Corporate Peer Challenge
London Borough of Harrow

14-17 June 2016

Feedback Report

1.   Executive Summary

The view of the Corporate Peer Challenge peer team is that London Borough of Harrow is a good council that has been energised by the new values recently agreed for the authority, which have been strongly led by the Chief Executive and are well-understood by staff. The Leader of the Council, new in post, is well-respected and is developing clear ownership of the ambitions for the council and the place. There are strong working relationships between Cabinet Members and senior officers, and individual Cabinet Members have a good sense of ownership of their portfolios.

The council has committed and passionate staff who understand the challenges faced by the organisation, and who have enthusiastically embraced the authority's commercialisation objectives. There are a number of major projects underway which have the potential to make a meaningful financial contribution to help meet the financial challenge that the Council faces, and the council's regeneration ambitions articulate well what is needed for Harrow, the place. However, there is work to do to turn these ambitions into actions which will lead to positive outcomes for local residents.

There is a risk that some corporate processes could impact on the council's ability to deliver its strategic priorities with the pace it needs to meet future financial and service pressures. For example, while there is now a clearer overarching approach to organisational development there is a need to underpin this strategic vision with detailed plans for how the workforce will develop over time. While the peer team recognises that the council has work planned on this, the pace should increase so that the council can be confident that it has the skills it needs in place.

LB Harrow has made great strides in strengthening its financial base since 2006 and has recently moved to setting a three-year budget enabling a more strategic approach to budget setting. Although progress has been made recently, there is more work to do across some financial processes, which while compliant with legislation, are not in line with best practice and could be improved. Furthermore, increasing opportunities for member scrutiny of budget information, including more detail on how proposed savings are to be delivered, would help promote cross-party, non-executive engagement in budget setting and help to tackle challenges in political culture referred to below.

Customer access and response is becoming an issue: the council's website is perceived by some residents as being challenging to navigate, it is difficult to log complaints and get issues resolved, and consequently members are receiving increasing numbers of complaints directed to them. While the organisation has significant ambitions around commercialisation and regeneration and the peer team saw evidence that these have been fully grasped by all those officers they met, the council might wish to consider whether 'big ticket' projects are diverting attention away from the day job, i.e. meeting local people's day to day needs.

Harrow enjoys strong, active community engagement by councillors at ward and community level, however there is an incoherence about how non-executive councillors devise and influence policy and priority setting. There is an opportunity to review the role

of overview and scrutiny to enable the council to benefit from constructive challenge and policy development from non-executive councillors.

LB Harrow is seen as a good local partner by a range of partners, including the Police, colleagues from health organisations, and others engaged with the wider borough agenda. There is a strong desire from both within and outside the council for Members to provide clearer, more visible leadership; staff and partners alike are keen to hear from Members about their ambitions.

LB Harrow has ambitious regeneration plans that are looking to maximise housing and future income opportunities, which are underpinned by strong enthusiasm from both Cabinet and officers across Directorates. Within the report we make some recommendations for how this programme of work could be strengthened, for example framing the regeneration programme within the wider context of the borough and how the whole borough will change and benefit as a result.

The peer team consider that the council is 'doing the right things', it is building the right skills and capacity and there is a pragmatic, if not fully tested and developed, approach to understanding and managing risk. However, it should be noted that capacity is currently stretched and will require further investment.

There are significant problems of political culture at LB Harrow – particularly between the political groups, and between a few senior members and some senior officers – accumulated over successive changes of administration. These can diminish the effectiveness of both executive and scrutiny functions and undermine the customary opportunities for productive cross-party working. This situation is a substantial impediment to moving the authority forward at the pace the Council itself desires, and preventing it becoming a 'great' Council.

There are a number of recommendations throughout this report that will help the council get closer to great. We look forward to coming back to Harrow in a year's time to see the progress that has been made in making Harrow a great council.

