partners that we spoke to are very enthused by what has been outlined and see it as signalling a step change for the borough. At the same time, it is clear that peoples’ expectations are also increasing. Such expectations will need to be carefully managed.

There are inherent risks in any vision, so Barking and Dagenham is no different to anywhere else in that respect. With such a significant growth agenda sitting at the heart of the vision, it is important that existing residents and communities benefit from it – rather than simply becoming subjected to it. A further risk which the council recognises is it not having been appropriately positioned and sufficiently influential to secure what is necessary to unlock and fulfil the growth potential of the borough. As a simple example, which we will expand upon later, the council owns none of the land seen as offering the best opportunities for growth, which means it will have to work with and convince others of the benefits of ‘doing business’ if the potential is to be realised. However, we see good progress having been made on this in recent weeks, driven by the Leader and Chief Executive, with the right partnerships and the right influences starting to be formed. A further risk exists in the form of a large number of objectives sitting under the priorities. This makes it difficult to see where the priorities are going to lie for the council going forward – risking diminishing resources becoming too thinly spread and, as a result, what is really important to local people not being fulfilled.

Staff and elected members that we met are clearly very committed to the borough and its residents. They are very passionate about the place and working extremely hard to serve local people. They are keen to capitalise on the borough’s huge potential and the great

opportunities that exist. It feels as though Barking and Dagenham's time has come – and the council now needs to seize the opportunity, be ambitious and deliver on this exciting agenda.

3.2 A set of key contextual challenges

- The new vision and priorities need to become central in the functioning and operation of the council – not an 'add on' or something to 'retro-fit'
- Getting the council's core services and delivery right is vital – without this, the vision will be completely undermined
- There are clearly huge demands on the council and these are continuously increasing given the demographic change and growth
- The savings requirement over the three years from 2015/16 to 2017/18 is seen to range between £53m and £73m, with the figure for 2015/16 anticipated to be £24.5m
- The council needs to respond to the fact that it cannot continue to deliver everything that it has traditionally done
- The traditional paternalism of the authority will need to change and more will have to be done in partnership with residents

There are clearly huge demands on the council, which it recognises, and these are continuously increasing given the demographic growth and the economic situation within the borough. In the last ten years, there has been a 25 per cent turnover in families making up the borough and the population has changed significantly – with the proportion of people classed as 'White British' moving from 89 per cent to 48 per cent. Between 2001 and 2011, there was a 49 per cent rise in the number of children aged from 0 to 4 years. One third of the borough's residents are now aged under 19 and the proportion of people aged over 65 has decreased by 20 per cent. The population is anticipated to increase from around 190,000 currently to more than 247,000 by 2030. Barking and Dagenham has the joint highest level of unemployment in London, at around 10 per cent, and 20 per cent of working age people claimed an out of work benefit last year – compared to a London average of 11 per cent. That same year, the borough experienced the highest rate of mortgage repossession orders in the capital. It is the seventh most deprived borough in London and the 22nd most deprived nationally. The standard of health is relatively poor.

The savings requirement for the council over the three years from 2015/16 to 2017/18 is seen to range between £53m and £73m, with the figure for 2015/16 anticipated to be £24.5m. The authority has had a good track record to date of managing the reduction in resources but this is becoming harder over time and the picture being faced is a very challenging one. The council needs to respond to the fact that it cannot continue to deliver everything that it has traditionally done. What is widely acknowledged as traditionally having been a paternalistic approach from the council, keen to do whatever it can to support residents, will need to change. More will have to be done in partnership with residents and other organisations, including the voluntary and community sector, as reflected in the new priorities.

With the new vision and priorities set to be formally adopted by the council in the coming days, there is a need for them to become central to the functioning and operation of the council. The vision must drive what the organisation does. The different direction that is

reflected in 'Encouraging civic pride', 'Enabling social responsibility' and 'Growing the borough' requires the council to adapt and learn to operate in new and different ways. It is not a case of simply seeing the vision and priorities as an 'add on' or something to 'retro-fit' existing approaches and ways of operating around. Only by genuinely revising what it does and how it operates can the council seek to address the financial, social and economic challenges being faced.

