

# Corporate Peer Challenge

## **London Borough of Havering**

29<sup>th</sup> October to 1<sup>st</sup> November 2012

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 the London Borough of Havering 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 early tranche of corporate peer challenges delivered by the Local Government Association as part of the new approach to sector led improvement. It was only the second such challenge to be delivered in London. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

Mark Rogers, Chief Executive, Solihull Metropolitan Borough Council
Councillor Paul Bettison, Leader, Bracknell Forest Borough Council (Conservative)
Sarah Maynard, Transformation Programme Manager, Trafford Council
Howard Davis, Principal Adviser, Local Government Association
Christina Moore, National Graduate Development Programme Trainee, London Borough of Sutton
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?

Within this, there were two strands specific to the council that you were keen for the peer challenge to consider:

- ❖ How the cuts through the Havering 2014 transformation programme have been managed
- ❖ How well prepared the council is for the new local government funding regime

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**

The London Borough of Havering has made significant progress in recent years and the council is rightly proud of what has been achieved. People spoke to us about a very traditional council existing four or five years ago but the last two or three years have seen significant change and transformation which has led to the authority operating very differently and has played a crucial role in ensuring it is on track in delivering against the financial challenges it faces. The transformation programme put in place to deliver the changes has been wide ranging but there are two strands that have had the widest impact across the organisation – internal shared services and customer services. What has been delivered has resulted in a modernised and forward looking authority moving towards streamlined customer services. The implementation of the transformation initiatives is seen to have been very well managed. As part of its investment the council has been willing to bring in programme and change management expertise and this has had a very positive impact. With the investment that the council has made it is important now to ensure the smooth implementation is followed by the authority fully capitalising on what has been put in place.

The progress that has been made has not come about by chance. In addition to sheer hard work on the part of elected members, officers and partner organisations, there are a range of success factors that we see as having been integral. There are strong and trusting relationships between the council and public sector partners, with this being the result of a concerted effort over recent times. The council has demonstrated it is ambitious to improve and succeed and there is strong, clear and consistent political and managerial leadership. The existence of clear guiding principles set out by the Administration means everybody has clarity about what is important and how the council should go about achieving things. This is helped further by elected members giving the necessary space to officers to enable them to get on and deliver. The Administration places major importance on 'what works' - with value being attached to the outcomes achieved rather than how something is delivered. This is reflected in the mixed economy of service provision and the authority's willingness to partner with other councils either to work together or to have services provided by them on behalf of the council. The council champions shared services and what it is engaged in around that and wider aspects of its transformation activity are proving to be of interest to other boroughs.

The authority has robust financial and resource planning arrangements in place. This has been integral in the council both anticipating and delivering in line with the financial challenge in the form of a gap of £40m that needs to be closed across the four years to 2014. However, at the same time as needing to close this gap, the Administration has also shown a willingness to invest, as shown with the transformation programme. The council has a solid performance management framework in place which provides a clear link from the goals and strategic outcomes of the long-term vision for the borough down to individual performance development reviews. The level of council expenditure per head of population across the vast majority of services is amongst the lowest when compared with councils of a similar nature and the performance of services is generally good, especially when considered in the light of the comparative cost of them.

Havering is an authority that demonstrates a strategic and calm approach to the challenges it faces and people we met came across as purposeful yet relaxed. There is seen to be sound governance of the council and there are mature and pragmatic politics within the borough. We do see, however, potential to extend elected member development and scope for improvement around overview and scrutiny.

The implementation of the council's transformation initiatives is seen to have been well managed. The council has been willing to bring in programme and change management expertise and this has had a very positive impact. The senior leadership of the council has demonstrated a commitment to communicating, engaging and supporting staff around change along with a willingness to acknowledge where things haven't gone according to plan and to draw out the learning from it. The council has also made significant investment in its managers in order to equip them with the skills necessary to get the best out of the organisation going forward. This is widely seen as having been the right place to put the organisational development emphasis during this time but there is a clear view at all levels of the organisation that such investment now needs to be extended to cover the full range of staff.

The financial projections of the authority suggest a budget gap of between £25m and £35m that will need to be closed in the period from 2014 to 2018. It is important for the council's good financial planning to continue in a way that covers all of the possible eventualities of the 2014 local elections and impending financial settlements and ensure a sense of direction, under a range of different scenarios, is maintained for the period through to at least 2016. Transformation to date has delivered significant efficiencies and there are plans for more but the delivery of these is unlikely to be sufficient to address the projected financial gap. Tough decisions have already been made by the council and future decisions are likely to be even tougher and it is important that the council and all of the political groups who will be contesting the 2014 elections keep all their options open.

