



Public Document Pack
TONBRIDGE & MALLING
BOROUGH COUNCIL

EXECUTIVE SERVICES

Chief Executive

Julie Beilby BSc (Hons) MBA

Gibson Building
Gibson Drive
Kings Hill, West Malling
Kent ME19 4LZ
West Malling (01732) 844522

Contact: Committee Services
committee.services@tmbsc.gov.uk

20 June 2014

CABINET - WEDNESDAY, 25TH JUNE, 2014

I am now able to enclose, for consideration at the Wednesday, 25th June, 2014 meeting of the Cabinet, the following reports that were unavailable when the agenda was printed.

Agenda No Item

10. **Peer Challenge Report** (Pages 3 - 22)

Report of Chief Executive

J E BEILBY
Chief Executive

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

25 June 2014

Report of the Chief Executive

Part 1- Public

Executive Non Key Decisions

1 PEER CHALLENGE REPORT

Summary

To provide Members with the Corporate Peer Challenge report issued by the Local Government Association (LGA) Peer Review Team

1.1 Background

1.1.1 Members will be aware that a corporate peer challenge, led by a team organised by the LGA, took place at the end of April 2014. The review was based around a number of core guiding questions, common to all peer challenges.

- 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 this 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?

1.1.2 The chosen theme for local review at Tonbridge & Malling Borough Council was

- Consider the approach to economic regeneration and in particular whether the council has the right strategy and the capacity to get to where it wants to be.

1.1.3 The review team considered a short pre submission supported by some key documents such as the corporate plan, budget statements and committee reports.

Their assessment was then further informed by meetings with Members, Management Team, other relevant staff and with other agencies external to the Council. The programme was reported in full to Cabinet on 25 March 2014.

1.2 The Corporate Peer Challenge Report

- 1.2.1 The LGA have now issued the report on behalf of the Peer Review Team. The full report is attached at Annex 1.
- 1.2.2 Members will appreciate that there has been little time to fully consider the contents of the report in relation to forward looking recommendations. I would however suggest that the overall tone of the report is to endorse the approach adopted by the Council over the last 2 years, whilst also reinforcing the challenges we know we face looking to the future.
- 1.2.3 There are a number of strands that will serve to focus our thoughts around both the corporate themes, and also in relation to the economic regeneration agenda. These matters need to be given thorough and careful reflection over the coming months to ensure that important changes we may need to consider are well understood and prepare the organisation for the future. I therefore propose that a more detailed evaluation of the report be undertaken over the coming months for consideration by Cabinet at the October meeting.

1.3 Legal Implications

- 1.3.1 None

1.4 Financial and Value for Money Considerations

- 1.4.1 The peer challenge review was undertaken at no cost to the Council. It does however provide a thoughtful insight for us to reflect on to help us achieve best value services into the future.

1.5 Risk Assessment

- 1.5.1 This report can help us consider options as to how we might manage future challenges and risks especially in relation to achievement of our corporate priorities within an increasingly challenging financial context. It is important to carefully reflect on the issues raised.

1.6 Equality Impact Assessment

- 1.6.1 See 'Screening for equality impacts' table at end of report

1.7 Recommendations

- 1.7.1 The peer review team be thanked for the work, and the clarity and thoughts expressed in the report.

1.7.2 A further detailed report on the issues raised be submitted to a future meeting of Cabinet.

Background papers:

contact: Julie Beilby

Nil

Julie Beilby
Chief Executive

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	This report does not make any recommendations that would impact on service users, members or staff
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	N/A	As above
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.

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Corporate Peer Challenge

Tonbridge and Malling Borough Council

28th to 30th April 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 Tonbridge and Malling to deliver the recent corporate peer challenge. The team very much appreciated the efforts that went into preparing for the visit and looking after us whilst we were on site and the participation of elected members, staff and partners in the process.

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

Janet Waggott, Chief Executive, Ryedale District Council
Councillor Tony Jackson, Leader, East Herts District Council (Conservative)
Matt Prosser, Strategic Director, South Oxfordshire and Vale of White Horse District Councils
David Green, Director of Sustainable Communities, Chelmsford City Council
Rob Jervis-Gibbons, Public Affairs Adviser, Local Government Association (shadowing role)
Chris Bowron, Peer Challenge Manager, Local Government Association

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

The guiding questions for all corporate peer challenges are:

- Does the council understand its local context and has it established a clear set of priorities?
- Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- Does the council have effective political and managerial leadership and is it a constructive partnership?
- Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?

