Corporate Peer Challenge
London Borough of Ealing
1 – 4 March 2016
Feedback Report
1. Executive Summary

Ealing is a high performing council with strong and ambitious political and managerial leadership. Partners trust the council and hold it in high regard. The council is doing great things for its community.

Ealing has a large and very impressive regeneration programme that is driven by its motivation to improve life for its residents. The council is successfully capitalising on opportunities, for example the advent of Crossrail, to shape the place. Relationships with partners within the Borough and across London are strong and partners regard the Council as the natural leader of the Borough.

There are significant achievements in improving life chances for children and new models of care, resulting in better outcomes for people at less cost.

The council has delivered significant savings whilst achieving its objective to freeze council tax for the last eight years. Effective and prudent financial management has been core to this. Ealing is one of the few councils who are already reaping benefits from linking investment in development to council tax revenue and National Non Domestic Rates (NNDR), for example through building homes. The council is well managed and is seen as a friendly and supportive place in which to work. Staff are loyal, appreciate the council's investment in their development and are motivated to making a difference for Ealing residents. These are solid foundations for future success.

Moving from a position of significant strengths there are two key challenges for the Council in continuing its place shaping role whilst managing the ongoing financial challenges. The first is to take measured steps in articulating the corporate ambitions which are specific to Ealing and its administration and to present a simpler narrative, which residents, staff and partners can engage with. The second is to drive an organisational culture that will create even greater collaboration and integration across the council and with partners to move into a new way of planning and budgeting that is outcome based and works across services and departments. In order to achieve this we suggest that Corporate Board needs to operate more corporately and we would encourage Cabinet and Corporate Board to have more collective time to drive these changes.

2. Key recommendations

1. Tell your story – it’s worth telling and you can’t achieve ‘One Council’ without it

2. Set out your overarching corporate ambitions which are specific to Ealing and this administration

3. Develop a new approach and brand to budget setting; it is unclear based on what you have told us whether moving quickly to outcome based budgeting is the right approach for you
4. Strengthen collaboration and integration across the Council and with partners, as this will be central to any new budget approach

5. Ensure that strategies are created with partners to drive local public service reform and sub-regional devolution

6. Involve Cabinet and senior officers collectively in setting priorities and decision making

7. Adopt and communicate a staged approach to deal with the current pressing ICT issues and then future plans

8. Take more time and bring together ICT, Digital and Customer Services strategies

9. Ensure that Public Sector reform drives the longer term ICT changes

10. Maximise the opportunity of the new corporate building to drive change

11. It would help if the Director of Strategy were to go to the key strategic meetings

12. Consider greater member involvement in questions of public services and technology through Scrutiny

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected members 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 the London Borough of Ealing were:

- Nick Walkley, Chief Executive, London Borough of Haringey
- Councillor Peter John, Leader, London Borough of Southwark
- Councillor Theo Blackwell, Cabinet Member for Finance, London Borough of Camden
- Lorraine O’Donnell, Assistant Chief Executive, Durham County Council
- Tim Rainey, Assistant Director ICT, Tameside MBC
- Martin Angus, Labour Political Group Office, Local Government Association
- Anne Brinkhoff, Programme Manager, Local Government Association
Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. 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. 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?

4. 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?

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

In addition to these questions, you asked the peer team to consider:

6. How well does Ealing’s strategic approach to the digital agenda compare to its peers and to good practice?

7. Is there scope for the Council to achieve greater alignment between its corporate priorities, its strategies, policies and resource allocation as it makes further decisions on savings (outcome based budgeting)?

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 Ealing, during which they:

- spoke to more than 150 people including councillors, officers, partners and focus groups with residents and young people
- gathered information and views from more than 50 meetings, visits to key sites in the area and additional research and reading
- collectively spent nearly 245 hours to determine their findings – the equivalent of one person spending nearly seven weeks in Ealing

This report provides a summary of the peer team’s findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (1-4 March 2016). In presenting feedback to you, they have done so as fellow members and local government officers, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.
4. Feedback

4.1 Understanding of the local place and priority setting

The council has a deep understanding of the tremendous diversity of the Borough as a place and home to people, as well as its opportunities. The arrival of Crossrail in 2019 with 5 stations in Ealing in particular is seen as a huge opportunity for Ealing to reposition itself vis-à-vis central London. This understanding derives from a good range of engagement mechanisms, a robust data and research framework and a residents’ survey as well as members’ understanding of issues and opportunities in their wards.

