

Corporate Peer Challenge London Borough of Hounslow

14th – 17th March 2017

1. Executive Summary

The view of the peer team is that the London Borough of Hounslow (LB Hounslow) is a Member led council that has many strengths. The council has a clear and ambitious corporate plan and is making good progress on delivering its priorities to residents. The peer team saw evidence and examples of strong service delivery and good practice although some services were still on an improvement journey. There is generally a good level of self-awareness in relation to the need for continuing improvement.

LB Hounslow benefits from good member/ officer relationships, which was evident at a number of levels throughout the organisation. The council is member-driven, and officers have a clear understanding of what needs to be delivered. Staff and members are committed to the council and the community. Staff are largely enthusiastic about working for the council and are positive about Hounslow as a place. Good progress has been made in making staff engagement more effective, both the leader and chief executive were visible and seen as accessible throughout the organisation, leading staff inductions and regular staff briefings.

The council has sound financial management, with significant savings having been met over the past few years. The current financial situation and the savings journey however appears to have had an impact on staff morale and the council needs to consider how it manages the next round of savings. There is a feeling of 'change fatigue' among some staff who worry that regular cost cutting exercises have impacted on their ability to focus on and deliver services as effectively as they had done in the past and limited their scope for innovation and exploring new ways of working. Some staff are daunted by the next phase of cuts and don't feel as informed or involved as they would like to be. The council may wish to look at how it can make this process more strategic and more collective going forward to secure the support of managers and heads of service, and not just the senior management team. If the council continues to identify savings via traditional methods, there's a risk that some services will fall to unacceptable levels, but if the council prioritises/ targets action then it can ensure that impacts are managed and carefully judged.

The peer team felt that the council does not currently have a shared position upon their accepted level of risk appetite, which means some directorates may have more scope to seize opportunities than others. This is something that the council may wish to consider implementing.

The council's readiness for the new ways of working and the move to the new civic centre building is strong, with excellent learning from pilots, preparation and planning. The peer team suggest that more focus is needed on 'managing for outcomes' – staff need a simpler message around the benefits to residents from the transformation programme with regard to the office move, the new ways of working, and the positive impact that this will have on service delivery. The customer services "channel shift" is currently making good progress and is important that it is concluded before the move so that residents and customers are used to a transformed approach including more self-service. This work appears to have taken the existing, 'timed out' people management strategy further forward in practice; the

peer team believe it is important to document the refreshed approach in an updated people management strategy document.

Members and officers are aspirational for the Borough. However, the peer team believes that more could be done to articulate a unique identity, image and presence in London for the place. This would help the council avoid underselling itself. There are examples of LB Hounslow showcasing opportunities in the area to businesses, for example through MIPIM, but these opportunities would be strengthened if the place had a stronger and unique narrative and identity that reflected the needs of the place, the residents and partners.

Now that the WorkSmart programme is underway and on target the council could give some consideration to what is next in the context of further financial projections. The peer team suggests that the council should consider investing some capacity for strategic innovation for 2018 when the main focus will be on investing in delivering outcomes and results for residents rather than the WorkSmart programme and the move.

It is clear that LB Hounslow has made progress on its improvement journey to deliver services differently. There are a number of recommendations in this report that the peer team hope will in delivering the current stage of a journey of continuous improvement and preparing for the next stage post 2018 with the refresh of the corporate plan and the final phase of the WorkSmart project.

2. Key recommendations

1. Continue with the Work Smart Programme roll out developing the 'managing for outcomes' work; consider whether the programme needs the same regularity of senior oversight given the current phase of the work.
2. Develop a new People Strategy to underline and take forward the Work Smart Programme, incorporating any retention risks associated with the relocation of civic offices.
3. Enhance the shared vision and identity for the borough, reflecting the needs of residents, employers and new investors
4. Invest in capacity for strategic innovation and development ready for 2018-19
5. Following the refresh of your Corporate Plan post 2018, recast the council's budgets and MTFS to the new Plan.
6. Establish an integrated corporate performance framework that jointly considers, monitors and challenges budget savings and service delivery metrics alongside organisational risks.
7. Decide on an accepted level of risk appetite for the organisation which is understood and clearly communicated via a top down approach, to enable individuals to feel more empowered and lead to better risk managed outcomes.