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

To tailor the challenge to the needs of Tonbridge and Malling, the council asked us to also:

- Consider its approach to economic regeneration and in particular whether the council has the right strategy and the capacity to get to where it wants to

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

Tonbridge and Malling is clearly a council that prides itself on its approach. This is widely referred to within the organisation as the 'Tonbridge and Malling Way' – broadly defined as acting in a citizen-focused way, being thorough and measured and seeking consensus in its decision-making, having a strategic approach to financial management, demonstrating good governance and valuing people within the organisation.

The council has a tradition of stability so the change both of Leader and Chief Executive in the course of the last couple of years has been significant for the authority. In this time, the approach of the two individuals has entailed balancing the reinforcing of what is good about the 'Tonbridge and Malling Way' with some re-positioning of the authority and changes in emphasis around the way it operates. Such re-positioning and changes have involved developing a focus on economic regeneration, reaching out more as a council, extending the inclusive approach with elected members and developing closer ties between the Corporate Management Team and other staff in the organisation.

Given the very many positive aspects of the way the council is operating and what is being achieved, the question 'So why transform?' arises. By way of an answer, what we would suggest is that given how significantly the context within which the council is operating is altering, the 'Tonbridge and Malling Way' risks being compromised if the council doesn't drive change. In driving change, the council would maximise the opportunity to determine the future in line with its values and what drives it. The alternative is to have the future dictated on different terms by others. By not acting imminently, there is a real risk that the strengths of the 'Tonbridge and Malling Way' inadvertently come to hold the authority back or even translate into weaknesses.

The areas around which we see the council needing to change are as follows:

- The financial challenge
- Economic regeneration
- Transformation and organisational change

There has been successful delivery of the financial savings challenge to date. A strategic approach to financial management is reflected in the council's medium term financial strategy which looks ten years ahead and is focused on avoiding having to make 'knee-jerk decisions'. The council places an emphasis on delivering high quality services and uses its medium term financial strategy to shape the allocation of resources in order to maintain this. We see the current approach to the council's finances as a carefully managed and prudent one but we also see benefit in the authority looking to expedite its savings agenda. The funding gap projected by the council through to 2019 means it is highly likely that the council will need to review its ambitions and its approach – within a more tightly defined set of priorities.

The profile of economic regeneration is now much higher within the council. The current focus is on supporting small and medium-sized enterprises, enhancing local town and village centres and the re-development of Tonbridge town centre. We absolutely recognise the rationale for the focus on local businesses, given the importance of them to the local economy. However, we also see an opportunity to extend the existing focus and produce an integrated economic regeneration strategy which links and guides the council's investment and efforts across a range of council services and projects.

At present, the council has acknowledged that it has limited capacity to seize hold of and deliver the potential economic regeneration agenda. Delivering what is necessary to achieve the full potential requires increased resources and for these to be supplemented with greater use of expertise from within other council services.

'Transformation' is a commonly used term within the organisation and people we met seemed to be 'up for it'. There has already been a certain degree of change that has taken place in the organisation and this appears to have been effectively delivered. The council is widely seen as being at a 'pivotal moment' – recognising a new future ahead but with a need still to determine what that future looks like in terms of the focus, shape and ways of working for the council.

There is currently a lack of clarity for people regarding what the council is trying to achieve with change and 'transformation' and nor is there a strategy to underpin it. We see the need for a guiding framework within which to consider change and 'transformation' – one that maps out key objectives, considerations and priorities. Also, delivering organisational change and 'transformation' in a way that provides what is necessary for the future and capitalises upon the tremendous opportunities that exist requires much greater investment, expertise and ownership.

There is a need for the council to be clear about what is important going forward, entailing setting a vision for the future both for the borough and the type of organisation the council needs and wants to become and determining what the priorities are. This is important in order to inform and aid the delivery of the economic regeneration, financial and transformation agendas. There is a need to supplement this direction-setting with demonstrating the willingness to invest in priority areas and making them happen.