With the financial situation facing the council there is widespread understanding that things will continue to be hard and that change will remain a constant factor. Staff came across as philosophical, calm and resilient and having an appetite to understand more about the council's thinking on the future and it seems now to be timely for the authority to articulate the key characteristics of the next stage of change. There is also the need for a revised organisational development strategy to prepare for and enable the changes and it will be important for the authority to consider the need for a council-wide change methodology, underpinned by a set of tools and techniques to deliver the next stage of transformation.

Clearly the council cannot continue to deliver what it has traditionally done and will become smaller and the consequential shift that is required has already commenced. This shift sees citizens being required to rely more on themselves as individuals, families and communities. Central to this is the concept of 'co-production' which is widely talked about within the council and there are good examples of it in action. The council recognises it is now timely to develop a strategic approach to co-production so that it can be more widely embraced within the council and the borough. There is an important role for the voluntary and community sector to play in 'co-production' and service delivery generally. The council values what the sector can contribute but maximising it would be helpfully enabled through the development of a better shared understanding between the council and the sector of the opportunities that exist and what more the sector can contribute.

With the likes of the police, health sector and the council all wanting and being expected to maximise engagement with local people, there is felt to be benefit in jointly developing a community engagement strategy across public sector partners. Voluntary and community sector partners could very usefully be involved in this too. The council is embarking on this process now and, being mindful that it can sometimes be perceived as making its own mind up on issues and how to approach them and then consulting on the proposed way forward, it is committed to ensuring this is a participative process with partners and the community.

There is a clear view at the senior levels across the council and health that the reform of the health sector represents a key opportunity for the borough, both in terms of improving outcomes and addressing the financial challenges being faced. The nature and extent of the opportunities that exist around the integration are currently being assessed and, in addition to issues of finance, include greater alignment of services with the needs of local people, better quality care and improved health outcomes. However, the scale of the challenge involved in delivering the integration is huge and there are significant risks that need to be carefully managed but which the council is fully aware of.

### **3. Detailed findings**

#### **3.1 The Havering 'journey' of recent years**

- The London Borough of Havering has made significant progress on a range of fronts in recent years and the council is rightly proud of what has been achieved. People spoke to us about a very traditional council existing in Havering four or five years ago. However, during the last two or three years there has been significant change and transformation in the authority, focused principally on technological innovation, re-structures and new ways of working. The delivery of these has led to the council operating very differently to before. Customer service and the financial imperatives brought about as a result of the changes to public sector funding are clearly understood as the primary drivers of these changes.
- The transformation programme put in place to deliver the changes has been wide ranging across the likes of adults, children and families and learning and achievement, but there are two strands that have had the widest impact across the organisation – internal shared services and customer services. The internal shared services strand has seen the radical overhaul of the council's back office functions

such as finance, HR and procurement. Key work processes are now fully automated through the Oracle Business Suite, including the likes of submitting leave requests and expenses claims, changing personal details, undertaking purchasing and recording performance information. The system gives managers ready access to all of the key information necessary for the effective management of their services through a 'dashboard' on their computer. The council indicates these changes have delivered £2m savings in the first year of operation.

- The customer services element of the transformation programme has sought to modernise the council's approach to first contact and front office processes, as well as reduce costs. The changes include the creation of a customer contact centre for telephone and e-mail enquiries and a one-stop-shop for customers needing or preferring to visit the council. A new customer relationship management (CRM) system has been put in place along with a new website. The council is attaching a lot of importance to, and is progressing, opportunities around 'channel shift' as part of streamlining customer service, changing the nature of customer/citizen interaction with the council, and reducing costs.
- The transformation activity that has been delivered has resulted in a modernised and forward looking authority moving towards streamlined customer services. It has also played a crucial role in ensuring the authority is on track in delivering against the financial challenges it faces.