8. Continue to deliver the customer services project including focusing on developing a transactional website to accelerate channel shift in advance of moving to the new civic centre
9. Shout about your successes!

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at London Borough of Hounslow were:

- **Mike Cooke**, Chief Executive, LB Camden
- **Cllr Tudor Evans**, Plymouth City Council
- **Cllr Nick Botterill**, LB Hammersmith and Fulham
- **Michael Hutchison**, Regional Manager, Zurich Municipal (UK)
- **Gordon Stirling**, Director of Strategic Services and Customer Management, Derby City Council
- **John Sampson**, Director of Corporate Resources, Redcar and Cleveland Council
- **Fiona Gold**, Project Officer, Surrey CC
- **Ami Beeton**, Programme Manager, Local Government Association

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?

4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to consider the council's readiness for its move to the new Civic Centre, and the effectiveness of the WorkSmart programme in preparing for this move.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement-focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3.5 days onsite at LB Hounslow, during which they:

- spoke to more than 150 people including a range of council staff together with councillors and external partners and stakeholders.
- gathered information and views from more than 56 meetings and additional research and reading.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (14th – 17th March 2017). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

The leader and chief executive have a good understanding of the place. The council has a clear and ambitious corporate strategy that sets out the key priorities for the organisation and the place. Good progress has been made on delivering these priorities. The peer team found that there is a good level of understanding of the agreed priorities and issues at all tiers of the council. Staff consistently demonstrated their grasp of organisational priorities through the stakeholder sessions that were held with

the peer team. Staff saw 2017 as a key delivery year for the council both in terms of political priorities and in terms of the WorkSmart programme. There was some fear from staff from a capacity perspective that more priorities might be added to the programme and they were keen to focus on and deliver those that are already in train.

The council has a strong focus on housing and enhancing the liveability and desirability of working and living in the borough. The council is keen for local people to be able to stay in the borough to live and work. Two of the main challenges to this are affordability and the level of skills within the workforce: the majority of jobs held by residents from the borough are low skilled, lower paid and out of the borough. This, coupled with increasing housing prices, is making the borough a more difficult place to afford to live in. However it is making progress against its corporate housing targets and it is commended for the re-purposing of the civic centre site for housing and the relocation of the council offices, which itself is intended to help regenerate the high street, The council could consider its role in working with businesses and colleges to create more pathways for skilled roles that would be suitable for local residents. A fuller understanding of Black, Asian and Minority Ethnic (BAME) skills in the borough is needed to ensure that the right support is offered.

Educational attainment in the borough is very impressive, with 95.8% of secondary schools classed as Outstanding or Good and 82% of 10-11 year olds achieving the expected standard and above for reading, writing and maths. This is well above both the national and London averages. This is a significant achievement for the council and supports the council's ambition to increase the number of higher skilled and higher salaried role opportunities within the borough. Currently these roles mainly attract inward commuters but the support the council is providing to residents in terms of skills and educational attainment, should have a positive impact on this in the future. A further example of the council supporting the employability of residents is the work being carried out to upskill those that are currently receiving housing benefit. Claimants are being encouraged, with support from the council, to develop skills action plans which will help to identify any missing gaps that a person may have, help them to address this, and go on to find suitable employment. The peer team viewed this as an example of good practice.

The council has a good awareness of cross-cutting issues which have informed priorities and policy for the council, for example the effect of population growth on schools, adult services and affordable housing. School places has been a significant challenge for the council. A large number of schools have been expanded to accommodate need, demonstrating cross-departmental working between the council's property team and schools to achieve this. The council has also been working with free schools to provide additional places which is a good example of the pragmatic approach to problem solving by the Council. This is an area that will continue to be a challenge for the council.

The council has demonstrated some examples of good partnership working and strong leadership of health and wellbeing matters e.g. Community Recovery, Social Inclusion Impact analysis and Out of Borough placement awareness.