It is also vital to get the council's core services and delivery right. If local communities are being asked to undertake more for themselves and the council is stretching its horizons and ambitions with the growth agenda, the council needs to continuously demonstrate to local people that it is getting the basics right. Those people need to have trust and confidence in the council – to believe that it is working to support them in the ways that matter most to them and that it is capable of securing growth in a way that benefits them and the borough. Currently there is a mixed picture in relation to council performance, ranging from not yet having achieved the 'Decent Homes' standard and tenant satisfaction being low through to very good performance in direct payments to social care clients and the avoidance of delayed transfers in care from health to adult social care. The council needs to ensure it is consistently good in the delivery of core services if it is to convince people that the new direction is the right one, that they can reasonably be expected to do their bit and that the authority has the ability to deliver the vision. Anything else will completely undermine that vision.

3.3 One organisation pulling in the same direction

- A picture has emerged of an organisation that is insufficiently corporate
- Delivering the vision, core business (including the growing demographic demands) and the savings requirement must be seen as a single focus that the whole council unites behind – a significant culture change is required to achieve this, which necessitates extremely strong and consistent leadership
- The council's management structure is in a state of limbo – a permanent structure needs to be put in place quickly that provides the necessary capacity and focus to deliver the authority's agenda
- The devolved approach that the council has around a number of key support activities such as communications, training and development and community engagement results in inconsistency and inefficiency

A picture has emerged of an organisation that is insufficiently corporate. People spoke of the council having been much more 'together' until about five years ago, with subsequent instability at Chief Executive level, the existence of a devolved approach to many key support functions and the demands generated by the financial challenge facing the authority all leading to individual approaches being adopted, retrenchment by directorates and fragmentation.

The council's management structure is in a state of limbo. The housing and environment functions have been placed under interim management arrangements in recent months and there is a mix within the corporate management team of people who work solely for Barking and Dagenham and others who are in shared roles with unitary Thurrock in Essex. People are unclear as to whether the Thurrock sharing will be progressed further or if the current arrangement is as far as things will go. The message coming through loud and clear from many people we spoke to is that a permanent management structure needs to

be put in place quickly for Barking and Dagenham which provides the necessary capacity and focus to deliver the authority's agenda and establish a more corporate approach.

The council has a devolved approach to a range of key support functions, such as communications, training and development and community engagement. This results in inconsistency and inefficiency with, for example, individual directorates determining their own internal and external communications agendas and branding rather than having a one council approach that focuses on established council priorities. Training and development (whilst seen to be good quality and valued by staff) is being delivered without reference to an overall corporate view of current and future workforce development priorities. These approaches are all inefficient. We understand there have been attempts in the past to establish corporate approaches to these types of functions but these have been resisted both managerially and politically. Now is the time to sort this out. It can potentially save the council money and improve performance in these key areas.

Delivering the new vision and priorities, managing core business (including the growing demands being placed on the council through demographic changes) and addressing the financial challenge facing the authority in the form of the £53m to £73m savings requirement, must be seen as a single focus that the whole council has to unite behind. These cannot be seen as three individual streams of activity and they cannot be tackled on a directorate by directorate basis. The whole is greater than the sum of the parts. The new vision and priorities have to be mainstreamed in the way we have outlined, the core business has to be carefully considered in the context of the new vision and priorities and the resources available and the savings options need to be developed and determined through a corporate rather than directorate-based approach. Failure to achieve this will lead to further fragmentation and lost opportunities. A significant culture change is necessary to achieve what is required and delivering that culture change demands extremely strong and consistent managerial and political leadership.

3.4 Supplementing what works with new approaches and greater rigour

- The council has a sound track record on financial management in recent years and has delivered on its savings challenges to date
- Now is the time to establish a firm understanding of the savings requirements for 2015/16 and beyond
- There is a need to establish an agreed set of clear savings proposals in September – these must be shaped by a focus on clear priorities and to be politically led and owned
- Structural underspends in the budget need to be identified and removed in order to assist the savings challenge
- The council's capital programme will need to be reviewed to ensure it is aligned with the new vision and priorities
- There is the potential to consider ways in which the council may use its finances to further support growth and assist the revenue budget - as has been seen with the authority's house building
- There is a clear commitment from the council's leadership to addressing the endemic governance difficulties – issues of transparency, officer and elected member behaviours and a lack of clarity about respective roles and responsibilities