### **3.2 Success factors**

- The progress that has been made within Havering over recent years has not come about by chance. In addition to sheer hard work on the part of elected members, officers and partner organisations, there are a range of success factors that we see as having been integral and this section of the report seeks to outline them.
- The council has demonstrated it is ambitious to improve and succeed and this is reflected in the growing positive profile of Havering within London local authorities and the local government sector generally. The council has strong, clear and consistent political and managerial leadership, with the Leader and Chief Executive in particular being held in high regard both internally and externally and widely recognised as having been vital to the progress that has been achieved.
- Havering is an authority that demonstrates a strategic and calm approach to the challenges it faces. We were struck by the strong sense of a council with a clear strategic direction, that is in control of issues and is not being diverted by, or making 'knee-jerk' reactions to, issues that suddenly emerge. People we met came across as purposeful yet relaxed. The existence of clear guiding principles set out by the Administration is likely to be a key contributory factor within this, with everybody being clear about what is important and how the council should go about achieving things. These principles include 'modernising', 'investment in frontline services that matter to local people', 'targeting resources on need' and 'prevention'. This provides officers with a very clear framework and scope within which to operate and this is helped further by elected members giving the necessary space to officers to enable them to get on and deliver. This clear understanding of, and adherence to,

respective roles and responsibilities has contributed to the good relationships that are seen to exist between officers and elected members.

- In addition to the clarity that exists around respective roles and responsibilities, there is seen to be sound governance of the council generally and people are very clear about the way it operates. Beyond the potential that exists to extend elected member development, which is outlined in more detail later in this report, the only area that was highlighted to us, and around which we see scope for improvement, is overview and scrutiny. A range of people highlighted to us what they see as the need to do something differently given what seems to be a fairly un-fulfilling experience for overview and scrutiny members cross-party and lost opportunities to maximize the benefit that could be gleaned from the capacity across the breadth of the elected membership.
- Although some difficulties and tensions exist around overview and scrutiny, we saw mature and pragmatic politics existing within the borough. Whilst we were only afforded the opportunity to meet with the main opposition group, the strong sense we developed was that councillors are focused on the interests of local people rather than political point-scoring, with a combination of realism and pragmatism perhaps being a legacy of the periods the council has spent under no overall control. The Administration places major importance on 'what works', which represents another of its guiding principles, with value being attached to the outcomes achieved rather than how something is delivered. This is reflected in the mixed economy of service provision and the authority's willingness to partner with other councils either to work together or to have services provided by them on behalf of the council. One example of this is the recent decision to have the youth offending service delivered by Barking and Dagenham. Another was the exploration of the possibility, which didn't ultimately come to fruition, of establishing a joint arms length management organisation (ALMO) with Redbridge for housing. The council also has good links with a range of local authorities, particularly in London, and indeed in areas such as children's services and ICT, Havering officers are leading regional networks. The council's desire to work with and learn from others is reflected in the relationship it has with Newham, including a joint head of business systems, and the move it has made to invest in the technologies already proven to work there. The council champions shared services and what it is engaged in around that and wider aspects of its transformation activity are proving to be of interest to other boroughs.
- There are strong and trusting relationships between the council and public sector partners. Whilst this has not always been the case, specifically with difficulties in the relationship between the council and the primary care trust, the situation that now exists is very positive and is the result of a concerted effort on the part of those operating at senior levels in the organisations concerned. The attendance at the council's Corporate Management Team meetings by the Borough Commander and the Accountable Officer for the Havering Clinical Commissioning Group (CCG) is just one example of the positive approach that has been adopted.
- The authority has robust financial and resource planning arrangements in place. This has been integral in the council both anticipating and delivering in line with the financial challenge in the form of a gap of £40m that needs to be closed across the

four years to 2014. However, at the same time as needing to close this gap, the Administration has also shown a willingness to invest. Examples include expenditure from the strategic reserve of around £7m in 2010/11 to fund the technological innovations and new ways of working relating to customer services and internal shared services. Such investment decisions were taken on the basis of sound business cases which will see the investment repaid over time. The authority has also delivered a libraries refurbishment programme, retained weekly bin collections and made capital investment in roads and pavements.