2.   Key recommendations

Our key recommendations, outlined in more detail in the body of this report, are as follows:
- It is imperative that all members work to improve political relationships and that this is supported by all senior officers
- Build on the passion and commitment of your excellent staff
- Create space for informal discussions between Cabinet Members, and also between Cabinet Members and the Corporate Strategy Board, for early discussion, shared thinking and joint policy development
- Improve governance arrangements to provide a space for effective cross-party policy development and critical friend challenge
- Ensure that there is detail within the Medium Term Financial Plan on how savings will be achieved over the period of the Plan, and clarity about the way in which

the regeneration and commercialisation programmes contribute to council finances

- Ensure that the risk assessment process is robust, effective and gives confidence to the whole organisation
- Ensure that regeneration initiatives are planned within the context of the whole Borough, and be clear about how regeneration of key sites will benefit all residents
- Build capacity and capability across the council, ensuring an agile workforce to deliver against corporate priorities
- Don't take your eye off the ball – don't forget the day job!

3.   Summary of the Peer Challenge approach

The peer team

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

- Ged Curran, Chief Executive, LB Merton
- Mayor Jules Pipe, LB Hackney
- Cllr Rob Light, former Leader of the Conservative Group, Kirklees Council
- Angela Probert, Strategic Director of Change & Support Services, Birmingham City Council
- Louise Fradd, Strategic Director of Place, Bath & North East Somerset Council
- Dave Fergus, LGA Associate & commercialisation specialist
- Chrissie Farrugia, Localities Lead for North East, Yorkshire & Humber, and East Midlands, DCLG
- Kate Herbert, Peer Challenge Manager, LGA

Scope and focus

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

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

arrangements that respond to key challenges and enable change and transformation to be implemented?

4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?

5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to explore the following issues:

- Does the council have the appropriate resources to enable delivery of its £1bn regeneration programme?

- Is the council doing the right things, with the right skills and capacity, on commercialisation? Is risk appropriately understood and managed?

- Is the council using data effectively?

The peer challenge process

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

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

- Spoke to more than 160 people including a range of council staff together with councillors and external stakeholders

- Gathered information and views from over 55 meetings, visits to key sites and additional research and reading

- Collectively spent more than 280 hours to determine their findings – the equivalent of one person spending 8 weeks in Harrow

This report provides a summary of the peer team's findings along with suggestions for some next steps. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (14-17 June 2016). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time, and the peer team appreciates that some of the issues raised may be about things you are already addressing and progressing.

4. Feedback

4.1. Understanding of the local place and priority setting

LB Harrow has a very clear vision for Harrow the place, which is well articulated in "Building a better Harrow". It is well-understood and has been fully embraced, and is driving the physical development in the Borough. What is less clear is what the regeneration agenda will mean for all residents and communities across the whole of the borough, not just the locations directly affected. The new Leader of the Council is clear in his ambition to make the council relevant and responsive for all residents. It is essential that this work helps articulate what the whole of the borough will look and feel like in the 5, 10, 20 years to come.

Individual Cabinet Members have a good sense of ownership of the Council policy and direction within their portfolios, with Cabinet Members working closely with their senior officers to shape policy before bringing it to Cabinet for decision. However, there is little opportunity for collective policy development by Cabinet as a whole and thus collective ownership is not as effective as it could be.

While there is strong, active community engagement by councillors at ward and community level, it is not clear how local concerns are channelled into the council and the extent to which those concerns are reflected in the priorities of the council.

There is an incoherence about how non-executive councillors devise and influence policy and priority setting. This appears to be a consequence of an erosion of opportunities for cross-party and wider member input over time. Coupled with this, there is significant mistrust between a few politicians and some senior officers, which is hampering the ability of the council to press on with important work. This is explored in more detail below.

The diversity agenda is well-understood by all the peer team spoke to and activity is well-developed and contributes to the work of the council. The authority's managers are strong advocates for the new values of the organisation, and these have been enthusiastically embraced by staff.