- Within this there needs to be absolute clarity that elected members focus on policy and direction and managers are responsible for delivery
- Delivering the changed culture will require a concerted and sustained effort and focus
- The question we were posed around the council's meetings cycle can only be looked at as part of a wider consideration of the role of elected members going forward
- Integral to this is the role of elected members as community leaders
- Adequate support both internally and externally urgently needs to be put in place to enable the Leader, Cabinet and Administration to fulfil their roles effectively
- The council intends to put a corporate delivery plan in place designed to help turn the vision and priorities into a set of clear and deliverable objectives underpinned by clear targets and measures and focusing the council's efforts and resources accordingly
- The council needs to make a massive shift in relation to how it corporately uses internal and external communications, lobbying/public affairs, resident insight, engagement and performance management to deliver the vision and priorities
- A mixed picture has emerged in relation to Elevate – the time is right for a review of this arrangement to ensure the council is receiving the right support and the desired savings are realised
- Staff feel positive about the vision of the Leader, opportunities for training and development and their working environment
- There are anxieties, however, regarding the strategic functioning of the authority
- Staff would welcome greater engagement and involvement generally
- They also have a lot of frustrations about the IT provision within the council
- The council has a traditional feel to it – with a need for much greater innovation, creativity, managed risk-taking and commercial acumen
- A new set of values are being developed by the authority – it is important that they encourage people to operate in this way
- The senior leadership need to champion and demonstrate the new values
- What type of organisation does this council need to be in two or three years' time – what will its role be, how does it need to be shaped and how will it operate?
- With no clear answer to this question, it is very difficult for people to plan for the future in respect of the workforce and infrastructure
- There is no visible organisational change programme and a major re-think is required here
- The role and purpose of the Future Business Board is unclear and it has little profile in the organisation
- Whatever organisational change infrastructure is put in place going forward, it needs to take precedence over arrangements within departments

The council has established a sound track record on financial management in recent years and has delivered effectively on its savings challenges to date. The authority has managed to increase its level of General Fund reserves from £3m to £27m over the last few years and has frozen Council Tax for each of the last six years. £100m of savings have been achieved in the last four years. The savings requirement over the three years from 2015/16 to 2017/18 is seen to range between £53m and £73m. Now is the time to establish a firm understanding of the savings requirements for this period so that those people planning for it have as much certainty as is possible.

The savings requirement for 2015/16 seems fairly clear, with £24.5m projected to be required. There is a need to establish an agreed set of clear and robust savings proposals in September this year to meet this requirement. We fully understand the rationale for having provided the council's Cabinet, eight out of ten of whom are new to the role since May, with a period of time over the summer to get up to speed with their portfolios before looking at the savings options. However, there is anxiety within the organisation as a result of this move, which sees the budget setting process being less advanced at this stage of the year compared to previous years, and people being concerned about the ability to rebuild the necessary momentum. The process needs to re-commence soon and be driven hard. The savings proposals that emerge must be timely and shaped by a focus on clear priorities. They must be politically led and owned. Whilst it is positive that the council has underspent regularly in recent years, the fact that this is occurring suggests that structural underspends exist within the base budget. If these can be identified and removed it will assist in meeting the savings challenge.

The council's capital programme will need to be reviewed to ensure it is aligned with the new vision and priorities. Linked to this, there is the potential to consider ways in which the council may use its finances, both capital and revenue, to further support growth and assist the revenue budget. For example, the authority could consider potential investment from within its current resources in revenue-returning assets, including land. The council has also undertaken only limited amounts of borrowing and there may be benefit to be gained through looking to extend this further in order to 'pump-prime' key aspects of the growth agenda. Success has already been achieved in this type of way with a programme of building 1,600 houses that has been made possible through a 'Special Purpose Vehicle' set up by the council.

There is a clear commitment from the council's leadership to addressing the endemic governance difficulties that have been prevalent in the organisation. There are seen to have been issues about the transparency of decision-making processes within the council. In addition, there has been a lack of clarity about the respective roles and responsibilities of officers and elected members – with significant 'blurring' having occurred. There have also been concerns about some people's (both officers and elected members) behaviours and actions. We have not sought to delve in to the detail of any of this because there is widespread acceptance that what has gone before has not been appropriate and the council is now looking forward and focusing on putting things right.