- There is a good understanding of the local context within the authority and this is used to inform policy and decision-making. In addition to the use of information from the likes of the Census and the Joint Strategic Needs Assessment, the council also regularly undertakes insight surveys with residents. The 'Your Council, Your Say' survey in 2011 saw nearly 12,000 responses being received. Another survey this year, seeking views from residents on how to improve their local area, was responded to by almost 8,000 people and led to the council establishing a £250,000 'Cleaner Havering' fund to enable it to better address issues such as littering, dog fouling and faulty streetlights and also increase the amount of trees and public seating. The authority is using a bespoke version of the Mosaic tool to enable it to better understand customers and residents and, through this, enhance the targeting of services and communications.
- The council has a solid performance management framework in place which provides a clear link from the goals and strategic outcomes of the long-term vision for the borough ('Living Ambition'), via the corporate plan and plans for services and teams/units down to individual performance development reviews. The level of council expenditure per head of population across the vast majority of services, including libraries, parks and street cleansing, is amongst the lowest when compared with councils of a similar nature. The performance of services is generally good, especially when considered in the light of the comparative cost of them.
- The implementation of the transformation initiatives is seen to have been very well managed. As part of its investment the council has been willing to bring in programme and change management expertise and this has had a very positive impact. The senior leadership of the council has also demonstrated a commitment to communicating, engaging and supporting staff around change. One example is the 'Way Forward' roadmap which sought to outline the transformation programme and how it fits with overall corporate objectives. Other examples include the meetings with staff undertaken by the Chief Executive and other senior officers. However, the senior leadership has also been open and honest enough to acknowledge where things haven't gone according to plan in terms of implementing new initiatives or communicating with people about changes and has sought to draw out the learning where things could have been improved.
- Significant investment has also been made in managers in order to equip them with the skills necessary to get the best out of the organisation going forward. At the heart of this sits the behaviour-oriented competency framework developed for the council and a culture change programme, with these having been supplemented with the likes of 360 degree appraisals, action learning sets and mentoring.



### 3.3 Moving ahead to 2014

- The council is confident that it will successfully conclude its work to close the £40m financial gap that it identified across the four years to 2014. To put this amount into context, the authority's net revenue budget in 2010/11, which was the first of the four years, was just under £162m. In each of the first two years the authority has achieved its first targeted £10m savings and the council reports that things are on track for delivering the current year's £9.7m savings.
- With the technological investment that the council has made it is important to ensure the smooth implementation is followed by the authority fully capitalising on what has been put in place. As an example, the first two of the three phases to transform customer services have been delivered and the third phase is taking shape. However, with significant services such as children's and housing management not having come into the programme yet there are significant opportunities to be pursued. There are also opportunities to extend the internal shared services arrangements to the housing management function now that it has returned to the council. All of this is recognised and being planned by the authority so we are merely highlighting it to reflect the scale of the opportunities that still exist. Another example would be to ensure that the council capitalises on the new technologies and more flexible ways of working that they have enabled by ensuring staff and their managers fully understand and use those flexibilities. By way of example, some staff are seeking greater clarity about how often they can work at home or whether they need to come into the office at the start of each day even though they are perfectly able to work remotely. Clarification on such issues will help the council capitalise on the investment it has made.
- As we outlined above, the last year or two has seen a wide range of management development activities delivered within the authority. This is widely seen as having been the right place to put the organisational development emphasis during this time. However, there is also a clear view at all levels of the organisation that such investment now needs to be extended to cover the full range of staff. A similar situation exists in relation to elected member development. Cabinet members have benefited from participating in the Leadership Academy delivered through the Local Government Association and have also undertaken 'top team' development activities. For the wider elected membership, what is available has been more limited and focused on skills development around the likes of ICT and briefings and awareness raising sessions on key issues such as children's safeguarding. The elected member development programme is overseen by a cross-party group of councillors and we would encourage them to work with political group leaders and officers to extend the elected member development offer both in terms of what is available and who can take all of the aspects of it up. In particular there would be benefit in an emphasis being placed upon equipping councillors for the future challenges facing the council, such as 'co-production' and the council acting as more of an enabler and facilitator.
- The organisation has experienced significant people change recently, including the departure of a number of people through the likes of early retirement and voluntary and compulsory redundancy. This process is likely to continue as the council seeks

to address the financial challenge it faces and the council is also preparing for changes at the senior-most levels in the social care and learning directorate. As senior and experienced people move on from the organisation there are key risks around capacity, including the loss of 'corporate memory', 'know-how' and, within the social care and learning directorate, fewer senior officers at a time when its focus is broadening as a result of the health agenda. The major policy changes coming from the national level and which will impact in Havering, including council tax benefit changes, wider welfare reform and the localisation of business rates, will also impact on the organisation's capacity by absorbing effort and attention. There is no easy solution to any of this as the council seeks to deliver whatever is required with diminishing resources. It simply needs to be mindful of the risks and ensure it takes appropriate steps at each stage to try and mitigate them.