Similarly, staff understand and see their role in delivering the council's ambitions for the regeneration and commercialisation agendas. However, there is a question about whether the focus on these 'big-ticket' items is at the exclusion of getting the basics right and providing consistent customer service. Not getting right what the Leader calls the 'little big things' means that some residents are getting frustrated, are escalating issues to members who in turn are increasingly frustrated as they try to resolve these issues. While aware of examples of how senior officers actively seek out opportunities to build this understanding and respond to issues (for example the Chief Executive undertakes monthly ward visits), we believe it is worth the council ensuring that members are aware of these efforts and considering ways to improve this.

Suggestions

- Create space for informal discussions between Cabinet Members, and also between Cabinet Members and the Corporate Strategy Board, for early discussion, shared thinking and joint policy development
- Similarly, create space for informal discussions between Group Leaders, Cabinet Members, and Shadow Cabinet members on big issues
- Some politicians and some senior officers need to work together to urgently overcome the trust issues between them
- Don't lose track of the day to day delivery of local public services while delivering on the big ticket delivery projects
- Senior officers to consider how to communicate their attitude to the 'little big things' to members to inform how they engage and behave

4.2. Leadership of place

LB Harrow is seen as a good local partner by a range of partners, including the Police, colleagues from health organisations, and others engaged with the wider borough agenda. The Council is seen as working well with small businesses, and the council's new community engagement plans provide the opportunity to give clearer intelligence on community priorities. Indeed, partners gave examples of strong joint working, including police involved in regeneration projects to help design out crime, opportunities for exploring initiatives to tackle shared priority areas, partners feeling they have easy access to raise issues with the council should they need to do so.

However, the council has not always been seen as an enthusiastic partner in areas where there is limited short-term gain for Harrow. There is an opportunity for the new Leader to set a new tone and shift the perception of the Council on this issue. The Council as a whole would benefit from considering how the council wants to position itself in London and sub-regionally. Furthermore, partners are keen to see greater leadership from members, with particular opportunities for members to strengthen partnership working with local health partners and the voluntary and community sector. With regard to the voluntary and community sector, there is a strong sense that the council's approach to the sector is 'paternalistic' and that the sector is not seen as a key delivery partner on an equal footing to the council. A review of the Voluntary Sector has been undertaken, but the findings have not been shared with the sector and groups are still waiting for confirmation of funding decisions for October 2016 onwards.

LB Harrow enjoys strong staff commitment to Harrow the place, the Council and the Council's new values. Senior management are making good progress towards a 'One Council' approach to how the council functions, and demonstrate strong leadership to staff by modelling this approach in their own behaviours. Members are committed to the 'One Council' approach. By being more visible to staff in the way they embrace and model the 'One Council' approach, Members could further embed the Council's new values within the organisation. The council has taken positive steps to move to longer-term working with a recently agreed three year budget and strategies for key work streams, however these are not fully detailed for year three. Furthermore, the Medium Term Financial Plan and action on service priorities are dependent on the commercialisation agenda and regeneration programme being delivered on time and to

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plan. It is not clear whether there is a 'Plan B' should this not happen or whether consideration has been given to potential implications on the Council or residents.

Political uncertainty is having a significant impact on how the council develops and on staff morale, with a lack of clarity about the level of alignment between the two political parties' medium-term aims for the borough. Added to which, there is a poor level of informal communication between political groups and some senior officers. This will ultimately be detrimental to a successful leadership of place in the long-term and both members and officers have a responsibility to work together to improve this. Could a clearer consensus on what Harrow's unique selling point is as a Borough help to defuse political tensions and bring more certainty to plans for key areas?

Suggestions
- Political and officer leadership to consider how they can evolve One Council principles into a 'One Harrow' approach involving other public sector partners to bring clarity to shared objectives and ambitions
- Seek clarity about areas of agreement between the two main political groups about the strategic direction for the borough, together with consensus support for major commercial and long-term regeneration projects, where possible
- Improve communication between Group Leaders, for example by re-establishing regular Leaders' meetings to create a space for discussion on key issues
- Engage with the voluntary and community sector to reach a shared understanding of the contribution the sector could make to the borough, and work with the sector to increase its capacity
- Clarify what the council wants to achieve for Harrow in its regional context, including as part of the economic regeneration agenda

4.3. Organisational leadership and governance

There is clear leadership by the Chief Executive, who personally leads the Council's vision and values, and these have cascaded throughout the organisation. There is endorsement of the equality and diversity agenda from the top of the organisation. The Leader of the Council, new in post, is developing clear ownership of the council's ambitions for both the organisation and the place. Staff and middle managers feel they have been given permission to challenge senior managers, which they told the peer team feels a very different message to what they experienced in the past.