As a starting point, absolute clarity has to be established that elected members focus on policy and setting direction and managers are responsible for delivery. The relationship is a partnership but a partnership with different roles based on mutual trust, respect, honesty and openness. Resolving the governance issues, and delivering the changed culture that is necessary, will require a concerted and sustained effort and focus by the council's senior leadership. So endemic are the issues that intensive, persistent and high profile action will be required. The initial signs are good, with action having been taken when issues have arisen in recent weeks.

The question we were posed around the council's meetings cycle being an efficient and cost effective way for decisions to be taken can only be looked at as part of a wider consideration of the role of elected members going forward. As a starting point, we would say that the more the council's elected membership is engaged outside the Civic Centre and Town Hall, in wards and communities, rather than being internally focused (for

example on the managerial matters considered by Personnel Board) the better informed decision-making and direction setting is likely to be and the more fulfilled councillors are likely to be. We understand that 'Councillor Contracts' have just been introduced in order to help to clarify the role of elected members. Integral to this must be elected members acting as community leaders. The decision-making structure, and related meetings cycle, needs to be considered on a 'form follows function' basis – ensuring it appropriately underpins the policy and direction setting and community leadership roles of councillors.

Adequate support both internally and externally urgently needs to be put in place to enable the Leader, Cabinet and Administration to fulfil their roles effectively. Such support has three main elements to it – administrative, policy/research (which both need to be internally provided) and mentoring (which needs to be externally provided). The Local Government Association has already responded to the need for mentoring that results from so many changes at Cabinet level and arrangements are currently being put in place. As regards the administrative and policy/research support, it is the responsibility of the council to ensure that elected members are able to focus their efforts and attentions in those areas that are unique to them, as a result of having a democratic mandate, rather than getting bogged down by things that don't provide any added value from their position as a councillor. It is the council's decision whether the internal support that elected members require is secured through additional investment or the redistribution of existing staffing resources. We suggest the council looks at what types of model of support exist in other councils in order to inform its thinking.

In addition to the need for support, we also see the need for greater collective dialogue across the elected membership and with the council's senior management team. Cabinet members need the space and time to come together informally on a frequent basis, ideally with the senior managerial leadership on regular occasions, to consider strategic issues facing the council. This is different to a pre-agenda type Cabinet meeting, which is vital in itself, but which looks only at the issues being considered at the next formal Cabinet meeting. The Administration also needs to be able to meet regularly in order to ensure all councillors feel involved and engaged and that they are able to make a contribution. As an example of the desire for greater dialogue, there was widespread expression of a wish to hold an away day for members of the Administration in the very near future. Another avenue to explore might be a Cabinet development programme focused on building their approach as a team and looking at their relationship with the rest of the political group and with officers.

The council intends to put a corporate delivery plan in place to help turn the new vision and priorities into a set of clear and deliverable objectives. We have already outlined what we see as a risk in the form of the large number of objectives sitting under the priorities. This makes it difficult to see where the priorities are going to lie for the council going forward. The corporate delivery plan needs to reflect an agreed set of achievable objectives, underpinned by clear targets and measures, to enable the focusing of the council's efforts and resources.

The council needs to make a massive shift in relation to how it corporately uses resident insight, lobbying/public affairs, community engagement, internal and external communications and performance management to deliver the vision and priorities. They aren't at the level they should be. Moving forward, the organisation needs to have

different, and much more demanding, expectations of what is delivered through the 'corporate core' and these functions.

At present, the council undertakes very little in the way of resident or customer insight, meaning it relies to a large extent on a combination of data available through other publicly available sources, such as the Census information, and what is gleaned informally by officers and elected members through their day to day activities. This does not constitute a sufficiently reliable basis for planning and policy making.

The authority also undertakes little in the way of lobbying and public affairs but recognises that it will increasingly need to do so in the future, not least as part of its efforts to shape the growth agenda.

The growth agenda and increasingly demanding savings challenge will require the council to undertake community and user engagement in a more comprehensive and joined-up manner than is currently the case. This will necessitate a move away from the current devolved approach that sees things operate on a service by service or directorate by directorate basis. In considering the future of community engagement, the council needs to place the role of elected members as community leaders at the centre of its thinking.