- We learned of the council's plans to develop a 'portal' through which local businesses can more easily access support from the council and other organisations. The approach will reflect the customer service model put in place for residents and will be founded upon the principle of making it easier through a single point of access for people running businesses, or looking to set one up, to access the services and support they need to help them flourish. With the economic growth agenda in Havering shaping up to have a significant emphasis on enabling the growth of small and medium sized enterprises (of which there are a large and increasing number in the borough), the logic of establishing such a facility is clear. We understand the portal is under development in conjunction with the City of London and that, although a specific date is yet to be determined, it should go live in Spring 2013.
- The council is very aware of the fact that it is facing major constraints in relation to its capital funding in the future. The position is being reached where the only avenue open to it, from within its own resources, to generate future capital funding will be the sale of land and other assets and obviously there is a finite amount that can be sold. This situation therefore requires the authority to bring forward alternative infrastructure financing models, including prudential borrowing, and further explore the opportunities presented by the likes of the Community Infrastructure Levy and Tax Increment Financing.

### **3.4 Beyond 2014**

- The council talks in language of 'now to 2014' and '2014 to 2018' when it comes to planning ahead. With the £40m financial challenge across the four years to 2014 and local elections also taking place that year, there is an obvious logic as to why the time that lies ahead is being chunked up in this way. However, from our discussions with the senior leadership, the reality is that things are, and now need to be, less clearly demarcated than this and 'from now to 2016' appears actually to be the key timeframe.
- Whilst there are many factors that are uncertain and can change, making the situation very volatile, the financial projections of the authority suggest a budget gap of between £25m and £35m that will need to be closed in the period from 2014 to 2018. The council's financial planning to date has been extremely good. It is important for such planning to continue in spite of both the lack of certainty and the

challenges likely to emerge for all political groups as a consequence of needing to consider, in the lead up to the elections, how they will approach dealing with the financial gap should they form the Administration after May 2014. Thus the financial planning needs to continue in a way that covers all of the possible eventualities of the 2014 local elections and impending financial settlements and ensure a sense of direction, under a range of different scenarios, is maintained for the period through to at least 2016.

- With the financial situation facing the council and the following through necessary to fully capitalise on the council's transformation investment, there is widespread understanding amongst staff and managers we spoke to that things will continue to be hard and that change will remain a constant factor. They came across as philosophical and calm about this and there seems to be a resilience that will stand them in good stead. However, they also demonstrated an appetite to understand more about the council's thinking on the future, even though much remains uncertain. Certainly it seems to us now to be timely for the council to articulate the key characteristics of the next stage of change. The changes of recent years have seen people get to grips with key concepts such as 'collaboration', 'investment in frontline services that matter to local people', 'targeting resources on need', 'self-serve' and 'prevention'. Some of the key concepts for the next stage of change are already emerging, including exploitation of technological innovation, partnerships, 'co-production' and integration of social care and health and there would seem to be benefit in sharing the developing picture with the wider organisation. It will also be important for the authority to consider the need for a council-wide change methodology, underpinned by a set of tools and techniques, to facilitate the future changes. Central to this is the issue of whether, having been willing to bring in programme and change management expertise to support the changes to date, the council wants, and is able, to do the same for future years or if it will need to develop its own internal capacity to deliver this.
- Whilst we have highlighted the effectiveness of the council's financial planning and the progress made in driving out savings and efficiencies, there would seem to be scope to enhance the ability of the organisation to drive more financial benefits out of commissioning, procurement and income generation. Significant commissioning successes have been realised in relation to the likes of short breaks for children with disabilities, care homes fees for adults with learning disabilities and special educational needs transport for both adults and children. However, there are felt to be more opportunities that can be realised, including around re-ablement, which is currently being worked on. With regard to procurement, we understand that the implementation of the new Oracle system provides the opportunity for the council to better understand patterns of council spend on goods and services and, through this and the use of 'category managers', undertake its procurement more effectively. This is an area of work that we believe could usefully be expedited. Finally, in relation to income generation, we understand that the successes in such areas as traded services to schools, including school meals, could be built on but that this requires something of a culture change within the organisation whereby individuals and teams come to recognise better the importance of engaging in creative thinking and identifying commercial opportunity.