Corporate Strategic Board and Cabinet monitor delivery against objectives via quarterly performance reports. However, it was not clear to the peer team the extent to which Cabinet Members are comfortable in presenting robust challenge on delivery against objectives. It would be useful for the political and officer leadership to consider how to make the most of management information systems to ensure they are fully sighted on performance and to ensure their working relationships and culture support effective challenge.

The Council has a confident, committed and ambitious group of middle managers who are respected by all political parties and enjoy a positive and productive working

relationship with members. Middle managers have an appropriate attitude to risk and own the challenges that have been set for them. Staff and workforce groups are engaged and positive, and they clearly understand and own Harrow's values. However, there is a growing level of concern among some staff that negative relationships between politicians will impede the council's progress in the future.

Overview and Scrutiny is widely seen by both members and officers as ineffective, with limited opportunity to invite challenge or make a constructive contribution to policy making and priority setting. As there is no effective cabinet forward plan for decision-making, it is difficult to plan timely pre-decision scrutiny and some members feel that big ticket items unexpectedly appear on Cabinet agendas, which could be interpreted as a deliberate political ploy. While important for effective governance generally, given the scale of regeneration programme and the fact that it will take place over more than one electoral cycle and have an effect on the look and feel of the Borough for many years to come, it is essential that there are more opportunities for councillors across the authority to engage with and influence policy development. There is a risk that the current lack of cross-party working and subsequent absence of wider political ownership for the long-term could be a barrier to realising the Council's ambitions. As such, the peer team urges the council to consider addressing this as a matter of urgency.

There is also a need to better support members in their roles. Member development is no longer seen as a priority, and some Members report examples of information coming to them at a stage where they feel they have limited time to contribute, or that they consider the information presented to them is not comprehensive enough for them to contribute effectively,

Suggestions
- Clarify governance roles and responsibilities to ensure a clearer understanding among senior officers and members about their respective roles, how those roles complement each other and where lines of responsibility fall.
- Ensure robust challenge takes place between the political and officer leadership.
- Ensure that decision-making processes allow space for greater member engagement and challenge (formal and informal), and develop effective opportunities for cross-party and wider engagement of non-executive councillors, including overview and scrutiny
- Review member/ officer protocols
- Ensure that the Cabinet Forward Plan is kept up to date and given proper importance by senior officers
- Consider how the political and officer leadership can best model the 'One Council' way of working to ensure all parts of the organisation – politicians, senior managers and workforce – are modelling the same values and behaviour
- Ensure clear ownership of member development support, that it is valued and that a relevant programme is put in place

4.4. Financial planning and viability

LB Harrow has made great strides in strengthening its financial base since 2006 and has recently moved to setting a three-year budget enabling a more strategic approach to budget setting. While the council has come in under budget in each of the last three years, it would be worth considering whether budgets were appropriately set and profiled given the consistent underspending. There is monthly monitoring of spend and savings, risk processes are well-developed, and there is good engagement of Portfolio Holders and the Leader in keeping an oversight of performance in this area.

However, the Council is fully aware that its financial base position is deteriorating and there are significant spend pressures, for example homelessness and adult social care. The Section 151 Officer has worked hard to ensure that financial reporting and controls are improving, and recognises that there is a need to further improve towards best practice standards in some areas. For example the council could move towards a more granular model for budget setting papers to include base budget, inflation, growth and savings for each major service area in order to present the cost of services and make proposals more transparent. Capital profiling needs improvement and not all expenditure is delivered to programme, and the capital programme is not widely understood.

There is limited opportunity for the non-executive councillors to input into the budget-setting process. This could be considered as part of the review of the role of overview and scrutiny we recommend elsewhere in this report.