It is clear that the council understands the dynamics which result from having large business corporations in the area. There is regular engagement with these organisations which has been received positively and led to collaboration on borough developments and initiatives. For example - Heathrow airport has a big impact on the borough, providing a number of jobs and bringing people into the local area. The council does have some complexity around its position on Heathrow and the plans for expansion. The council has taken a pragmatic approach to this, recognising that many residents rely on Heathrow for jobs, but this is an area of complexity for the council and the borough with different positions and views being taken on expansion by different stakeholders. In such a context the peer team emphasise the importance, at least for staff, of having clarity of direction. There are examples of joint working with Heathrow on a skills programme and infrastructure support until 2020: the peer team suggests that the council does further work with the airport to ensure that residents and the council achieve commensurate benefits from the programme.

Now that the council's WorkSmart programme is on track to be delivered on time, the peer team suggest that more senior officer time could be freed up to start to consider how it will refresh its Corporate Plan after the 2018 local elections. It is important that it begins to look at the issues now and make the most of the intelligence, data and partnerships it has to inform its prioritisation to best meet the needs of residents.

4.2 Leadership of Place

Members have a real sense of pride for Hounslow as a place and are ambitious for the borough's future. The council has very strong regeneration and growth plans in place and there is an emphasis on a 'clean borough' approach to improve the liveability of the area.

The peer team found that there is a strong partnership ethic across the council, evidenced in discussions with a wide range of partners, including businesses, other public sector partners, voluntary groups, and residents. Examples of this include the partnership between the Enforcement team, the Police, Fire service and Hounslow Highways. A regular clean-up is carried out in different parts of the borough ensuring that areas are kept looking clean and safe. The partnership with health is seen as strong, with health partners describing LB Hounslow as the council where there is the best integration of health and care within the West London area.

Business partners were complimentary about their interactions with the council. The council has many examples of good practice when it comes to partnership working with businesses. There are regular conversations between the LB Hounslow Leader and chief executive and the chief executive of Heathrow Airport, which are essential in light of the airport's major role in the area. Relationships have also been built with many businesses on the M4 corridor and there are examples of joint working and talent development with Sky and GSK. The council has also supported English language training for the one of the hotels in the airport area to increase employment opportunities. There may be further benefits that the council can gain from these relationships and the peer team suggest that the council maximises its networks to get

the best benefits and opportunities for residents for example through Corporate Social Responsibility

Hounslow's location presents the council with substantial opportunities. There are great transport links to and around London and connections out via Heathrow and the M4. The council needs to use its location to its advantage and maximise the economic benefits. There is a good business start-up rate within the borough but equally with Small and Medium Enterprises there is also a high failure rate. Consideration could be given to what further support can be given to start ups and whether there is any potential to link them in with some of the bigger companies in the area to share experience and support in initial phases.

Relationships have been built with key partners to try and secure improvements to travel and infrastructure in the borough. This has included work with the Mayor of London's office and Transport for London. The plans for new rail infrastructure development are significant and ambitious. This work needs to remain a priority for the council especially in light of the increase in housing development that is planned for the area. There are already concerns from the community about the time delay in securing infrastructure in relation to new housing developments.

Successful partnerships can also be seen through the council's work with the Rugby Football Union and the Football Association at Dukes Meadows to bring new sports facilities and pitches to the area. This is a great example of the council working with national agencies to attract money into the area. Dukes Meadows is also one of the many Green Flag parks within the borough. The council has also worked across boundaries with the London Borough of Ealing to improve and develop the museum and facilities at Gunnersbury park and make it a destination attraction within the area for families to enjoy.

One theme that ran through the peer challenge and is mentioned earlier within the report is the need for the council to more clearly articulate a unique identity, image and presence for itself within London. It is clear that members and staff are aspirational about the area: for example they are ambitious for the 'golden mile' along the M4 corridor and the opportunities and economic benefit this brings to residents and the borough. However during the challenge process some who were interviewed expressed concern that there was not a clear identity for Hounslow as a borough, with some of the public finding it hard to recognise as a place. Like most of London, Hounslow does contain places and localities with their own strong individual identities. Some boroughs have also created a strong borough wide identity and some of those interviewed felt strongly Hounslow would benefit from this. This chimed with the peer reviewers who felt that Hounslow had much to be proud of and much to work with in forging a clearer sense of whole place. There is an opportunity to work this up to coincide with the Corporate Plan refresh in 2018.

