

# Corporate Peer Challenge Follow-up visit to **Thurrock Council**

*27<sup>th</sup> – 28<sup>th</sup> September 2018*

Feedback Report

## 1. Background and scope of the follow-up visit

It was a pleasure and privilege to be invited back to support Thurrock Council assess the progress made since the Local Government Association (LGA) corporate peer challenge in February 2016. The peer team appreciated the efforts that went into preparing for the visit and would like to thank elected members, staff, partners and other stakeholders for participating in the process.

The follow up visit, as with the previous corporate peer challenge, was improvement focussed and designed to complement and add value to Thurrock's own improvement journey. Peers applied their experience and knowledge of local government and the public sector to reflect on the information presented to them, the views of people they met and the material they read. The peer team provide feedback as 'critical friends', not as assessors or inspectors.

Four of the peers who carried out the follow up visit to Thurrock Council were members of the original peer challenge team:

John van de Laarschot - Chief Executive Officer at Nottingham College  
Cllr Tony Newman - Leader, London Borough of Croydon  
Cllr David Simmonds - Deputy Leader, London Borough of Hillingdon  
Kirsty Human - Local Government Association  
Gary Hughes - Local Government Association

The focus of the visit was to examine progress made against each of the recommendations the peer team identified during the February 2016 corporate peer challenge. These were:

1. **Crystallising a clear and confident narrative for Thurrock the place** – developing and telling the integrated story of effective place making.
2. **Defining the role of the council** – delivering a modernisation agenda that makes Thurrock Council fit for the future.
3. **Bringing all your communities with you** – engaging, communicating and selling the story of success

In addition, Thurrock also asked the team to provide feedback on:

4. Progress against their transformation agenda and financial planning viability

The peer team prepared for the visit by reviewing a range of documents and information to ensure they were familiar with the key developments that have occurred since the peer challenge in February 2016. The team then spent two days on site, 27<sup>th</sup> – 28<sup>th</sup> September 2018. This report provides a written summary of the peer team's feedback provided at the end of their onsite visit

## 2. Executive Summary

It was clear from the evidence received and from the people the peer team met that considerable progress has been made in terms of the clarity of direction, the progress made by Thurrock Council and the current financial situation. The Council has a strong voice within the South Essex agenda and its reputation with partners and stakeholders has come a long way in two years. The Council should be proud of the progress made.

Thurrock Council has a new vision and a clear focus on the core priorities of People, Place and Prosperity. The vision clearly and concisely articulates the direction of travel for Thurrock and with a new and improved approach to communications has ensured it is widely understood. Through targeted public relations and outward communications, the Council is marketing Thurrock as a global business destination and a great place to live and work. This has resulted in staunch support from the business sector and positive engagement with the local community in the ambitious development plans in place.

There is, however, an urgent need to deliver on these plans. The credibility of the Council's strategy depends on its ability to demonstrate it can deliver on the ground and it will make a difference to the local community in order to continue to build on the successes to date.

Thurrock Council has improved its financial situation through a creative and innovative investment strategy to the point investment income is in excess of its budget pressures (informally called a 'budget surplus').

Although the team did not have the opportunity to fully explore the use of an investment strategy to underpin revenue budgets, Thurrock Council needs to have the necessary assurance in place that the investment strategy will be sustainable in the medium to long term, in respect of the redemption of capital and the risks associated with the planned growth in the council tax base of the council.

The approach taken by the Council is currently delivering but going forward, particularly considering the uncertain world we live in, there is a need to fully understand, manage and do all they can to mitigate all associated risks. It is also important to continue to ensure the Council operates in an open and transparent way and has robust governance arrangements in place, this is to ensure everyone understands the risks versus the rewards.

Thurrock Council has embarked on a transformation and organisational development journey that is delivering results. From the feedback the peer team received it was clear that the approach is supported by staff who value the investment in them. With the scale of the Council's ambitions it can't afford to take the foot off the accelerator. It is clear that the Council has invested significantly in its people and its place and now it needs to deliver in order to reap and share the benefits of prosperity.

The Council needs to ensure it has the appropriate capacity and resources to drive its plans into the next phase and demonstrate to its partners, stakeholders and most importantly citizens that trusting Thurrock Council is worth the wait.

The peer team wish you well on this exciting journey.

## **2.1 Crystallising a clear and confident narrative for Thurrock the place**

It was evident to the team that Thurrock Council has built an ambitious story of place, that demonstrates how it contributes to the broader economic geography of South Essex, its alignment with London and its place within the wider County of Essex. The narrative is compelling and has improved the reputation of the Borough and the leadership of the Council, all of which is supported and endorsed by stakeholders, particularly the business community. The Council is proactive in telling its story of place, ensuring Thurrock is presented professionally and that the narrative is supported by effective public relations and marketing techniques.

The simple, but effective, message the Council has focused upon in terms of the economic development relationship with business is that Thurrock “gets business, does business, means business”. This has landed well with many of the large organisations in the locality and they played it back to the peer team by saying that “Thurrock is an organisation they can work with and trust, they do what they say they are going to do”.