There is a heavy reliance upon newer commercial activity to deliver income in the Medium Term Financial Strategy. While the enthusiasm and ownership of new agendas such as commercialisation and regeneration are commendable, given the nature of these ambitious programmes the risk of optimism bias needs to be suitably managed. The Council should therefore consider how it can answer the question: "What will we do if this isn't delivered as planned?" In addition, business rates continue to decline within the Borough but it was not clear to the peer team how this issue was to be addressed within the regeneration plans.

Suggestions
- Review and refresh financial reporting arrangements, and ensure effective engagement of the wider group of members
- Improve budget profiling skills (revenue and capital)
- Review the budget-setting challenge process to ensure rigour, transparency and wider engagement
- Consider how to engage councillors, partners and the community in evaluating options that may be considered unpalatable but may be needed to balance the budget
- Clarify the contingency plan for what will happen if the commercialisation and regeneration plans do not deliver as hoped for.

4.5. Capacity to deliver

Staff are enthusiastic and passionate, and are keen to deliver on behalf of local people. There is widespread acceptance that there is a need to be more efficient and do things differently, and there is a willingness to rise to that challenge and be flexible. There has been a positive change in culture and the new senior management team has added to that positive culture.

As mentioned above, LB Harrow's staff are energised by the new values and they feel these have been strongly led by the Chief Executive. Staff have strong personal loyalty to the Chief Executive who is seen as being genuine, listening, and accessible.

Bringing teams together – such as adults' and children's services, and housing benefit and council tax – has made a difference to levels of understanding across teams and enabled an element of flexibility in the way they work. There is sharing of services with other councils, for example Legal Services, and sharing of expertise in some areas, such as Public Health, and this is enabling both efficiencies of scale and sharing of learning more widely.

There is now a clearer overarching approach to organisational development and conversations with staff about this have begun. There is a need to underpin this strategic vision with detailed plans for how the workforce will develop over time: what the future workforce needs of the authority will be, ensuring that the council is recruiting and retaining the right skills to deliver its ambitions, and building in versatility and resilience to the organisation. This is recognised by the council and work is planned in this area.

Linked to this, there are some initiatives to build commercial capability and capacity, but there is a need to consistently apply this across the organisation with the pace accelerated to be able to achieve the rate of culture change the council is aiming for. Similarly, to ensure that the council is able to deliver its wider priorities at pace it would be worth ensuring that it regularly challenges itself on whether the current staff configuration is clearly aligned with council priorities and is effective to support their delivery, particularly with the extensive regeneration programme.

In addition there is a desire to create a Construction Delivery Unit, as part of the regeneration agenda. Clarity is required on what the objectives and benefits of such a unit are and if it can be effectively implemented.

The significant challenges around the ability of the IT infrastructure to support the delivery of council services pose a serious risk to the ability of the council to deliver the scale of channel shift it wants. We recognise that the Council has a new IT provider who have committed to helping the organisation deliver this ambitious agenda.

There is a need to clarify how the voluntary and community sector and the wider community could step into the space left as the council contracts as resources reduce. There is a need to explore this with them in partnership to assess together what they can contribute and work with them to increase their capacity, where appropriate.

Finally, the council should consider whether it is making the most of the expertise it has at its disposal. In addition to the problems associated with the lack of wider member engagement in policy development outlined above, the council could better utilise the skills and experience that members offer that could further increase the council's capacity.

Suggestions

- Develop an updated, robust workforce plan as part of the broader organisational development strategy to ensure the right people are in the right role at the right time
- Ensure that the capacity of the organisation is used to best effect to deliver the council's priorities
- Work with the voluntary and community sector, businesses and communities to explore how partners can support each other and the wider community
- Don't let new projects detract from the ability to deliver core services
- Consider how the skills and experience of all councillors can be better utilised to add capacity to the Council, particularly in terms of communicating to and engaging with local residents and businesses on key projects.
- Ensure that the 'One Council' approach embraces all elements of the Council, and work with partners to develop and adopt a 'One Harrow' approach to partnership working to complement this.