In summary, the council should take confidence from its proud traditions, relatively stable position and what has gone well in recent years. It should look to maintain the strengths of the 'Tonbridge and Malling Way' whilst being willing to drive change more quickly and take measured risk more. The further in advance the council acts to consider the future and

drive change, the more the future can be safeguarded. Thoroughness of preparation, deliberating and planning with care, being measured in its response and involving people has served the council well in the past and can do so again – provided the council seizes control of the future.

3. Detailed findings

3.1 The ‘Tonbridge and Malling Way’

- Citizen-focused – concentrating on what matters to residents, delivering good quality services
- A strategic approach to financial management - avoiding ‘knee-jerk decisions’
- Good governance
- Positive values and behaviours, including mutual respect amongst elected members and officers
- Valuing employees – in return securing their goodwill and commitment
- Giving staff opportunities and ‘growing your own’
- Deliberative, thorough, measured and seeking consensus
- Listening, involving, inclusive, encouraging participation

Tonbridge and Malling is clearly a council that prides itself on its approach. This is widely referred to within the organisation as the ‘Tonbridge and Malling Way’. The approach can broadly be defined as acting in a citizen-focused way, being thorough and measured and seeking consensus in its decision-making, having a strategic approach to financial management, demonstrating good governance and valuing people within the organisation.

Acting in a citizen-focused way involves concentrating on what matters to residents and delivering good quality services, with people within the authority emphasising the importance of listening to local people in order to understand what is important to them. Whilst the priorities of the council have not changed significantly for a number of years now, the authority is clear that they are based on what it has gleaned from engaging with local people, for example through its citizens panel, and that the priorities reflect what is important.

A strategic approach to financial management is reflected in the council’s medium term financial strategy which looks ten years ahead and is focused on avoiding having to make ‘knee-jerk decisions’. The council’s finances look to be appropriately cautiously managed and the medium term strategy sets a framework for future savings targets and contains a projection that is much longer term than many authorities.

Good governance is demonstrated within the authority, with transparent decision-making and an approach that maximises opportunities for elected members, cross-party, to contribute and be involved. An example is the opportunity provided for any elected member to address any meeting, such as Cabinet or Overview and Scrutiny, whether they are a member of the body concerned or not. The Advisory Boards that mirror the Portfolios of Cabinet members are long established and operate on a cross-party basis. There are high standards expected and fulfilled within the organisation in relation to the demonstration of positive values and behaviours, including mutual respect amongst elected members and officers.

The council is deliberative, thorough and measured in its approach to decision-making and seeks consensus wherever possible. Internally, with elected members and staff, and externally, with citizens and partner organisations, it strives to be a listening organisation. It is one that seeks to involve and include people and encourages participation.

Essentially this is a council that is focused on people. As part of this, it demonstrates the valuing of its employees. It seeks to provide them with opportunities and prides itself on its approach of 'growing its own' – the prime example of which must be the Chief Executive with the way she has progressed through the organisation. It strives to be a good employer. As a consequence of this focus on its staff, the authority has secured, in return, a very high level of goodwill and commitment from them, which was amply demonstrated by the fantastic response of people within the organisation to the flooding which hit the borough in December last year. This saw them putting the needs of residents and businesses ahead of their own considerations when the problems hit their peak over the Christmas period and demonstrating a real 'can do' attitude.

3.2 The last two years

- Change of Leader and Chief Executive – balancing the reinforcing of what is good about the 'Tonbridge and Malling Way' with some re-positioning and changes in emphasis
- The council is seen to be more externally engaged than before and is well regarded by many partners that we spoke to
- Successful delivery of the savings challenge to date and related organisational change
- Fantastic response to the flooding of five months ago – putting residents and businesses first, 'can do' attitude
- Creation of the Leisure Trust
- Economic regeneration is now firmly on the council's agenda
- Continued delivery of housing growth – including affordable housing
- Disappointment in relation to Tonbridge town centre re-development – but responding positively

The council has a tradition of stability, reflected in largely consistent political control and continuity of leadership over many years and the length of service of many members of staff. So the change both of Leader and Chief Executive in the course of the last couple of years has been significant for the authority. The approach of the two individuals has entailed balancing the reinforcing of what is good about the 'Tonbridge and Malling Way' with some re-positioning of the authority and changes in emphasis around the way it operates.