Ward Forums are well regarded as a vehicle for resident engagement and an opportunity to make small scale but often high impact changes for residents. All forums have a small capital (£15k) and revenue (£10K) budget and are supported by a group of community coordinators. They provide an important community asset and communication conduit.

Ealing maintains strong service performance across the board with excellence in many parts. Public satisfaction with most services is high and is increasing in street services, and leisure and culture. We saw outstanding performance in some areas such as the percentage of 16-18 year olds who are not in in education, employment or training (NEETs) and the high percentage of care leavers attending university (18% against a national average of 6%). This confirms that the council delivers its core business very well.

The council has a strong motivation to improve the quality of life for residents through its impressive regeneration programme. The council’s focus on economic development is based on revitalising its town centres, regenerating high density housing estates and attracting and retaining commercial development along the Ealing office corridor and the industrial parts of the Borough. There is a keen ambition to retain local spend though better retail and entertainment, including a long awaited cinema. The council has a creative approach to development, using its own land and buildings to bring forward development as well as using CPO powers, and setting up Broadway Living as a Council owned housing company. These are impressive approaches and achievements that will cement the council’s role as a place shaper.

The council is well positioned in West London and is positioning itself as a strong partner within the West London Alliance. The Leader and Chief Executive are playing key roles in sub-regional work streams. Partners within the Borough see the council as leading the place and compare it very favourably with others.

There is a real opportunity now to build on your strong position by better articulating the Ealing story and celebrating its success with residents and
partners and staff. This is about explaining who you are, what you want to achieve and how you will achieve it. Use your story to inspire and to encourage staff and partners to further improve the Borough.

Your ambition for the future is not clear. This was a common message from residents, staff and partners we spoke with. Indeed, some staff told the peer team that the ambition of the council was ‘to save money’. Whilst the Corporate Plan does articulate the priorities and issues the council will address and states commitments as well as performance targets, it lacks a clear and distinctive ambition that is understood and owned by all and will serve as a common purpose for members and officers to corral around and to guide your work over the next years. You have a fantastic story to tell – tell it and use it to create a compelling ambition and narrative for members, officers and to engage even better with partners and your communities.

So far the Council has not had a ‘big conversation’ about budget cuts with residents or staff. Our discussions with focus groups of both confirms that there is a good awareness, understanding and appreciation of the impact of government grant reductions on specific services and a desire to be part of a mature debate about how to reform the council and services in order to deliver the best for local people. There was a sense that they were able and willing to adopt a ‘whole council’ perspective and move beyond their own interests. There are many examples from other local authorities where mature conversations have resulted in changes in the expectations of what councils can and will deliver and what residents will start to do for themselves.

We strongly recommend that you provide feedback to people you have consulted. The peer team’s focus groups with residents and young people were animated and with excellent debate. However, both groups stated that they often don’t receive feedback having been consulted, leading to some frustration and cynicism.

4.2 Leadership of place

We witnessed pro-active and entrepreneurial leadership of place. There is universal recognition of the amazing regeneration programmes in the Borough, providing homes, jobs, retail, amenities and an enhanced public realm. The Council is well respected by its development partners as a dynamic and trusted partner.

The approach to regeneration is thoughtful, yet opportunistic and you are pushing for quality. Examples are the Dickens Yard scheme, the council’s intervention in the design for Ealing Broadway station and investment in pedestrian routes along Ealing Broadway. There is a keen focus on the quality of the built environment, including green spaces, such as Gunnersbury Park, which will ensure the creation of attractive places as opposed to simply delivery of schemes.
The peer team were impressed with the focus and delivery of town centre regeneration within the Borough, encouraging residents to spend in the Borough as opposed to in Central London. We saw and heard about your plans for town centre regeneration in Southall, Acton as well as Ealing Broadway. The vibrancy and buzz of Ealing Broadway in particular was impressive with its mix of established retail brands as well as a range of independent shops, cafes and restaurants. The redevelopment of Ealing Broadway station and your proximity to both Central London and Heathrow provide significant opportunities to attract footfall into the local town centres.

Regeneration activity is used well to develop the local economy and provide jobs for local people. The council is running a successful apprenticeship scheme. Launched in 2007, the scheme has delivered 225 apprenticeships. Broadway Living, the council’s housing company is working with local SMEs to provide repairs services. These are excellent examples of council investment creating social value.