Internal and external communications also largely operates on a devolved basis at present. This leads to different communications priorities being set and reduces the impact of the resources involved. Moving forward, the new vision and priorities and the corporate delivery plan need to form the basis of a corporate approach to communications so that people internally and externally are clear about where the council's priorities lie and the sorts of shifts that are being sought, both within the organisation and in communities, can be more successfully progressed. With regards to the former, staff can be tremendous advocates in the community so they need to know what is going on.

The corporate delivery plan also provides the opportunity to move performance management to a new level. This needs to have, at its pinnacle, a robust focus by Cabinet and other elected members, on the council's performance in the areas that matter the most. For this to become the case, the authority needs to be providing them with reliable and meaningful performance information and supporting them so that it informs their decision-making and direction setting. There also needs to be corporate ownership at the senior management level of performance.

A mixed picture has emerged in relation to Elevate, the council's joint venture and outsourcing arrangement with Agilisys. This commenced in 2010 and was created to improve customer service, deliver better value for money and secure significant savings. Around 350 staff from both Agilisys and the council transferred into Elevate, which is overseen by a board featuring equal representation from both organisations. Elevate delivers ICT, customer services, revenues and benefits and procurement for the council and seeks to support broader council transformation in the form of looking at processes and planning to ensure citizens' needs are met using the most modern and efficient services available. When the joint venture was launched, it was intended that improvements in these services, including revenue collection, would result in savings to the council and that these would be supplemented by further transformation projects over the life of the partnership.

There are differing views amongst people we spoke to regarding how effective the Elevate arrangement has been. There were, however, two consistent views on the part of the council – one is the widespread frustration about ICT provision, which is an issue of great concern to staff when they are operating under pressure. The other was that the time is right for a review of the joint venture in order to ensure that the council is receiving the right support and the desired savings are being realised.

Staff generally feel positive about the vision of the Leader, opportunities for training and development and their working environment. We have already outlined the way in which the new vision and priorities are engendering excitement in the organisation and people see it as marking a step change for the borough. Staff that we spoke to feel the council provides them with the opportunity to grow and develop, with good access to training and development opportunities. There is widespread take-up of the performance and development review process, with 96 per cent of people completing a review last year. Staff feel that they can progress within the organisation and we heard of good examples of where this has happened. People are also generally happy with their working environment, although social workers in children's services sometimes feel compromised as a result of a lack of appropriate space in the council's offices to meet privately with children and their families.

Thus there is much that is positive regarding the way staff feel about the organisation and the way it supports and invests in them. However, there are anxieties amongst staff regarding the strategic functioning of the authority – specifically the issues about a lack of corporate leadership, the uncertainty regarding the senior management structure, the lack of momentum in relation to the budget setting process and the work that needs to be done to revise what the organisation does and how it operates in order to take forward the new vision and priorities. These issues need to be addressed if the council is to maintain the confidence and morale of its staff. It is also clear that staff would welcome greater engagement and involvement generally – reflecting a need for enhanced internal communications and people being given the opportunity to contribute to the savings and organisational change agendas.

The council recognises that it has a traditional feel to the way it operates. There is a desire to see much more in the way of innovation, creativity, managed risk-taking and commercial acumen. The 800 homes that have been built, and the 800 more that are in development, as a direct result of the council's innovative and creative approach and careful management of risk, demonstrates what can be achieved and the potential that the authority has. A new set of cultural values is being developed by the authority. It is important that these values encourage people to operate in new ways. The council's senior leadership, both managerially and politically, needs to champion and demonstrate the new values.

There is a lack of clarity regarding what type of organisation the council needs to be in two or three years' time. There is no shared understanding of what its role will be, what form it will take and how it will operate. As a result, it is very difficult for people to plan for the future in respect of the workforce, infrastructure and organisational change requirements. There is no visible organisational change programme. The council has established the 'Future Business Board', with work-streams for elements such as 'flexible working', 'grow the business' and 'digital by design'. These are all considering the future but without an overarching framework to guide them and ensure those elements link to one another and

to other corporate agendas including the savings requirement and the new vision and priorities. The role and purpose of the Board are unclear and it has little profile in the organisation. Thus we see the need for a major re-think regarding the council's approach to organisational change and the requirement, ahead of this, for work to take place in considering the organisation that the council needs to become. Whatever organisational change infrastructure is put in place going forward, it needs to take precedence over arrangements within departments. Change of the nature that will be required can only be successfully delivered if undertaken, and led, on a corporate basis.