4.3 Organisational leadership and governance

The working relationship between the leader and the chief executive at LB Hounslow is mature and this provides strong leadership for the council and sets the tone for relationships between officers and members at all levels in the organisation. The

cabinet works well with officers and expressed the view that officers were committed, enthusiastic and believed in the services that they were delivering. Staff and members also commented on the confidence they had in the heads of service to deliver and to manage teams and operations.

Both the leader and chief executive are visible and accessible to staff with both attending induction sessions and the Leader having an open door policy for staff to meet him and the chief executive providing opportunities for staff to share ideas or to hear from her on the council's priorities. Some staff felt that senior managers were not always visible, albeit the peer team recognise that this is a common comment in most organisations. This was not the case across the board but it is important that staff have access to their senior managers when going through change. Some senior managers often visited their teams in the hot-desking zones despite not sitting with them, whilst staff were clear this was not the case for all directorates.

Staff are impressed with the chief executive's commitment to communicate and keep them up to date on any changes and developments, especially in relation to the WorkSmart programme. There is a need for some messages to staff to be clearer. For example, it was clear from talking to staff at the focus groups that they did not fully understand the main driver for the WorkSmart' programme and saw it mainly as an opportunity for them to work more flexibly spending less time in the office rather than for the opportunities it would bring for greater collaborative working and better service outcomes for residents. To ensure buy in for new initiatives and future changes, internal communications needs a refreshed approach so as to give clear and articulate reasons and implications for making savings or doing things differently. The working group for this programme is chaired by the chief executive and there are other very senior managers closely involved. The peer team question whether this creates a capacity issue for the leadership team and suggest that now the project is successfully under way and on track to deliver, more delegation of the programme oversight can take place at this point.

The council, supported by the cabinet, has recently been re-accredited with the Investor in People award which demonstrates the ongoing staff development and staff recognition that the council delivers. However the lack of an up to date, documented workforce/ people strategy makes its vision and commitment to staff more challenging to deliver and follow through on going forward. It is paramount that the council updates its documented people strategy to demonstrate how staff and the working environment are key to delivering the right services to residents.

The staff awards that are held annually recognise staff skills, hard work and length of service. There is a culture of celebrating good work through this process which is really important as the amount of change and cuts has started to take its toll on staff morale within the organisation. The peer team suggests that the council may want to think about how it shares good work and good practice on a wider scale and shout about its success. The peer team heard about many good initiatives and believe these examples should be shared with other local authorities, partners etc. This will also help with the work to articulate the council's unique identity and narrative.

There are some good examples of services delivering improved services following a change in leadership and new ways of working, for example there have been good improvements in Adult Services following a Peer Review in 2014 which is a significant achievement for the council and a testament to the hard work that has gone in to drive improvement. However this is a broad portfolio of services with many external factors creating challenges (for all councils) and there is a risk of stretched leadership capacity; the council may wish to consider how it can create capacity to continue to innovate, be proactive and to ensure sustained resilience.

The peer team found evidence of the council listening to staff views in a variety of formats including staff survey, briefings and meetings with Hounslow Leadership Group. The council needs to use the resource it has had middle management level, represented by the Hounslow Leadership Group to have a more strategic debate about the future shape of the council and to encourage middle managers to think about how their own services need to change and / or develop in the future. Middle managers need to be empowered so that they can lead and deliver on corporate projects and initiatives. This may increase innovation within the council and free up more senior capacity to work on future and strategic challenges.

The council was able to demonstrate improvements in the staff survey responses from previous years and the peer team were shown the action plan that was created to deal with issues and concerns that had been identified although the team felt that the plan could be more robust. It is important that the action plan continues to be monitored and the issues identified are considered as a part of the council's ongoing delivery and transformation. Benchmarking against other local authorities both inside and outside London would be a useful addition to the process to determine how well the council is performing against others.