The Council is very well regarded and trusted by local public service providers and the voluntary sector. All partners we spoke with commended its willingness to co-operate and to try new things. Partners trust the council and characterise it as innovative, purposeful and easy to work with. This is a considerable strength and a huge opportunity to tackle challenges around health and care integration and wider public service reform.

There is a considerable pride in schools, and the Borough’s school performance is above national and London averages for some measures. In particular, KS4 performance for Children In Need has been above both the London and national average, highlighting positive results in your focus on helping young people to achieve at school.

Partners want the Council to provide system leadership for the Borough and they are looking to you to articulate your ambition and vision and lead with confidence. Leadership is not a ‘contested space’. This is a huge advantage for the council to enact its role as leader of place, working in close collaboration with public and private sector partners. Partners are committed to the key partnerships in the Borough, including the Local Strategic Partnership and the Health and Wellbeing Board but consider that there is an opportunity to streamline these and perhaps articulate their purpose and responsibilities more clearly, particularly in relation to where the system leadership of ‘Ealing as a place’ happens.

Partners and external stakeholders endorse the council’s priorities for the Borough but consider that both ‘affordability’ and ‘poverty’ are themes that could be articulated more explicitly as issues to be tackled. They acknowledged good work e.g. on welfare reform, but gave examples of where council teams were working on similar issues in the same place without knowledge of each other’s work.
Some groups the peer team spoke with expressed a concern about the pace of development, in particular how the ‘new Ealing’ would fit with the ‘old Ealing’. Rather than opposition to regeneration, these concerns highlighted the absence of a high level story and plan about the ambition for the Borough, and how the council will reflect the Borough’s social, cultural and physical history in its plans for regeneration. The detail of key schemes such as the Ealing Broadway cinema site and Pitzhanger Manor restoration show, that considerable effort us being made to strike the appropriate balance between ‘old’ and ‘new’. Articulating the ‘Ealing story and ambition’ simply, with residents, and communicating it over and over again could create a shared understanding amongst the council, partners and residents about the future place.

Improved communication between and within Council Directorates will create more opportunities for joined up work and reduce duplication. Some partners told us that council teams who work in the same locations don’t always communicate effectively and could probably achieve more together. There were examples about teams commissioning separate studies on Child Sexual Exploitation, parallel apprenticeship schemes, and the street cleaning and estate management teams having different approaches to working with young people who are not in education, employment or training.

4.3 Financial planning and viability

The council has delivered significant savings whilst achieving its objective of freezing council tax for eight years running. Overall net savings of £167 million have been identified for delivery between 2010 and 2018/19 and a further £12.1m savings have been profiled as part of the Medium Term Financial Plan (MTFP). The council has a good track record in identifying and delivering savings through a range of approaches including use of assets, service reorganisations, contract re-negotiations and the reduction of subsidies. It has taken difficult decisions, for example closing day centres and agreeing changes to the collection of recycling and refuse collection to increase recycling and reduce landfill costs. This gives confidence that the Council is able to deal well with continued financial pressures.

Ealing is one of few councils nationally who are now reaping the benefits from linking development to council tax revenue and receipt of NNDR. Broadway Living, the council owned housing company. It currently owns 100 flats that are privately rented and in management, creating a modest revenue stream which is projected to increase over the years as the council’s housing portfolio expands.

The council has an impressive five year capital programme of £623 million, including schools and the Housing Revenue Account, and is using its capacity for Prudential Borrowing to enable growth. The council has a large but
appropriate programme of earmarked reserves to mitigate the council against future risks, fund improvements as well as future investments to generate savings and transformation, including ICT. This gives confidence that the council will be able to navigate continuous financial austerity and continue its focus on regeneration.

The Council’s business model is ‘enabling’ and encourages a mixed economy. It has outsourced its waste, recycling and street-scene services as well as leisure and libraries, but maintains its own housing stock. Contracts are well managed and performance in these services is good with increasing customer satisfaction. Contractors we spoke with were positive about relationships with the council and regard the council as a good strategic partner. There are examples of contracts delivering social value for the council, for example creating apprenticeships or work experiences for offenders and NEETs within the waste collection and street scene contracts.

The council uses a rigorous priority-led budget process (‘Star Chamber’), established in 2005 and now fully embedded across the council. The outcome of the process is a set of business plan options put forward for consideration by the Cabinet and final approval by full Council at its statutory budget-setting meeting in February. While this has been instrumental in delivering significant savings in the past, the Council recognises that it has accentuated silo working and that it is now time to move to a more dynamic and systemic budget planning approach to deliver future savings.