It was also encouraging to see that the Council has kept a strong focus on its core business whilst also driving the journey towards transformational change. The things that are important and support the local communities they serve, essentially the Council’s “clean it, cut it, fill it” ethos, and the things that make a difference to local communities are continued to be delivered. The councillors the peer team met were also passionate about the pride they have in the Borough now it is cleaner and smarter. This is crucially important as it is the postcard for Thurrock to those local communities, it’s what they see when they walk out of their doors.

All of this was evidenced by the external stakeholders the peer team met, who reported feeling more positive about Thurrock and had confidence in the Council’s direction. Partners reflected the Borough had grown in stature, it is operating across borders and it is playing a strategic role in terms of driving the broader agenda forward.

## **2.2 Defining the role of the Council**

The Council’s vision echoed with the peer team, the clarity of focus on “People, Place, Prosperity” resonates well. It is simple but embodies everything about Thurrock. When the peer team questioned partners and stakeholders about the Council’s direction they were very supportive and saw the link between all three of the activities of the vision. It was clear that the vision is not just about new buildings or just about jobs for people from outside the area, the vision and the actions to deliver it are clearly integrated back into Thurrock’s local community and their needs.

From the councillors and stakeholders, the peer team met there was staunch support for the senior team and officers were regarded as professional, competent, and motivated. This all provides the groundwork for what the peer team saw as a much-improved sense of organisational stability and provided positive foundations for future progress.

The Council has positively approached its transformational journey and fiscal management and staff feel positive in their role and empowered to make a difference. The staff the peer team met had confidence and a keen sense of loyalty to the organisation, strengthened

further by the #TeamThurrock strapline. They feel invested in and valued through the well regarded Continuing Professional Development (CPD) programme. They were positive about the staff awards, recognise the investment in personal wellbeing, valued access to senior managers and were clearly proud to work and live in Thurrock, with over 80% of staff currently living in the Borough. The Council, therefore, has a fantastic opportunity to capitalise on this resource and to continue to develop #TeamThurrock.

## **2.3 Bringing all your communities with you**

It was clear to the peer team that the approach the Council has taken to economic development and place making is focussed on local people and their communities – we consider this notable practice. There is distinct regard for the individual communities as composite parts of Thurrock and the Council understands that a one size fits all model will not work. The Council's community planning programme, takes each community on an individual basis, engages with that community through the 'Your Place, Your Voice' initiative, identifies their needs, their aspirations and their wishes and moulds that into a broader more holistic plan for the whole of Thurrock.

The methodology used for the 'Your Place, Your Voice' community engagement programme resonated well and there was widespread support of this. The peer team heard from several stakeholders how impressed they were with this approach, to the point they hoped to use it in their own communities with their residents because they could see the value it can deliver. The Council should be very proud of this approach, continue to use it and share it nationally.

The Council's communication methods have improved with an organised channel specific approach that utilises digital platforms alongside other more traditional mediums. These approaches aim to provide effective ways for communities and stakeholders to access the information they need and is starting to build engagement and stronger relationships with communities and partners.

It was clear to the peer team that Thurrock Council were taking an 'infrastructure first' approach to the growth of their Borough and were making sure that those things which are important to local communities such as schools, integrated medical centres, road access were embedded in plans before any significant development occurred which in turn has helped to buy in support from your communities. This approach is not easy and takes considerable time but when delivered will ensure communities are sustainable.

### 3. Key recommendations

As this report states there has been significant progress in Thurrock, both the place and the Council, but with all improvement journeys there is always more to do. The peer team therefore set out some thoughts on what they feel are the key recommendations Thurrock Council should consider.

**Increase the capacity and pace to deliver your vision.** Your vision and your strategic direction is first rate and you have used all the tools available to lay that out very clearly, which has resulted in hugely raised expectations which now need to be realised. Whether it be delivery of the medical centres or the regeneration of Purfleet, there is a need to ensure that plans are deliverable and delivered.

It was clear that officers are committed to delivering these projects and your intentions are admirable and to support this the peer team propose that the Council secures additional specialist programme management capacity and delivery expertise and that they develop a clear programme outlining all the milestones required to get each project to the agreed stages. It is also important that this is communicated in order to increase confidence amongst all councillors, your partners, stakeholders and communities that these projects will happen. The credibility of your strategy depends on getting some delivery on the ground.

**Further invest in the skills agenda.** Behind the vision for Thurrock is the creation of circa. 25,000 jobs, which need to be filled. The peer team examined this area with officers and several stakeholders to better understand what jobs are required? And therefore, what level of education is required to fill these jobs? We asked whether it was all high-level education or level 1/3 or level 4/5 apprenticeships?

The peer team did not get a clear answer and suggest that thinking is not as joined up as it could be. We understand that the skills agenda is challenging to navigate especially as many stakeholders have competing interests. It requires deft coordination and facilitation to bring the respective parties such as schools, Higher and Further Education providers and employers to the table, to discuss what skills the employers need and what each provider can deliver. The two points may start miles apart, but the Council needs to bring them together to ensure it has the infrastructure in place to deliver skilled workers fit for the needs of the jobs of today and tomorrow. There are some excellent pockets of this work notably the Institute of Technology (IOT) training centre which will help but Thurrock needs a broader strategic partnership and the Council is key to achieving this.