As examples of the re-positioning and changes in emphasis, we would cite the focus the Leader has brought on economic regeneration, which is clearly now firmly on the council's agenda and is widely talked about within the organisation, the rationalisation he has led of a number of council forums and the extension of the inclusive approach with elected members, including the Opposition. His is seen as a fresh leadership style and he is viewed as having implemented positive change and innovation. The Chief Executive has worked with the Leader to ensure the council reaches out more and is represented on key strategic forums within the county and wider region. As a consequence, the council is seen to be more externally engaged than before. It is well regarded by many partners that

we spoke to. The Chief Executive has also sought to develop closer ties between the Corporate Management Team and other senior managers in the organisation and between her position and staff more generally. As an example, we noted the way that the 'second tier managers' had welcomed the introduction of briefing sessions on key issues, including the budget.

There has been successful delivery both of the financial savings challenge to date and related organisational change. During the course of 2013/14, the council increased its own savings target for the year from £900,000 to £1.1m and still managed to exceed the required level – delivering in total savings of £1.2m. Changes within the Corporate Management Team and key support functions accounted for around ten per cent of this and have been delivered without seeming to de-stabilise the organisation in any way. The creation of the Leisure Trust by the council represents another major change which has gone smoothly whilst also delivering a significant proportion of the savings target. By way of an aside, the fact that a member of the political Opposition on the council has been invited to join the Board of the Leisure Trust is a further positive reflection of the inclusive way in which the council operates.

Other organisational changes that have been delivered smoothly include elected members switching to operating with tablet computers rather than relying on paper, the rationalisation of certain elected member forums already referred to in this report and the streamlining of a number of officer working groups. The cessation of the council's newsletter for residents, entitled 'Here and Now', is imminent and represents a further strand of the savings programme. The council also has a robust approach to vacancy management in place, involving the Corporate Management Team considering each case on its merits when somebody leaves the organisation.

There has been continued delivery of housing growth within the borough, including affordable housing, with Tonbridge and Malling representing a key part of the growth agenda in the south of England. This delivery has not been negatively impacted upon by the economic downturn, bucking the trend of what has been seen in many other areas nationally.

Whilst there has been disappointment in relation to the re-development of Tonbridge town centre, which was dealt a major blow by a decision three or four weeks ago of a major supermarket retailer (in line with a change of their strategy nationally rather than due to local considerations) not to proceed with its plans, the council and its leadership can be seen to be responding positively to the situation. New ideas and thinking is already emerging but the council is looking to take things forward in a way that is carefully considered rather than 'knee-jerk' – thus very much reflecting the 'Tonbridge and Malling Way'. Profiling the positive response from the council in the local media more would, however, be helpful in order for people to see the way the authority is bouncing back, ensure they understand that what has happened is not the responsibility of the council and emphasise how important the authority sees securing the right future for Tonbridge town centre.

3.3 Seizing control of the future

- Continuing to focus on citizens – doing the right thing for them
- Enabling elected members to extend their representation and leadership of communities
- Looking to ‘shape’ the place and being clear about what is important going forward – for the borough and the council
- Maintaining a strategic approach to financial management
- Ensuring staff are able to be involved and engaged in shaping change and have opportunities to develop – maintaining goodwill and positive relationships
- Continuing to be thorough in your preparations – planning and preparing well
- Avoiding opportunities being lost as a consequence of others moving more quickly

What we have outlined in this report so far reads very positively and poses the question ‘So why transform?’ given the way the council is operating and what is being achieved.

By way of an answer, what we would suggest is that given how significantly the context within which the council is operating is altering, the ‘Tonbridge and Malling Way’ risks being compromised if the council doesn’t drive change. In seizing control of the future, the council would maximise the opportunity to determine that future in line with its values and what drives it. The alternative is to have the future dictated on different terms by others. By not acting imminently, there is a real risk that the strengths of the ‘Tonbridge and Malling Way’ inadvertently come to hold the authority back or even translate into weaknesses.