3.5 The growth agenda

- The potential for Barking and Dagenham is hugely exciting and the new vision provides the opportunity to capitalise on this
- The challenge is turning that potential into a reality and, in doing so, ensuring that local people benefit from the employment opportunities and housing growth
- A compelling picture needs to be provided to local people of the benefits that will be delivered for them through future growth
- Partners have a growing confidence in the council, which is seen to be increasingly outward looking and now consistent in the expressing of its ambitions and what the borough requires from key partners
- The drivers of growth are commonly seen as the availability of land and housing supply, provision of good quality education and skills and the appropriate transport and infrastructure provision – what we have heard suggests the focus locally is primarily on the availability of land and the need for infrastructure and this now needs to be broadened to include the education and skills agenda with partners
- The borough has traditionally been good at delivering regeneration on a site-by-site basis – what is required now is an over-arching approach, reflected in a 'Masterplan', that draws the whole regeneration and growth agenda together and is further supported by a detailed delivery plan
- It is also important for the council to be seen as leading the growth agenda on behalf of local people – playing the most proactive role possible and ensuring it gains the maximum direct control and influence
- The council has the potential to utilise its resources to unlock schemes that are stalled
- Given the scale of the growth potential in the borough, it is vital to ensure the authority has the necessary capacity and skills to fulfil its role effectively
- The council is delivering some high quality initiatives but these risk being dependent upon a few people as a result of not being more widely adopted and made systematic

The potential for Barking and Dagenham is hugely exciting and the new vision provides the opportunity to capitalise on this. There are 322 hectares of undeveloped land, including large areas of vacant brownfield land, which can be exploited for housing and employment. The opportunities are concentrated in certain areas which are being termed 'Growth Hubs' - at Barking Riverside, London Sustainable Industries Park, Barking town centre (including a creative industries quarter) and Dagenham Dock/South Dagenham – all of which are in the south of the borough – and at Chadwell Heath which is towards the northern boundary of the borough.

The challenge is turning the borough's potential into a reality and, in doing so, ensuring that local people benefit from the employment opportunities and housing growth that are being planned. In terms of what is being aspired to, the council's new 'Growing the borough' priority outlines the intention to:

- Build high quality homes and a sustainable community
- Develop a local, skilled workforce and improve employment opportunities
- Support investment in housing, leisure, the creative industries and public spaces to enhance the environment

A compelling picture needs to be provided to local people of the benefits that will be delivered for them through future growth in the borough. With growth on the sort of scale that is anticipated, there is a risk of existing communities feeling 'done to' and cohesion being undermined. It is important to develop the future plans with local communities and for the social and economic benefits of the growth to be shared right across the borough even though the physical re-development will be concentrated in certain areas. Essentially, there is the need for a community engagement plan relating to the growth agenda. The work that is being undertaken by the council over the coming months in relation to the Neighbourhood Community Infrastructure Levy (CIL) provides a timely opportunity to begin the process of outlining the benefits to be gained by residents.

The council is committed to working with London partners to deliver the homes and jobs and is also seeking to enhance the borough's image in order to attract investment and business growth. It is important for the council to be seen as leading the growth agenda on behalf of local people, playing the most proactive role possible and ensuring it gains the maximum possible direct control and influence. Resultant schemes need to reflect the needs of residents and the borough. The council and key stakeholders within London government have a shared interest in seeing the growth agenda fulfilled. They also have a mutual dependency upon one another. The Greater London Assembly (GLA) owns large areas of the land proposed for development and has a key role to play in enabling the development of the transport infrastructure that is seen as vital in the unlocking of the potential of the area. A key component of that infrastructure is the extension of the Gospel Oak line to Barking Riverside. The widening of the A13 and enhancement of the C2C rail line are also seen as vital. The council's only position of direct control currently is as the Planning Authority.

There is clear recognition by the council for it to have stronger partnerships moving forward and to be in a greater position of influence. We see good progress having been made on this in recent weeks, led by the Leader and Chief Executive. During the week we were in Barking and Dagenham, the Mayor of London visited the borough to see the growth areas and spent several hours with a council delegation. Discussions with the Deputy Mayor for Housing are also scheduled to take place soon and the council is forging closer links with London's Growth Boroughs in the east of the city. From the discussions we had, it can be seen that partners have a growing confidence in the council, which is seen to be increasingly outward looking and now consistent in the expressing of its ambitions and outlining of what the borough requires from key partners. Such consistency and confidence is vital if development and growth is to be secured.