4.6. Regeneration

LB Harrow has ambitious regeneration plans that are looking to maximise housing and future income opportunities, which are underpinned by strong enthusiasm from both Cabinet and officers across Directorates. Key partners – including Leisure, Harrow College, Police, colleagues from health organisations, the GLA and TfL – are involved in the regeneration programme, and there are clear governance arrangements in place, including the Harrow Regeneration Board with Cabinet representation.

Regeneration ambitions are self-financing and regeneration finances have been independently audited and regularly reviewed against current market costs, for example construction and borrowing costs. However, the finances are reported separately to the Medium Term Financial Strategy which has prompted confusion.

Furthermore, the economic line of sight that underpins the Regeneration Plans (particularly in terms of increasing future business rates) and how the role of the local economy can impact on or influence the wider regional context was not clear to the peer team. This debate is required with the Business Community.

Although the local engagement programme has yet to start in earnest, there is a clear recognition that community engagement is essential to the success of the programme, and the council has committed to apply the learning from the school expansion programme and housing estate regeneration plans. However, revenue resources need to be identified to enable the engagement work to be undertaken with appropriate capacity and experience, so that all stakeholders are effectively engaged.

There is a challenge regarding the pace of the regeneration programme versus the need for a strong evidential base and policy underpinning this work. We are aware that some additional policy guidance is in development and care should be taken to ensure that it will be delivered at a timescale that will support the implementation of the programme. Revenue budgets have not been identified to undertake key studies and engagement work which are necessary to underpin the emerging Masterplans. The council should consider making funding available to take forward the key studies required to support the decision-making process.

There would also be a benefit to framing the regeneration programme within the wider context of the borough. As it stands, masterplans are limited to the 'red line' boundaries of key development sites and are not looking at the wider 'Place' agenda, such as how the borough will look and feel in the future, how infrastructure will develop around the key sites, and how the works will be phased. Key to this will be achieving a substantial modal shift from the car to other more sustainable transport options.

Finally, cross-party councillor engagement could be improved. There has been a lack of clarity for non-executive councillors about the programme and a significant degree of suspicion. Creating opportunities for all non-executive councillors to be included in this work would increase members' understanding of the programme and the impact of the plans on their communities, ensure appropriate and transparent oversight, and help frame the programme within the wider context of the borough and the timeline for delivery across administrations.

Suggestions

- Clarify what Harrow will look and feel like as part of the masterplanning process and consider the wider 'Place' impacts beyond the 'red line' boundaries of key development sites
- Incorporate political engagement across all parties into the governance process, including the decision-making process (for example involvement of overview and scrutiny) and the scheme of delegation. Consider taking the Masterplan to full Council for adoption for cross-party buy-in to ensure long-term plans are continued beyond the lifetime of an individual administration.
- Ensure that effective local community engagement – with residents, businesses, the voluntary and community sector, and other key stakeholders – enables community views to be incorporated within the masterplanning process
- Clarify financing of the regeneration strategy to ensure that financial returns that are deliverable within the period of the Medium Term Financial Plan are identified in the MTFP (for example Gayton Road)
- Ensure that the future vision for Harrow has wider understanding inside and outside the Council.

4.7. Commercialisation

Taken together, the peer team consider that the council is 'doing the right things', it is building the right skills and capacity and there is a pragmatic, if not fully tested and developed, approach to understanding and managing risk. However, it should be noted that capacity is currently stretched and will require further investment as previously set out in this report.

'Commercialisation' has been clearly defined by the council, with a high degree of understanding and 'buy-in' across the authority at all levels, and there is a real pace and confidence in pursuing this path. Furthermore, there is work underway to sustain momentum through identifying 'Phase II' opportunities.

Several major projects (for example Phoenix and Infinity) have the potential to make a meaningful financial contribution to help meet the Council's financial challenge. However, the peer team raised the question of whether the overall financial aspiration for commercialisation that is underpinning the Medium Term Financial Strategy is deliverable, both in terms of the returns expected and the timing of those returns. Whilst these commercial aspirations have been delivered to date, it was not clear to the peer team that there is a 'Plan B' if future aspirations are not achieved.