The ways in which we see the council needing to change are outlined in the subsequent sections of this report as follows:

- ‘The financial challenge’
- ‘Economic regeneration’
- ‘Transformation and organisational change’

Seizing control of the future will see a continuing focus on citizens – doing the right thing for them by delivering on a set of more tightly defined priorities and minimising the burden on the council tax payer by operating in the most efficient and effective manner possible. Elected members need to be able to extend their representation and leadership of communities – entailing a switch away from time spent in meetings within the confines of the council’s buildings to increased engagement with local communities and demonstrating leadership in finding ways of ensuring the best possible outcomes on matters that are important to residents and businesses. The moves that the council has made recently to engage more effectively beyond the borough also need to be built upon as the authority looks to ‘shape the place’.

The council will undoubtedly wish to maintain a strategic approach to financial management as it seeks to deliver against the financial challenges the future holds, which amount to around £1.9m of further savings by 2019 from within a budget which, in the current year, is £15.8m. The further in advance that the way in which this challenge will be addressed can be determined, the greater the degree of control that the council will have

over things and the more smoothly the related changes can be implemented. Unlike many, the council is not yet in a position whereby it is faced with having to take dramatic action on short-term horizons in order to achieve a balanced budget.

Ensuring staff are able to be involved and engaged in shaping change is important to the council and it will want to continue this in to the future – and indeed extend it further. Change will provide opportunities for people to develop and the authority will want to ensure its staff benefit accordingly. All of this is important in the maintaining of goodwill of staff and positive relationships within the council.

The further in advance the council acts, the more the future can be safeguarded. Thoroughness of preparation, deliberating and planning with care, being measured in its response and involving people has served the council well in the past and can do so again – provided the council seizes control of the future. Doing so will also help to avoid opportunities being lost as a consequence of others moving more quickly. An obvious example here is the scope for any future sharing of services with other councils or selling services to them diminishing over time as more authorities link up with one another in the meantime. Another example is the influencing of key decisions that will be taken beyond the borough but which have the potential to affect its future significantly, such as which major infrastructure projects government and others should invest in within Kent or the wider south-east.

In moving forward on the basis outlined above, we see it as necessary for the council to be clear about what is important going forward – both for the borough and the council. In terms of the borough, we see benefit in being able to communicate clearly what it has to offer – what is it that it wants to be known for, why should people and business think about relocating there, why should people visit? Similarly, being clear as a council about what sort of organisation it is moving towards becoming, what it will focus on and how it will operate will help people make the shifts that are necessary for the future.

In seeking to formulate the clarity about what is important going forward, we see it as being important for the council's senior leadership, both politically and managerially, to create the time necessary to develop their thinking together. Cabinet members have a crucial role to play in determining the priorities and direction for the council and the place, with support from officers. There is currently little opportunity for the Cabinet and Corporate Management Team to jointly consider key strategic issues facing the council. Whilst they do meet regularly already, this is limited largely to considering the agenda for forthcoming Cabinet meetings and the subjects being looked at are constrained as a result. Having scope beyond these sessions to jointly consider the future would be valuable.

3.4 The financial challenge

- Whilst the council has a strategic approach to delivering high quality services through its medium term financial strategy, we see the current approach as unsustainable:
 - £8m of the funding from housing stock transfer remains – and will disappear altogether by 2018/19
 - Assumptions in relation to increasing council tax going forward

- Year on year underspends
 - Recent grant reductions have essentially been off-set by New Homes Bonus – but the council recognises that there is no guarantee around such funding going forward
- A conscious decision has been made to bring forward the savings target for 2016/17 to maintain a focus and momentum on the financial challenge
 - We would urge you to extend this principle in order to provide maximum time and opportunity – avoiding ‘knee jerk decisions’

The council places an emphasis on delivering high quality services and uses its medium term financial strategy to shape the allocation of resources in order to maintain this. However, we see the current approach as unsustainable – as does the senior political and managerial leadership of the council. As we have already outlined, the financial savings challenge to date has been delivered very effectively but a further net revenue funding gap totalling nearly £1.9m is projected by the council to arise in the period to 2019. Given this scenario of diminishing resources, it is highly likely that the council will need to review its ambitions around service delivery. The situation is compounded by significant challenges arising in relation to other aspects of the council’s budget. These include the uncertainty in relation to the future of New Homes Bonus, with the council essentially having been able to use this funding stream to date to off-set recent grant reductions. The council recognises that there is no guarantee around this funding going forward.