The drivers of growth are commonly seen as the availability of land and housing supply, the provision of good quality education and skills and the existence of appropriate

transport and infrastructure. What we have heard suggests the focus locally to date has primarily been on the availability of land and the need for a greatly enhanced transport infrastructure. This now needs to be broadened to include a focus, with partners, on the education and skills agenda, in order to ensure local people are able to benefit from the employment opportunities that it is hoped will be generated.

The borough has traditionally been good at delivering regeneration on a site-by-site basis. Examples include developments such as the 'Ice House', the William Street Quarter, the redevelopment of the area around Barking Town Hall and the development of a new leisure centre in Barking. The council recognises that what is required now is an over-arching approach to the growth agenda which is reflected in a 'Masterplan' that draws the whole regeneration and growth agenda together and is further supported by a detailed delivery plan.

The council has the potential to utilise its resources to unlock development schemes that have been stalled for a while. Some of these involve sites that are not owned by the council and which require reclamation work in order to render them suitable for development. There may be a possibility of the council acting as an enabler with such sites, involving it investing in them in order that it can facilitate the development of the land in a way that others have shied away from doing for reasons of commercial viability.

Given the scale of the growth agenda in the borough, it is vital to ensure the authority has the necessary capacity and skills to fulfil its role effectively. Major demands, both in terms of time and specialist skills, are going to be placed upon the authority as it seeks to turn the growth agenda into a reality. There needs to be sufficient capacity to ensure the council can play the role required of it. This needs to be a consideration in thinking about the council's permanent management structure for the future. Also, there is an issue of succession planning in relation to key individuals who are playing an instrumental role in the delivery of some high quality initiatives, such as the 1,600 new homes being developed by the council. If these people were suddenly lost to the organisation without suitable arrangements in place to ensure a smooth transition, there is a very real risk to some key development and growth initiatives.

3.6 Demand on children's social care – a corporate challenge

- A clear agenda for improvement in children's social care has been provided through the recent OFSTED report
- The officers that we met demonstrate a strong understanding of the improvement agenda, particularly around the need to improve recruitment and retention in order to reduce agency costs and improve the service
- The service is clearly extremely pressurised
- Whilst there is a strong improvement culture, there is less of a culture around cost reduction
- There are a number of strategic ambitions that it is hoped will assist with the demographic challenge – ensuring the growth agenda broadens the social and economic mix, making the case to government for increased funding and looking for increased resources from within the council
- Whilst these strategic ambitions may make some impact, they are very unlikely to constitute a solution – even if they were all successful

- Thus more needs to be done to reform services and scale back the volume of delivery if the vision, savings requirement and core business are to be achieved together
- Some of the issues are cultural:
 - Children’s services feel their demand issues are not well enough understood or accepted whilst corporately there is a view that social care services are constantly saying they cannot save any more
 - Considerable effort is expended by the service in putting the argument across – that energy now needs to be spent on finding the necessary savings
- The demand issue is a corporate one and therefore corporate leadership and working is required
- In response to the question of whether children’s services could operate differently, we are confident there are ways in which this is possible but there hasn’t been the opportunity for us to look in the necessary detail at what might be done and how
- The social care services are too pressurised to deliver both the core business and the in-depth work that would be required to effectively review the way it operates
- Bringing in somebody external who is appropriately placed to undertake such a review, which would include looking at ways of operating in other authorities, might be a helpful start in the reform of services and scaling back the volume of delivery

A clear agenda for improvement in children’s social care has been provided through the recent OFSTED report and we have seen that the council has passionate, committed officers with a strong understanding of how to lead that improvement agenda. The Chief Executive’s and Lead Member’s concern to prioritise improvement in children’s social care were clearly evident. The Corporate Director of Children’s Services was on holiday during the peer challenge period.

As we outlined earlier, the council is clearly facing huge demands and these are continuously increasing given the demographic change and growth and the economic position of the borough. The 49 per cent rise in 0-4-year olds between 2001 and 2011 is an example of this. Children’s services are at the centre of these increasing demands and they are extremely pressurised.

We were asked specifically to look at whether there is sufficient strategic and corporate planning to address the demographic change and whether children’s services could operate differently in order to maximise resources.