Financial prudence is core to the council’s political and organisational mission. While this discipline is serving the council well to control in-year spend, there is a danger that it becomes an all-encompassing organisational purpose and mission. When asking a focus group of junior staff about the vision of the Council, all participants responded that it was ‘to save money’. There is a danger that this will cause organisational fatigue and weariness in a group of staff that will bring fresh thinking and creativity to your organisational practice and the achievement of your objectives.

You understand the need for a different financial savings model and are committed to a process of ‘outcome based budgeting’ which is titled Ealing 2020, although the detail of the new model is yet to be developed. Our conversation with staff highlighted high levels of awareness of the need for a new methodology that will enable more cross-cutting thinking, a greater focus on preventative work and importantly, provide Cabinet with greater scope to invest in their policy priorities. There is a consensus that the Star Chamber approach will not work in the ‘new normal’. However, many people we spoke with saw Outcome Based Budgeting as a process that will enable you to fix the challenges going forward, as opposed to a fundamentally different way of budgeting and one that will require a different mindset and practice to the one the organisation is familiar with.

As a well-managed organisation with healthy reserves and strong financial management there is time for you to decide whether Outcome Based
Budgeting is the right process for you and whether and how you may want to adapt this to suit your own culture and organisational context. It may be that you build on the successful work in Children’s Services to reduce demand and to improve outcomes and develop a methodology that you roll out across the Council. Section 4.7 will discuss this in more detail.

4.4 Organisational leadership and governance

The Leader and Chief Executive are very well regarded, visible and approachable within the Borough and across London. They command significant respect from staff and partners and are trusted to lead for the whole of London on transport and health devolution respectively. This is a real strength and a great foundation on which to build.

The Council is well ordered, friendly and a supportive place to work in. Focus groups with front-line staff and Heads of Services confirmed the strengths and importance of ‘good relationships’, ‘excellent team working’ and ‘feeling empowered to try out new things’. Staff value their colleagues and a key message was that ‘staff care about the work and teams are passionate and supportive’. These are the outcomes of a leadership that places importance on people to deliver the council’s business.

We saw some good evidence of innovative work. Examples are the demand management in waste and recycling and street cleaning and your ground breaking ‘Brighter Futures’ programme which is successfully reducing the number of looked after children (against a national increase) and delivering much improved outcomes for the most vulnerable children and young people. The programme is of national significance and envied by many councils.

Staff relations are good with a low number of industrial disputes. There is a strong partnership with the Unions and you have reached two collective agreements on single status and collaborated to introduce changes to terms and conditions and job matching processes. These are important achievements in delivering more efficient processes and contributing to your savings requirements.

Political stability has enabled a long-term approach to delivering services with less funding and achieving the political objective of freezing council tax. In addition the strong capital programme, supported by planning policy, is beginning to bear fruit in terms of increasing council tax receipts.

Scrutiny is strong and purposeful. It involves one standing Scrutiny Committee and four specialist scrutiny panels. A scrutiny conference at the beginning of the municipal year determines the annual programme. Scrutiny is well supported by a team of officers and there is a clear pathway for recommendations to be considered by Cabinet. Scrutiny Chairs feel listened to and consider their work impactful.
Organisational silos within the council are very apparent. This was raised in many of our conversations with managers, staff and partners. Some teams have created their own visible identity and brand, without that of the Council. Such an approach is likely to be a major barrier to introducing a more outcome based approach to service planning and budgeting.

As an institution Corporate Board is known and respected, but many staff are not clear of its purpose and role and don't see it as operating sufficiently corporately. We would challenge you to consider whether the way Corporate Board operates re-enforces the perceived and real corporate silo culture. Corporate Board should develop a clear agenda shared with directors and assistant directors and a mechanism to ensure its decisions are communicated clearly and consistently across the organisation. The place, room size and layout are important factors in how contributors feel and perceive the Board to work. We recommend that Corporate Board consider how it can be, and be seen to be, more corporate, dynamic and engaged.

Internal communication needs to be stronger to support change. There is no dedicated internal communications resource and the peer team found little evidence of a planned and systematic approach to communicating key messages across the Council, and to supporting organisational change. This will be crucial in moving to a new budgeting model and needs to be planned and resourced appropriately. The peer team saw limited internal communication about the council’s ambition, plans or successes. There are ample opportunities in achieving this through the use of visual materials as well as other channels. We would recommend that the council reviews its approach to internal communication.