The council’s financial projections in its medium term financial strategy make assumptions in relation to the authority being able to increase council tax going forward. Achieving this will help to improve the council’s financial base but there is no guarantee about being able to deliver the objective. Recent years have also seen a mixture of significant underspends by the council (up to around £800,000) – which the council is seeking to avoid in the future through its review and paring back of budgets in a number of areas. The council has also regularly been drawing on reserves, although this forms a deliberate part of its budget strategy. What we have outlined here suggests the need for a clearer, more consistent and sustainable budget settlement in future years which provides a greater degree of certainty for the council. As part of this, we would encourage the council in its ambitions around becoming more commercially aware and identifying and exploring more commercial opportunities.

From an original amount of around £50m, all but £8m of the funding from the council’s housing stock transfer has been utilised to date supporting the council’s strategic ambitions. Planned expenditure will see the remaining funding utilised by 2018/19. Given the various calls that could be made on this funding over the coming years, we would encourage the council to reassure itself that its current plans for it absolutely reflect the priorities for the organisation.

The £1.9m savings requirement for the council breaks down over the following years as £650,000 in 2016/17, £700,000 in 2017/18 and £525,000 in 2018/19. A conscious decision has been made to bring forward the savings target for 2016/17 to maintain a focus and momentum on the financial challenge, with £200,000 of this now being sought in 2015/16. We would urge the council to extend this principle to its financial management more generally in order to provide maximum time and opportunity, in line with the ‘Tonbridge and Malling Way’, to plan for and implement related changes and avoid a

scenario in which it has to take ‘knee jerk decisions’. Essentially, we see the need for a robust plan of how the savings are going to be delivered, with this being set within a clear framework, as we outlined earlier, of a more tightly defined set of priorities.

Also, given the situation of the reducing £8m housing stock transfer funding, we would encourage the council to move swiftly, and be willing to change its plans for this money, in order to maximise the opportunity to fund ‘invest to save’ projects that will aid the financial position of the council over the following years.

3.5 Economic regeneration

- Whilst the profile of ‘economic regeneration’ is now much higher within the council, its scope has been largely focused on supporting small and medium-sized enterprises, local centres and Tonbridge town centre development
- We recognise the rationale for this given the importance of SMEs to the local economy
- There is an opportunity to produce an integrated economic regeneration strategy which links and guides the council’s investment across a range of services and projects:
 - Recognising the range of council services that impact on economic regeneration e.g. housing, planning, leisure, environmental services, community safety
 - Delivering an increased housing supply (Peter’s Village and Kings Hill)
 - Securing inward investment and business growth (Escalate initiative)
 - Progressing key strategic infrastructure via the LEP
- The council is seen as being more involved externally and acting as an equal partner – West Kent Partnership, Kent and Medway Economic Partnership – further effort is needed to maximise the council’s influence
- Delivering the economic regeneration agenda to achieve the full potential requires increased resources and for these to be supplemented with greater use of expertise from within other council services

The profile of ‘economic regeneration’ is now much higher within the council, in line with the Leader’s ambitions. This has, been aided by his creation of an Economic Regeneration Portfolio in the Cabinet, which provides a dedicated focus to the issue. Currently the scope of this Portfolio, and the focus of economic regeneration within the authority more generally, is focused on supporting small and medium-sized enterprises (SMEs) and enhancing local town and village centres. The approaches include seeking to reduce ‘red tape’ and ‘bureaucracy’ on the part of the council, delivering public realm improvements and ensuring the availability of free car parking is maximised in order to encourage use of local retailers and businesses. Businesses impacted upon by the flooding are being provided with grant funding by the council and the authority has also made available a sum of money for businesses who are interested in working together to enhance their local centre. The ambitions around the re-development of Tonbridge town centre also form a key strand of the council’s economic regeneration agenda.

We absolutely recognise the rationale for the focus on local businesses, given the importance of SMEs to the local economy – 85 per cent of businesses in the borough

employ five people or less. However, we also see an opportunity to extend the existing focus and produce an integrated economic regeneration strategy which links and guides the council's investment and efforts across a range of services and projects – something that is jointly owned by elected members and officers throughout the council. Our reasoning is two-fold. Firstly, ensuring the council is joined up in its approach to economic regeneration and all of the opportunities to contribute to it from across the organisation are maximised. Secondly, encouraging the council to continue and develop the way it is now thinking and influencing across a wider geography in order to secure maximum benefit for Tonbridge and Malling.