LB Harrow has a well-defined process to develop commercial business cases, but there may be a need to embrace more external challenge on those business cases. The council has some good quality, commercially-skilled individuals working in leading roles within the organisation, but that resource is stretched in capacity terms and consideration should be given to whether this capacity is sufficient for the next phase of the programme.

Members and senior officers are comfortable with the idea of taking more risk in order to secure better return on investments (for example in treasury management, and property investment), although this has not yet been tested or exploited to a meaningful degree. There is an appetite for partnering through shared services and regeneration, and Harrow is generally well-regarded by its public sector commercial partners, as well as the local business community. It is important that the council robustly analyses a wide range of partnership opportunities and makes decisions based on the best fit for the council.

The council should consider whether the governance model overseeing the commercialisation activity may need to adapt as commercial ventures progress to ensure that it is fit for purpose in the future.

Suggestions
- Continue to build commercialisation capacity and capability
- Ensure that customer service and work to deliver efficiency gains is not compromised
- Review governance arrangements for commercial ventures
- Adopt a nuanced approach to risk, as one size will not fit all

- Ensure that a wide range of partnership opportunities, both public and private sector based are explored and robustly assessed to identify best fit
- Ensure there is an understanding of the synergies between the commercialisation, regeneration and economic development programmes, and ensure there is an alignment of plans
- Ensure that the IT infrastructure and performance management system enable the commercialisation programme to move forward at the required pace
- Be outward looking and be clear about what you aim to achieve through sub-regional relationships, taking the long view and perhaps embracing projects that might further interests of others rather than your own.

4.8. Data

The council is a data rich environment and managers are increasingly demanding data and analysis to help them manage more effectively. There has been some progress made in securing data from other public sector organisations in the locality, but a recognition that more can be done.

However, the effectiveness of how data is used varies across the organisation. The council is generally strong on meeting statutory data requirements but weaker in other business areas which can impact upon the quality of customer service ultimately provided. The dispersal of data across the council also means that it is not shared to maximum benefit across the organisation, for example multiple studies have been commissioned by the Regeneration Team which would have relevance across other functions. In a positive step, an 'intelligence network' of data managers has been created to help address data sharing and agility issues.

Whilst current data management and intelligence resources are considered adequate to support business as usual, this may be an area that needs future investment (or at least resource preservation) moving forward or the full benefits of data may not be realised. For example, access to new forms and pools of data (such as market, customer and competitor intelligence) is a pre-requisite to successful commercial development. Further, there is a need to develop management information and performance monitoring tools to ensure the effective business and risk management of new commercial ventures.

The peer team heard concern expressed by data managers that planned changes in Business Support may adversely impact upon data quality.

The challenge for LB Harrow will be to move 'from data to insight' looking across the organisation, rather than considering services in isolation. This will require the right questions being asked to ensure alignment to the council's priorities and then the appropriate data sought. This is likely to be more qualitative measures than quantitative and to draw upon data sets outside the organisation.

Suggestion
- Consider how to move the council's approach from data to insight

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5. Conclusion

The London Borough of Harrow has clearly made great strides in recent years, resulting in the council having a clear vision for Harrow the Place, active and engaged councillors, passionate and committed staff, and well-respected member and officer leadership. It has embraced new ways of working and is pursuing a commercial agenda enthusiastically. This is a good council.

The council has potential to be a great council. There are a number of recommendations throughout this report that will help the council get closer to great. Underpinning all this is how the council could work to address the problems of political culture at LB Harrow. If not tackled, this will undermine the good work that the council does.

We left Harrow with assurances from senior members and officers that they recognised their roles in developing a new way of working and a commitment to do so. We look forward to coming back to Harrow in a year's time to see the progress that has been made in making Harrow a great council.

6. Next steps

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

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Heather Wills, Principal Adviser, is the main contact between your authority and the Local Government Association (LGA). Her contact details are 07770 701188/ heather.wills@local.gov.uk.

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

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