There are strong and purposeful relationships between the Leader and Chief Executive and between Cabinet members and senior officers. However, implementing your ambition within continuing financial constraint requires time for cabinet and senior officers to work collectively to consider what is best for the community and ‘system Ealing’ as a whole as opposed to individual departments. The re-development of the Town Hall creates opportunities to trial physical co-location. It also presents huge opportunities for cultural change.

The Council’s corporate values are not universally understood. They are important principles and provide a strong foundation for a joined up customer focused and effective council. Staff we spoke with strongly believed in a values driven approach to organisational leadership and management. They know of the values but felt that values were not sufficiently well articulated to guide organisational behaviours.
4.5 Capacity to deliver

Opportunities for training and development are respected and valued by staff. This came out as a key strength in our focus groups. Staff mentioned investment in key professions (e.g., social workers), the apprenticeship programme and were pleased to work in an organisation that seeks to maintain investment in its staff despite financial constraints. It made them feel valued and cared for.

We saw good examples of innovation, investments in early intervention and demand management to boost your capacity to deliver. This includes the Brighter Futures programme which is supporting children and their families at the edge of care, using a holistic approach to social care that involves building strong and effective relationships with children and their carers; and reshaping the council’s fostering services.

Relationships with the CCG are very good in challenging circumstances. Under the auspices of the Health and Wellbeing Board, the council and partners have established a whole systems Integration Board to oversee the health and care integration in the Borough. There are several work streams and programmes to join up health and social care, reduce hospital admission and speed up hospital discharges, leading better quality services and less costs. The BCF is overseen by a joint management team between the CCG and Council and includes additional pooled funding to the statutory minimum. There is a strong sense of common purpose around health and care integration with strong political leadership.

The council has a strong track record of delivering change on the ground. We mentioned innovation in Children’s and Adults Services and the impressive regeneration programme. There is effective work with the Safer Ealing Partnership which had led to reduction in key crimes and residents feeling safer. The council has pioneered a joint enforcement team whereby all of the council’s enforcement functions are brought together alongside a police team and staff from the Border Agency to create a multi-disciplinary and multi-powered force to dealing with anti-social behaviour and fraudulent activity.

The council has a strong track record in delivering affordable housing. It has met the housing targets set by the Mayor of London. Effective planning policies and strong negotiations have meant that it is securing an average of 40% affordable housing contribution on sites. This is an important strength in a context whereby affordable housing is the greatest challenge within the Borough, as within London as a whole. The council has recently developed its housing company Broadway Living to help support this goal.

Engagement with the Voluntary and Community Sector (VCS) is strong at strategic and operational levels. The Council and other public sector partners meet quarterly with the Ealing Community and Voluntary Services (CVS) and elected members of the Ealing Community Network which is the
representative voice of a strong voluntary and community sector in Ealing. The council invests in building VCS capacity whilst encouraging a consortium approach to tendering contracts.

In line with its community leadership role, the council has a strong local footprint and has invested to maintain this. For example, the proposed development of the Town Hall and council offices (Perceval House) deliberately seek to maintain a council presence in the heart of the Borough.

The current ICT infrastructure is universally seen as a hindrance to staff doing their jobs. The council is aware of this and there is a high expectation among staff that systems will rapidly improve in the short term.

Many staff told us that there is a sometimes overwhelming culture of process which can stifle decision making and delivery. Similarly there was a strong sense of strategy overload and the need to be ‘more strategic about strategy’. This is recognised by the leadership but needs addressing.

Competitiveness of pay at the top and bottom end of the organisation as well as the age and diversity profile of managers were perceived by many as areas that need to be considered. We heard many comments about the average age (51.5) and diversity profile at second and third tier in the organisation. Changing this will require a long-term deliberate approach but is important if you want to continue to attract high calibre and committed staff.

The peer team noted the large customer services centre which is not straightforward for customers to navigate. Councillors and residents had no issue with using a web-based enquiry system but were disappointed with the lack of ease and customer response. They picked up on the Council’s value of ‘world class customer service’ and felt that the Council were not delivering on its commitments.

There is still a long way to go on service integration. This is in part a cultural issue and in part a question of capability. Breaking down data silos won’t happen without a need and a desire from the organisation - cultural change led from the top as the new Corporate Plan is developed. However, this is not the full story. The lack of corporate confidence in IT architecture has a knock-on effect on the council’s overall ability (there are some notable exceptions) to realise ‘One Ealing’ through data sharing, internally and with partners. In other words, integration and the success of a new technology architecture are linked.