To expand on what we have outlined above, we cite a few examples. Whilst economic regeneration is now widely talked about across the organisation, and is seen clearly as a priority of the council, it was clear from our discussions that there are still limitations around the extent to which elected members, including Portfolio Holders, and officers see their areas of responsibility being able to contribute to economic regeneration. It is important for there to be greater understanding of the way in which the full range of Portfolios and council services, such as housing, planning, leisure, environmental services and community safety, can have an impact.

Delivering an increased housing supply, beyond what is being progressed already at Peter's Village and Kings Hill, can also have a huge impact on economic regeneration. Building on the Escalate initiative, which has seen £5.5m of Regional Growth Fund money secured to help small and medium-sized businesses in West Kent, to enhance business growth will be important going forward, along with the development of a clearer approach to 'selling the borough' and working with relevant partners to continue to attract inward investment.

Progressing key strategic infrastructure via the Local Enterprise Partnership (LEP), building on the success achieved in relation to securing government funding for the development of the A21 near Tonbridge which is seen as integral to future economic growth in the area, will require concerted effort from the authority and the demonstration of its ability to influence such initiatives as the government's National Infrastructure Plan. Many of the partner organisations that we spoke to see the council now being more involved externally than before and acting as more of an equal partner, for example in relation to the West Kent Partnership and the Kent and Medway Economic Partnership. This is extremely positive and now needs to be built upon to maximise the council's influence.

At present, the council has limited capacity to seize hold of and deliver the potential economic regeneration agenda we have outlined above – and to which we believe the authority aspires. At both officer and elected member level, a good job is being done in relation to delivering the council's current ambitions. However, officer resources in this area are considerably constrained – in fact it is largely being undertaken by one person. Delivering the economic regeneration agenda to achieve the full potential requires increased resources and for these to be supplemented with greater use of expertise from within other council services

3.6 Transformation and organisational change

- ‘Transformation’ is a common theme within the organisation
- People we met spoke of the council being at a ‘pivotal moment’
- There is currently a lack of clarity for people regarding what the council is trying to achieve with ‘transformation’ and nor is there a strategy to underpin it
- The emphasis currently seems largely to be being placed on incremental change across the range of existing services and functions
- Amongst people we met there was an understanding that it isn’t just the financial situation that drives the need for change – resilience, customers, legislation
- The council is keen to involve staff in the change agenda – seeking ideas about ways services can adapt and develop
- Delivering ‘transformation’ requires investment and expertise but provides tremendous opportunities – including what service users experience and financial return
- The council is proud of its track record of ‘growing its own’ and is committed to investing in the development of staff and elected members
- We would, though, encourage the council to ensure it balances internal progression with external recruitment and also maximise the opportunities to learn from others

‘Transformation’ is a commonly used term within the organisation and people we met readily accept that change is inevitable given the context within which the council is operating. Indeed, and as we have outlined, there has already been a certain degree of change that has taken place in what is a traditionally stable organisation and this appears to have been effectively delivered.

There was reference during some of our discussions to the council now being at a ‘pivotal moment’ – recognising a new future ahead but with a need still to determine what that future looks like in terms of the focus, shape and ways of working for the council. People we met, as well as recognising that significant change would come, seemed to be ‘up for it’ rather than shying away from it. It was positive to see that they understood that it isn’t just the financial situation that drives the need for change – they also saw, for example, the way national policy and legislative changes were offering opportunities or requiring revised approaches, the way in which greater resilience within services might be an objective of change and how the pursuit of improved customer service could be a driver.

However, there is currently a lack of clarity for people regarding what the council is trying to achieve with change and ‘transformation’ and nor is there a strategy to underpin it. The emphasis currently seems largely to be being placed on incremental change across the range of existing services and functions. The council is actively involving staff in looking at the change agenda but this seems to be limited to them being asked to provide ideas only about how their existing service or function might adapt or develop in order to achieve savings or deliver enhanced customer service, rather than anything more cross-cutting or radical.