### **3.5 Transformation**

- ‘Transformation’ is clearly a key agenda for the council and is integral to addressing the financial challenge facing the authority by fundamentally revising the way people in the organisation operate and how residents engage with it. Whilst aspects of the transformation agenda are outlined throughout this report, we wanted to draw together in one place key aspects that we think it is important for the council to be mindful of. The first is to take pride and confidence from what has been the well managed implementation of major change initiatives to date. These have been significant in scale and difficult in nature, given they have focused principally on technological innovation, re-structures and new ways of working. Whilst there are things that could have been improved, which are acknowledged and recognised by the council, there have been no significant issues.
- As part of gearing up for the next phase of change, it is important now to develop a shared understanding within the council of what ‘transformation’ means in the future. This will involve outlining the broad quantum of the financial challenge facing the council beyond 2014, the national policy changes that are starting to take effect and the key concepts for the next stage of change that are already emerging within the authority, including ‘co-production’ and ‘integration of social care and health’. Through this, the future role of the council needs to be explored along with the skills sets and behaviours required of officers, elected members and borough residents. All of this could usefully be outlined in a refreshed narrative, as the follow-on to the ‘Way Forward’ document, to share the developing picture with the wider organisation.
- Given the role of the council will inevitably change and the skills sets and behaviours required of people within the organisation will need to adapt accordingly, the next stage of transformation requires a revised organisational development strategy to prepare for and enable the changes. Whilst this is not an easy task at this stage, with so much yet to become clear, it should be feasible to draw up core elements of a strategy to sit alongside or form part of the ‘refreshed narrative’ and which can be evolved and become more detailed over time.
- We would also reiterate here the importance of the authority giving early consideration, because of the potential financial and other resource implications, to the need for a council-wide change methodology, underpinned by a set of tools and techniques, to facilitate the future changes. This relates to the issue of whether, having been willing to bring in programme and change management expertise to support the changes to date, the council wants, and is able, to do the same for future years or if it will need to develop its own internal capacity to deliver this.
- Transformation to date has delivered significant efficiencies and there are plans for more, through the likes of the third phase of the customer service programme, internal shared services opportunities around the housing management function and further links with Newham around internal shared services. However, even the delivery of these, supplemented by what can be gained from improved commissioning, procurement and income generation, is unlikely to be sufficient to address the projected financial gap through to 2018. Tough decisions have already been made by the council, such as reducing the number of children’s centres, but future decisions are likely to be even tougher and it is important that the council and

all of the political groups who will be contesting the 2014 elections keep all options open.

### **3.6 Community engagement and co-production**

- With the role of the council needing to evolve over the coming years and the organisation being faced with needing to do 'more for less' and 'different for less' in the light of the financial constraints being placed upon it, the authority clearly sees citizens having a strong role to play going forward. Clearly the council cannot continue to deliver what it has traditionally done and will become smaller and the consequential shift that is required has already commenced, being reflected in some of the Administration's guiding principles including 'targeting resources on need', 'self-serve' and 'prevention'. This shift sees citizens being required to rely more on themselves as individuals, families and communities.
- 'Co-production' is a natural extension of the likes of 'self-serve' and 'prevention' and is widely talked about within the council and there are good examples of it in action such as the development of the Briar Road Neighbourhood Agreement, behavioural change campaigns, the prospective setting up of the 'Havering Circle' (a social membership scheme primarily for older residents to enable them to get more involved in their local community), the work of Friends Groups, voluntary clean ups involving local residents and the management by local communities of some community halls. However, it is now timely to develop a strategic approach to 'co-production' so that it can be more widely embraced within the council and the borough. This would usefully outline the notion of 'co-production', the context in which the requirement for it has emerged, examples of what is already being delivered, the opportunities going forward and the skills sets and organising framework necessary to turn the concept in to a widespread reality.
- There is an important role for the voluntary and community sector to play in 'co-production' and service delivery generally. The fact that the council has recently been increasing the level of money channelled into the sector, at a time when many councils are doing the opposite, reflects the value the authority places on what it can contribute. However, maximising the potential of the voluntary and community sector would be helpfully enabled through the development of a better shared understanding between the council and the sector of the opportunities that exist and what more the sector can contribute. As part of this, any lingering sense of paternalism that remains within the council or the sector will need to be moved away from. An example of what can be achieved lies with Care Point, a newly established facility in central Romford which sees a range of voluntary and community sector organisations, such as the Citizen's Advice Bureau, providing advice and information to those purchasing adult social care support either through personalised budgets or as self-payers.
- With the likes of the police, health sector and the council all wanting and being expected to maximise engagement with local people, there is felt to be benefit in jointly developing a community engagement strategy across public sector partners. Voluntary and community sector partners could very usefully be involved in this too. The council is embarking on this process now and, being mindful that it can