The peer team believes that the council would benefit from a clearly articulated governance structure which covers all aspects of good corporate governance. The peer team suggests that the council establishes a corporate performance framework that jointly considers, monitors and challenges budget savings, service performance metrics and organisational risks. There is also potential to enhance overview and scrutiny's role in performance management and make it more effective. Performance data was used to look back and not evidenced as being used as a piece of intelligence for the future, either for horizon scanning or for setting the scrutiny agenda. The LGA can provide some member development workshops on scrutiny to aid this refresh.

4.4 Financial planning and viability

LB Hounslow has worked hard within the current financial climate to ensure that key frontline services continue to be delivered to residents, while maintaining a council tax freeze for ten out of the last eleven years. The council has a good level of reserves and a strong awareness of its cost drivers and the volume pressures that it is facing. All of this has provided the council with a good base when it comes to financial planning and will aid the organisation in its next stage of identifying future efficiencies and savings.

The peer team recommends that the council recasts its whole budget in line with and following the refresh of the corporate plan for 2018 and beyond.

The council has refreshed its four year strategic Medium Term Financial Strategy in 2016, with a more detailed 2 year financial plan (2017) which has been approved and is now in place.

The peer team felt that the council had a slightly pessimistic approach to income recognition. For example appropriate forecasts of income and tax collection that the council will receive from new housing development sites within the borough should be recognised and reflected within the councils MTFS. This will provide a more accurate picture of the council's financial situation. At the same time, the peer team supported the conservative approach to income assumptions from its wholly owned company, Lampton 360, which is can be a difficult route to income generation.

LB Hounslow has been successful in renegotiating contracts with a number of suppliers, including Liberata, Adult service providers and the PFI contract.

Universal credit has created a debt issue for LB Hounslow. The average rental debt from rented tenants on universal credit is £847, whilst at the same time, residents in receipt of Housing Benefit are not in debt. This is an issue that the authority needs to be mindful of going forward as indications suggest that it will get worse before it gets better. We understand that the Council has been working to find ways of influencing on this and consequently has secured a place on the DWP's landlords' forum to influence directly. As all Council's will be subject to the transition from Housing Benefit to Universal Credit, LB Hounslow is ideally placed to market their learning and journey so others avoid these potential pitfalls

LB Hounslow does have a good track record of making savings: £95 million has already been achieved, but there is a further target of £45 million that needs to be delivered. Previous rounds of savings have created some tensions between services and the finance team, with some officers feeling that the process has been finance-led and last minute, rather than a planned and service driven approach. There is also tension around some departments meeting savings targets and others repeatedly overspending – which may create a culture that certain types of overspend are acceptable as reserves have been established to cater for these service pressures, without recourse to repayment. Savings are becoming increasingly more difficult to deliver, and experience suggests that there is a limit to the extent to which incremental budget savings can be found without ultimately undermining service delivery. The peer team suggests the council could do more to ensure a strategic approach in identifying efficiencies and new income, focusing on the outcomes it aims to achieve, and how it can best use limited resources for the benefit of local people. Consideration could also be given on how the services link to the MTFS. The council may wish to look at the outputs that it wants to deliver and then determine how it best uses limited resources for the benefit of local people. There are a growing number of examples of councils which are moving to outcomes based budgeting and Hounslow may want to consider what is working elsewhere.

There is also the risk that the council is missing out on innovation and not empowering officers to work differently. The peer team heard that one department was so busy with meeting savings targets and delivering services that they didn't have time or the capacity to apply for innovation grants that would have helped to relieve their difficult situation. The peer team believe that if the service heads felt more empowered they could work with their teams to create and deliver innovative solutions to the financial challenge and be able to maintain and good and valued services.

Interdepartmental dialogue is needed to help mitigate current problems faced by some departments whose service areas have been affected by cuts made by other departments. This unintentional knock on effect has dented morale among some staff and caused changes and disruptions to some service areas. By taking a more holistic and strategic approach the different departments can discuss and understand the impact that service cuts in one area may have for other council departments and for residents.