**Maximise the potential of your natural environment.** Much of the promotional and marketing material focuses on the economic development and build potential of Thurrock but you also have a rich natural environment to be proud of and this should be maximised. The conservation areas, green space and 18 miles of river frontage should be front and centre alongside your economic development messages. Thurrock boasts good schools, affordable homes and increased job prospects, so why not promote the good quality of life too which is as equally important - do not under sell this point.

**Maintain functional relationships with key partners.** The Council is clear about its direction for Thurrock. You have a place at the 'partnership table' and are demonstrating you can drive the agenda forward. Your partners are seeing a more outward looking Thurrock. However, there is a need to ensure you are consistent across all partnerships. From the people the peer team spoke to it was clear that there is significant support and positivity from partners, but we heard that Thurrock Council occasionally reverts to previous form and looks internally at what Thurrock needs, rather than what can be achieved for the South Essex or wider County agenda. In a commercial environment this is to be expected but you need to be adept at spotting where the give and take is required, put yourselves in partners' shoes to see things in a different light to ensure you can maintain these important relationships whilst maintaining the collaborative win.

You have so much going on in Thurrock and lots happening in South Essex don't start creating inadvertent false borders around your own borough, around the South Essex piece, the world is much bigger than that. We heard that 'Thurrock is the gateway to the world' and you need to be thinking of all those bordering areas around you as receptors to helping you achieve your ambitions.

**Increase momentum around organisational transformation.** You have improved your commercial approach to the way in which you run your organisational business. And due to your investment strategy, you have greater stability in your organisation because you have not been subject to the financial difficulties that many other local authorities and public-sector bodies have found themselves with. The consequence of this means the pressure is off in terms of your internal transformational agenda and whilst you may not need to do this from a cost perspective, there is much to be gained from a customer service point of view in ensuring that complete line of sight from your citizens to your Council. We did hear about the positive work you are doing on your transformation agenda, but you are not under the same pressure as others and you may just want to recast your focus on this, not because of the cost but for other strategic benefits.

**Manage the financial, commercial and reputational risks of your ambition.** The team took a view, certainly not a criticism or an endorsement, that you have a creative and innovative model for driving your business forward. It is currently delivering in terms of enhancing your financial capability to deliver first rate services to invest in the Borough and to change the lives of your citizens. However, there are a series of significant risks, which although you recognise, you need to really understand and proactively manage them. The peer team identified three key areas:

1. **Scale and complexity of the world in which you are operating.** Your approach to seeking alternative revenue streams to support your budget is creative and innovative. You have significant investments which currently are delivering sizeable returns into the local authority. However, this is a very specialist field and although you have skilled officers the peer team have concerns regarding the scale and leverage of your investments and suggest that it warrants more than the classic local authority audit. Perhaps a more detailed and technical piece of work undertaken by one of the large accountancy firms could provide further surety and

security. It may also challenge you further and provide an external assessment as to whether your approach is proportionate for your business needs.

2. **Risk Management.** An important part of any good business is effective risk management, including the identification, evaluation, prioritisation and mitigation of risks. The peer team ask you to carefully consider whether the risks associated with your investment strategy are fully recognised and are as well managed as they could be, particularly considering the medium to long term, the complex political and global environment Thurrock Council operates within. As a public-sector organisation, you need to be clear how you are mitigating against those various aspects and whether you can lessen them by continuing to improve your approach to governance and openness and transparency, by broadening the portfolio of investments, being explicit about the investment structures being used and by establishing clear limits on how much can be invested.

As well as financial risks there are also reputational risk and you need to be clear how you would respond to your communities and partners if for example there is a global downward turn. Again, this is a complex area and seeking some additional specialist support as suggested in 1, would be beneficial.

3. **Long term future policy direction.** There is a need for further clarity and surety combined with a clear policy direction on how the Council intends to utilise the financial contribution to support your business. The council currently has long-term investments supported by short-term borrowings, over time the financing balance between these is likely to change. At some point the investments will crystallise and you will have to address the related debt position. Further down the line you will need to repay debt and will have needed to forecast and plan for this. It would therefore, be prudent to look at the medium to long term plan for this now.



## **4. Next Steps**

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

We encourage Thurrock Council to continue its positive approach to sector led improvement by publishing this report and by developing an action plan.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on several of the areas for development and improvement and we would be happy to discuss this. Gary Hughes Principal Adviser is the main contact between your authority and the Local Government Association (LGA).

In the meantime, we are keen to continue the relationship we have formed with the Council throughout the peer challenge and look forward to working with Thurrock Council and its partners.

### **Next Corporate Peer Challenge**

The current LGA sector-led improvement offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. Thurrock Council have already indicated their support for this and it is therefore anticipated that the Council will commission their next Peer Challenge before 2021.