In relation to strategic planning within children’s services and corporately, we identified a strong improvement culture, with people keen to do whatever they could to support children and families in the borough. However, we saw less of a culture around working to reduce costs in social care. There is a strong link here to what we outlined earlier in relation to the council traditionally having had a paternalistic approach and now needing to respond to the fact that it cannot continue to deliver everything that it has traditionally done. Only by genuinely revising what it does and how it operates can the council seek to address the financial, social and economic challenges being faced.

We found a number of ambitions that might be seen to represent strategic planning for the demographic change. Firstly, there is a sense that at a very high and very long term level, the growth agenda could serve to broaden the social and economic mix within the borough, which it is hoped would introduce children with lower levels of need into the borough and thus reduce pressure on services. There is also a hope that if the case is made well enough, and backed by robust evidence, the government will provide increased funding for the borough. That may be over-optimistic but it is an avenue worth pursuing. The third strand of the approach is to continue to provide additional council funds to help try and address the situation. The council is investing an additional £4.6m in the children's social care budget next year, with a promise of some more funding the following year. However, the basis of this for future planning is not clear and nor is it known whether it is the right amount. Certainly there are major questions about the sustainability of this approach. Finally, there is optimism that good quality early intervention Tier 2 work will reduce demand on services further down the line. While there is growing evidence generally that good early intervention improves outcomes for children, there is less evidence that it reduces Tier 3 demand – so there may be over-optimism here.

The four elements outlined above, taken together, do not, in the view of the peer challenge team, constitute the extent of strategic planning required. Whilst they may make some impact, they are very unlikely to constitute a solution, even if they were all successful. Thus our conclusion in answer to the question is that, no, there isn't sufficient strategic and corporate planning to address the demographic change. Thus more still needs to be done to reform services and scale back the volume of delivery if the council wants to achieve a bringing together of the organisation to deliver the Leader's vision, while delivering high quality core services with high demographic growth, and do both of those things within a significantly reduced budget.

Some of the issues are cultural. Children's services feel that their demand issues are not well enough understood or accepted within the organisation, whilst corporately there is a view that the social care service repeatedly says it cannot save any more and asks how it can be expected to with the level of demand being faced. Considerable effort and emotion are expended on putting this demand argument to colleagues. There is a need now instead to put the energy into finding the necessary savings.

There needs to be explicit recognition that the demand issue is a corporate issue. Combined and corporate leadership is needed to ensure children's services can see that the issues are taken very seriously and that they are supported; and to ensure that children's services develop a stronger culture of reducing costs whilst improving quality through revising what it does and how it operates. There needs to be recognition that there will be politically tough decisions about, particularly at lower Tiers, doing less for fewer families. The culture of the organisation is one which sees the council providing services upon which people are dependent. With the budget restrictions, this culture will need to be addressed.

The council asked if there are things which could be done differently in children's social care in order to maximise the benefit gained from the resources available. We are confident that there are. The council estimates that £2m savings could be achieved by improving recruitment and retention and thus enabling it to reduce the additional costs associated with relying upon agency staff. Another area to explore would be taking a proactive approach and investing up front in order to limit the cost implications to the

council further down the line in relation to those with 'no recourse to public funds'. Another avenue to explore concerns the Tier 2/3 interface and how savings might be achieved there.

However, there hasn't been the opportunity for us to look in the necessary detail at what might be done and how. There would, though, be benefit in the council undertaking a detailed piece of work, in the form of a review of its activities and key areas of expenditure, in order to identify how to deliver on the savings requirement. It is clear that the service is too pressurised to deliver both the core business and the in-depth work that would be required to effectively undertake such a review. Therefore our view is that bringing in somebody external, who is appropriately placed to undertake such a review and is trusted by children's social care, might be a helpful start to the reform of services and scaling back the volume of delivery. This would include looking at alternative ways of operating that have been adopted by other authorities. There is also some thought being given to whether London Councils might be able to assist the London boroughs by looking across the city at the strategies being considered by different authorities. This would fit with the organisational aim of increasingly looking outward towards London as a council.

4. Conclusion

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. Rachel Litherland and Heather Wills, as the Local Government Association's Principal Advisers 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. They will be able to find support to help the council address the issues outlined in the report.

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

Chris Bowron
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Local Government Association