4.5 Capacity to deliver

The council has generally committed, engaged, motivated and professional staff who are enthusiastic about delivering the right services to the community and residents that they serve. LB Hounslow is a friendly place to work and staff talk positively about their experiences of working for the council. The council has difficulty recruiting to some roles e.g. mental health, adults and children. It does have good retention rates and has worked hard to achieve this in some areas of the workforce that are hard to recruit to: for example, the top 36 officers in the Children's Housing and Adults' Services Directorate are all permanent members of staff. There is a vacancy rate of 12% in adult social care compared to the average for London which is 28%. This has provided this directorate with a stable workforce that has a positive culture and good morale.

Staff have access to a variety of training opportunities and staff development programmes. The peer team understood that staff felt supported in their roles and had opportunities to learn new skills and work on different projects across the council which has helped with internal progression. There is a lack of structured succession planning within the council which needs to be addressed. This will benefit the council in the longer term and will contribute to the future proofing as part of the councils post 2018 plan.

The review team met key leaders from Children's Services. They were able to describe a range of strengths such as relatively low numbers of looked after children, clear model of social work practice and evidence of positive early help/ early interventions. They described how passionate and committed social work staff are and that retention rates are good, although recruitment remains challenging. These staff described how the budget situation and reductions has created significant stretch and challenge and that not all the cuts had been well coordinated across children's services. There had not been sufficient capacity to make a bid for national Department of Education innovation funding. A new, experienced Children's Safeguarding Board chair was appointed in 2016 to take forward the work of the Board into its next phase. It is likely to be very helpful that the chair also chairs the Adult's Safeguarding Board.

The council demonstrated good partnership working with other agencies and an awareness of challenges and pressures that the area is facing. An example of this is the Cranford project which is being developed and managed as part of the council's work with the Local Strategic Partnership. This project is helping isolated and vulnerable residents to build relationships and connections. These connections look to provide individuals with more resilience and a greater ability to cope with issues before they for example enter a crisis mode and either default on rent payments or have a need for more council services. The council has worked with partners to better share and use joined up data to avoid duplication of services. The council has also supported voluntary sector agencies to create a consortium when bidding for funding. This has provided resilience for the smaller organisations and created an environment of learning and support for them. The peer team considers that Lampton 360, a wholly owned company established by LB Hounslow is a positive and innovative step that has the potential to be a source of innovation and resilience in service delivery. It should be noted that the creation of any structural change risks creating new organizational or even cross organizational barriers to be overcome, when a primary objective is to join up service delivery for improved outcomes. Some interviewees indicated that this risk is emerging as an early issue.

The cabinet has final decision making powers on anything outside of Lampton 360's business plan which, whilst providing oversight, has led to a perceived slowness of decision making and a risk averse appetite that might curtail the opportunity for the company to act as an autonomous business. This has led to questions about the company's possible capacity to expand in the future. The peer team suggests that the council reviews this process and the future ambitions of the company so that they are aligned for any future developments.

Staff perceive there to be a risk averse culture across the council and not just with the Lampton 360 work. There is a feeling that this slows down decision making as decisions are fed back up through the management hierarchy. Staff would welcome an increase in appropriate delegated decision making, which would both empower and involve them in more strategic decisions and would free up capacity at a more senior level for more strategic issues. It is often not clear for members and officers whether LB Hounslow have a common and properly understood risk appetite across the whole council and this needs to be addressed. The peer team believes that the organisation's approach needs to be reviewed to ensure that only high level strategic risks are monitored through the strategic risk register. To embed risk management further Hounslow may wish to firstly develop a shared risk appetite across their organisation. A top down approach, clearly communicated would enable individuals to feel more empowered and lead to better risk managed outcomes.

4.6 Move to the new Civic Centre and the Work smart Project

The move to the Civic Centre, with a significant reduction in desk space and a change of working style, has been a very significant project for LB Hounslow over the past 18 months and will continue to be a key piece of work in the coming years. It was evident to the peer team that the council has managed this programme very well, with all staff

and members having a clear understanding of the project and the timescales. The council is on track to deliver the project on time if the current pace is maintained.

