

Corporate Peer Challenge

London Borough of Hackney

3rd to 6th June 2013

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 Hackney 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. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

Sean Harriss, Chief Executive, Bolton Council
Sir Steve Bullock, Elected Mayor of Lewisham (Labour)
Rachel Stopard, Director of Culture and Environment, London Borough of Camden
Shaun Jones, Head of Performance and Partnerships, Barnsley Council
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?

We sought to probe these elements in a way that was tailored to Hackney's ambitions, approach and context. The council also asked us to provide an external perspective on its approach to regeneration, which we have done.

2. Executive summary

The borough of Hackney is currently undergoing a transformation, with significant housing, regeneration and economic growth opportunities being both created and capitalised upon. The growth and transformation is enabled and supported by the quality of the environment, an improved transport infrastructure and the quality and performance of schools. There are, however, significant socio-economic challenges that remain in Hackney and which cannot be lost sight of amidst the transformation that is taking place. This combination of opportunities combined with the challenges that need to be addressed forms the agenda for the council and its place-shaping role.

There is high quality leadership of Hackney both as a place and a council. The Elected Mayor and Chief Executive are held in very high regard by people internally and externally. The council has excellent services in key areas and there is high public satisfaction with what the council does. Levels of staff commitment, pride and advocacy within the authority are high.

The council has sound approaches to managing performance and finance and there is effective governance generally. Strong corporate processes and systems have served the organisation well over recent years. With the council now operating in a highly effective way, people see it as the right time to adopt a more nuanced and proportionate approach to such processes and systems.

The council has achieved significant financial savings in recent years - more than £80m of revenue savings have already either been achieved or agreed for the four year period up to 2014/15. The budget reduction strategy has been well managed and the negative impact appears to have been minimised, although the impact of the staffing reductions that have taken place is being felt. Where resources have been reduced, it is inevitable that a difference will be felt – what is important is ensuring expectations are adjusted accordingly by being set in this revised context.

Thinking and activity is taking place around the type of organisation the council needs to be in the future and the culture that will be necessary within it. Such thinking and activity is positive and constructive in that it is trying to help shape things for the future. It is important, though, that this is turned into a strategic approach to organisational development and for this to be led by the Chief Executive.

Amongst the councillors that we met there was an obvious commitment to local people and ensuring the council made the most positive impact possible. The council has talented and driven Portfolio Holders. However, greater

benefit can be derived from existing elected member capacity, through better focusing energy and effort. Ward councillors will need to act as the interface between local communities and the authority, involving presenting the council and its decisions to local people as much as representing the interests of citizens to the authority.

The council's relationships with partners are seen to be good, with some felt to be extremely good – although there are relationships in a couple of sectors that need development. The authority's work with partners has been integral to the transformation that is taking place within the borough and addressing the challenges that it faces. However, the extensive activity taking place to realise the opportunities and address the social challenges requires a clear narrative to underpin it that helps people understand how it all links together and aims to make a difference now and into the future.

The authority recognises the importance of developing an answer to the 'where next?' question, both for the borough and the council, involving determining, with partners, a clear direction and set of priorities for the medium to long term. Dialogue is starting around this, with thinking about the future emerging out of analysis of the existing evidence base and context for the borough and involving looking at how partners can work together to continue and extend their activities. The provision of a strategic framework ('The Next Chapter') is essential to inform future priorities and the difficult decisions that will need to be taken regarding how best to utilise available capacity and resources across partner organisations. The council determining what its own vision and priorities will be within the wider partnership agenda and 'Next Chapter' will be vitally important.

There are tremendous opportunities in the borough that are transformational. Alongside the opportunities though, there are challenges emerging around the benefits of regeneration and growth, including the increasing cost of housing and the general availability of affordable housing. This is reflective of a much wider issue – what many people we spoke to highlighted as the existence of 'different worlds' within the borough or 'two Hackneys' – on the one hand those communities that are experiencing high levels of deprivation with more limited life chances and at risk of being increasingly disenfranchised and on the other hand those areas and communities that are becoming more and more 'gentrified' and where there is significant affluence and opportunity.

Not tackling this 'divide' successfully risks exacerbating the underlying social issues in the borough rather than addressing them. Now is the time to strategically plan for the next few years in this context. The borough has the basic ingredients to tackle the 'Two Hackneys issue' – most don't! The council and its partners are very alive to the issue and recognise the opportunity and the challenge are one and the same – harnessing the opportunities in a way that ensures they benefit local people. Delivering on this agenda needs to form the central pillar of the council's work, with its resources and energies skewed towards it. It needs the continued attention

and focus of the Mayor and the Chief Executive to supplement the efforts of others.

There is very impressive delivery and achievement in Hackney, both as a borough and a council, but it has a limited profile and there seems to be a stance of 'relying on the evidence speaking for itself'. A communications strategy is currently being finalised by the council and this will be integral to letting people in a range of spheres know what is going on in Hackney. This is important in helping to attract further investment and growth in the borough and to recruit the best people to work for the council. It is time for Hackney to finally cast off the 'shadow of the past' - it cannot continue to be defined by its position relative to the past. It is now truly up there amongst the best as a council and a place to locate and people need to know that.