We see the need for a guiding framework within which to consider change and ‘transformation’ – one that maps out key objectives, considerations and priorities. As an example, are there some services that are absolutely sacrosanct and which the council might even look to increase investment or expenditure on? Equally, are there others that the authority might potentially look to divest itself of altogether, which it either ceases or

looks to others to deliver? What is the council's view on the sharing of services? Knowing this would determine whether or not it is worth exploring the potential to move beyond what is currently simply the sharing of a small number of individual posts with other councils. Without such a framework, thinking and planning for the future will remain difficult – with the risk, resulting from assumptions being made, of extraneous effort or the inaccurate discounting of ideas and opportunities.

One of the posts in the organisation at Corporate Management Team level now has a specific responsibility for 'Transformation'. This has been helpful in bringing a profile to the concept, in the same way that has happened with economic regeneration following the establishment of a Cabinet Portfolio for it. However, delivering organisational change and 'transformation' in a way that provides what is necessary for the future and capitalises upon the tremendous opportunities that exist to enhance what service users experience and secure financial savings, requires greater investment, expertise and ownership.

The council is proud of its track record of 'growing its own' and is committed to investing in the development of staff and elected members. Its achievements in this area, and its commitment to this agenda, are reflected in its Investors in People (IIP) accreditation. Staff spoke of an effective and worthwhile performance appraisal system that helped people be clear about their objectives and their role within the organisation and identified training and development needs. Training and development opportunities, both for staff and elected members, were seen to be widely available and of good quality.

People also pointed to the way in which 'talent spotting' operates well in the organisation and how this supports progression within the council. We would, though, encourage the council to ensure it balances internal progression with external recruitment in order to help with the adoption of alternative approaches and generation of new ideas. We would also urge people within the council to maximise the opportunities to learn from others. From what we heard, a good proportion of senior officers are involved in county-wide networking and some are engaged at a national level too. We see benefit in looking to extend this further, with the council well placed geographically to capitalise on the types of opportunity that exist given they are frequently London-based.

3.7 The way forward

- Maintaining the strengths of the 'Tonbridge and Malling Way'
- Taking confidence from what has gone well and be willing to drive change more quickly and take measured risk
- Being clear about what is important going forward – setting a vision both for the borough in the future and the type of organisation you want to become
- Demonstrating the willingness to invest in priority areas and making them happen e.g. economic regeneration and transformation
- Continuing and extending the council's efforts to inform and engage its range of partners on strategic issues – business, Parish and Town Councils, other strategic partners
- Leading the organisation into the future in a way that maximises the opportunity to determine that future in line with your values and what drives you rather than having it dictated to you on different terms

Moving forward, the council should take confidence from its proud traditions, relatively stable position and what has gone well in recent years in relation to the effective delivery of financial savings and organisational change. It should look to maintain the strengths of the 'Tonbridge and Malling Way' whilst being willing to drive change more quickly and take measured risk more. The Tonbridge town centre re-development represents a measured risk it has taken – it may not have reached a satisfactory conclusion yet but the council deserves credit for what it sought to achieve and should not be put off such an approach to things in the future. A willingness to take more in the way of carefully managed risks will help the council and the borough move forward more quickly.

Good progress has been made in the last couple of years in relation to the council becoming more externally-facing. Partner organisations, including local businesses and their representative bodies, Parish and Town Councils and strategic partners, have noticed and appreciate this and wish to see a continuation and extension of the council's efforts to inform and engage them on strategic issues.

There is a need for the council to be clear about what is important going forward, entailing setting a vision for the future both for the borough and the type of organisation the council needs and wants to become and determining what the priorities are. This is important in order to inform and aid the delivery of the economic regeneration, financial and transformation agendas. There is a need to supplement this direction-setting with demonstrating the willingness to invest in priority areas and making them happen.

Essentially what we have tried to outline in this report is what we see as the chance for the senior political and managerial leadership of the council to lead the organisation into the future in a way that maximises the opportunity to determine that future in line with the established values of the council and what drives it, as reflected in the 'Tonbridge and Malling Way', by acting now and seizing that future, rather than risk having it dictated to the council by others on different terms.

Through the peer challenge process we have sought to highlight the many 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. Heather Wills, as the Local Government Association's Principal Adviser for the region within which the council sits, will continue to act as the main contact between the council and the Local Government Association, particularly in relation to improvement. Hopefully this provides you with a convenient route of access to the organisation, its resources and packages of support going forward, which we know the council is keen to tap in to.

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

Yours sincerely

Chris Bowron
Programme Manager – Peer Support
Local Government Association