The peer team found that in general staff were very enthusiastic about the WorkSmart project and the move to the new Civic Centre. Staff are keen to engage with flexible working, reduce travelling time, and embrace hot-desking and the new technologies that will be available once they are part of the programme. The peer team suggest that the imbalance in the clear message making the case for change and the benefits for staff verses the limited understanding of how this new way of working will benefit residents and customers should be addressed. This was apparent when talking to some staff, members and residents who were not sighted on the implications of the project and the benefits expected for service delivery. Consideration needs to be given to both external and internal communication on this issue to ensure that the council can capitalise on the benefits of WorkSmart for service delivery through channel shift and access to services on line and also from a more effective joined up workforce. By bringing residents and other stakeholders with them, as well as staff and members, the council is more likely to have a smooth transition when they move buildings and access to support and services are different.

The project team has used the learning from the pilots to ensure that later phases have benefitted from feedback and lessons learnt. It is important that the council continues with this practice as the project continues to develop.

Staff have felt supported through the change process. The project team has shadowed teams as they have entered their transition phase to understand their different requirements for space and technology and this has paid off with smooth transitions for teams entering the WorkSmart Programme. The change agent roles within each team joining the programme were given to frontline staff and a wide range of staff are represented on the project board. This is a good example of empowering staff. This has been a successful approach by the project team. Teams were led through the process by 'one of their own' who had been well-briefed and understood the implications for their team. This helped to prevent the feeling that change was being imposed on teams by managers and increased buy in and support. Some of the services that moved in the early phases were those deemed potentially difficult to move due to the complexities and sensitivity of the service area. These were successful and demonstrated the council's intention to get things right whilst in the current building so that when the move takes place, WorkSmart is bedded in. It is important that support continues after all phases are working within WorkSmart but before the move to the new building is completed to ensure a smooth transition.

Staff that are already part of the WorkSmart programme are positive about the cultural shift that it has created. The peer team heard reports about increased networking and cross-team working with other departments being enabled by the hot-desking zones and the new technology that allowed video calls and instant messaging as well as email. Despite this there were still some concerns from staff that need to be considered in some form. These include:

- the impact of the noise levels in the zones,

- the opportunities for informal knowledge sharing that would be missed if teams were not located together
- perceived lack of trust from managers
- isolation caused from working at home
- not having the appropriate space to work at home
- IT infrastructure not ready to support all work areas and requirements
- connectivity issues from home if broadband is not fast enough
- increase in cost of bills incurred through home working
- transporting heavy equipment including laptops
- lack of parking at the new Civic Centre site.

The programme is set to complete when the council moves to the new building in 2019 however the peer team believes that the further consideration should be given to future proofing. As with all local authorities there is uncertainty around finances and LB Hounslow needs to be pragmatic in its approach in relation to its accommodation needs. The council could shrink further in the future and the project team may wish to think now about flexible use of the space. For example the team is currently designing space for storage but the aim of WorkSmart is to become paperless. In the new building there should only be limited storage space for essential documents rather than for every team.

There are some risks of losing staff who may take the view that the future style of working or indeed working environment is not for them. The lack of parking at the new offices may form part of such a risk. The review team believe that this risk is to be expected in any such undertaking and indeed it is highly likely that it will materialise. There may be benefits in embracing this risk. However the council may want to undertake a systematic analysis of the risk to try and test whether talented staff who appear unhappy with the new arrangements could be retained.

The peer team suggest that thought be given to whether the council has enough capacity for transformation after the move. A Director of Transformation role has been recently deleted and support services are being significantly reduced (in some cases by up to 50%) The council is clearly on a journey to improve: the need for further innovation and new ways of working will not diminish once the WorkSmart project has completed. The council needs capacity at a strategic level for this to happen as well as culture of empowering staff and fostering a culture of innovation.

As part of the WorkSmart programme the council has recognised that Customer Services need improving and updating, including more effective use of the website. It is important that the council continues with this project including development of a more transactional website to accelerate channel shift for customers in advance of the move to the new Civic Centre which will have less face to face access. The council has begun to address this and is planning visits to other local authorities to learn from their experiences and inform the design and feel of the new service for customers.

5. Next steps

Immediate next steps

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

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 a number of the areas for development and improvement and we would be happy to discuss this. Heather Wills, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Her contact details are: Tel 07770 701188 and Email heather.wills@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA peer challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 12-24 months.