sometimes be perceived as making its own mind up on issues and how to approach them and then consulting on the proposed way forward, it is committed to ensuring this is a participative process with partners and the community. The council recognises that devising a community engagement strategy across partner organisations will need to be done in a way that draws everybody in at the outset and places an emphasis on all partners having a key contribution to make. The council is currently formulating a draft framework for the strategy before consulting with partners on what collectively they want to achieve and we recognise this is an important first step.

### **3.7 Integrating social care and health**

- Within Havering there is a clear view at the senior levels across the council and health that the reform of the health sector represents a key opportunity for the borough, both in terms of improving outcomes and addressing the financial challenges being faced. Relationships at the strategic level between the council and health have improved significantly over recent times as a result of a concerted effort having been made by those in senior leadership positions. This is reflected in the regular attendance at council Corporate Management Team meetings of the Accountable Officer for the local CCG and the secondment of two council officers to support CCG preparations. The Health and Wellbeing Board was set up early as a pilot within the national pathfinder programme and the health and wellbeing strategy is now in place and reflects an alignment of the ambitions between the council and health.
- There is a shared ambition to integrate social care and health, with people seeing the opportunities it presents to help to address a range of pressures. With the highest proportion of people aged over 60 in London (24 per cent of residents compared to an average of less than 16 per cent across the capital) there is an obvious demographic pressure. The financial challenges facing the council and health are significant, with the financial position of the Barking, Havering and Redbridge University Hospitals (BHRUT) NHS Trust giving particular cause for concern. There is also pressure around the quality of what is being delivered in the borough, with the quality of health service provision, especially at BHRUT, being of particular concern. Queen's, the local hospital in Romford and which forms part of the NHS Trust, is seen to require significant improvement, for example around delayed transfers of care for patients following discharge from their care to other services or back to their home. The nature and extent of the opportunities that exist around the integration of social care and health are currently being assessed and, in addition to issues of finance, include greater alignment of services with the needs of local people, better quality care and improved health outcomes.
- The scale of the challenge involved in delivering the integration of social care and health is huge and there are significant risks that need to be carefully managed. Whilst the PCT, the three Clinical Commissioning Groups, the three councils, North East London NHS Foundation Trust and BHRUT have now established an Integrated Care Coalition working across the three boroughs of Havering, Redbridge and Barking and Dagenham that they serve, in order to drive improvement, and there is progress in moving towards establishing an integrated

care commissioning strategy across the three boroughs, securing buy-in to integration across the three health and social care economies is a remaining challenge. The council will need to ensure the necessary leadership capacity exists at all levels of the social care and learning directorate to deliver the integration. Whilst there is the impending arrival of the new Group Director for social care and learning to head up the directorate, other people will be leaving some of the most senior positions over the coming months and it is therefore vital for the council to ensure there is sufficient capacity at the levels immediately below the Group Director. The pressures that will be faced are compounded by the fact that delivering other important changes within adult social care, such as re-ablement and personalisation, and continuing to address the challenges in children's services in order to secure the progress from 'Adequate' to 'Good' will also still need to be delivered and will absorb capacity in addition to that required to deliver the integration. Also, and as the council has demonstrated with the extensive change initiatives it has delivered to date, transformation invariably requires initial investment in order to achieve benefits over the medium and long term. The council and health partners will need to commit to further investment if the ambitions around integrating social care and health are to be fulfilled.

Through the peer challenge process we have sought to highlight the many positive aspects of the council but we have also outlined some difficult and challenging messages. It has been our aim to provide some detail on them through this report in order to help the council consider them and understand them. The council's senior managerial and political leadership will therefore undoubtedly want to reflect further on the findings before determining how they wish to take things forward.

Members of the team would be happy to contribute to any further improvement activity in the future and/or to return to the authority in due course to undertake a short progress review. Rachel Litherland, as the Local Government Association's Principal Adviser for your region, 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.

All of us connected with the peer challenge would like to wish the council and the borough every success in the future.

Yours sincerely

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