4.6 Strategic approach to the digital agenda

By the ‘digital agenda’ we mean both Ealing Council’s own ICT capability and its response to the wider public services reform and we recognise and
welcome that the council has asked for this focus as it is in the process of transition.

Ealing Council is coming to the end of a 10 year outsourced ICT contract with Serco in May 2017. The general perception is that during the contract period ICT has not effectively supported services and despite being “cheap” (the contract is valued at around £2.5m per annum) it hasn’t delivered good value for money, particularly in later years.

Ongoing pressure on budgets means ICT should be seen as an enabler to services becoming more effective, efficient and to saving money. However it is evident that services currently believe the opposite to be true in Ealing and ICT is seen as a barrier to change and innovation.

The Leadership Team at the council recognises this and has started the process of deciding how ICT should be delivered post the Serco contract and a report is due to be presented to Cabinet on 22 March. In some areas there is also a perception that ICT has been under invested in for many years. The current ICT budget is around £7.5m per annum, and an additional £3m per annum is being sought to redress the balance. Positively, the council is also proposing to replace the ‘boom and bust’ approach to refreshing ICT with a more systematic rolling programme of upgrades and replacement year-on-year.

Alongside the ‘burning platform’ of the Serco contract coming to an end there are a number of other key drivers and challenges that ICT must face. It is evident that user confidence in ICT is low and rebuilding that confidence must be a priority. A new ICT Strategy has been produced which rightly sets out the key technology drivers, principles and building blocks that it is intended will both support the transition from Serco and also put in place a “flexible and scalable” infrastructure that will meet all future council service ICT requirements. Alongside this the planned move to a new smaller administration building has significant reliance on ICT being able to deliver flexible, mobile and agile working solution for all employees.

All the above will require significant resource and careful planning if they are to be successfully delivered and a new Director of Business Services has been appointed to lead this work.

The Council has recognised that it is important to have a digital strategy for the borough, and we found strong commitment from senior members. A call for evidence has been actioned with the intention of identifying best practice and to better understand the art of the possible. This feedback will be used to develop thinking and inform the writing of the strategy.

Whilst recognising the importance of key themes such as Public Service Reform, Customer Access, and Place (including developing the digital economy and digital inclusion) at the moment the scope of the Digital Strategy is broad. As the call for evidence completes it will be important for the council
to both focus in on the key priorities for Ealing and ensuring that these reflect the full scale of ambition and opportunity that exists.

There is now an opportunity for the Digital Strategy to be closely aligned with both the emerging ICT Strategy and the new Customer Services Strategy; at present this work is being led and developed in different services and is therefore not fully in-sync. It really should be one strategy – ICT and digital are enablers of a more customer focused service.

There is no reason to suppose that if implemented in its current form the ICT strategy would not meet the needs of Ealing Council, nor that the ICT Service is anything other than being capable of successfully managing the transition from the Serco contract to the proposed new hybrid model of operation. That said there is a risk that the pressing need to “do something” to both improve user experiences of using ICT and also having arrangements in place to deal with the looming end to the Serco contract are both creating an unnecessary and potentially unhelpful pressure to rush into a big bang approach.

It is very clear that there is a real appetite from the council to use ICT more effectively. It is also evident that due to the pressing timescales the ICT requirements of these services have not yet been fully discussed or reflected in the ICT Strategy. Without this detailed engagement with services there is a very real risk that rather than re-building confidence in the ICT Service, the implementation of the ICT strategy in its current form and in the timescales proposed could further erode confidence.

One way of dealing with this seemingly conflicting position of needing to act now, and yet also take more time to engage and reflect with services is to adopt a staged approach.

Stage 1 could deal with the immediate need to plan for the exit from the Serco contract. The scope of this work could be limited to dealing with the “as is”, but in so doing ensuring that the day-to-day operation and technical issues that have frustrated users are dealt with. Alongside dealing with nuts and bolts of what is currently supported through the Serco contract using the proposed hybrid service delivery model, the basic corporate systems and functionality such as email, files shares, Microsoft Office and remote access could be upgraded and improved.

Running alongside stage 1, a separate stream of work could then be commissioned to undertake extensive engagement with services and wider public sector partners with a view to fully understand their future requirements and to develop a joint approach to future ICT requirements. This inclusive approach would also provide the time and opportunity to better discuss, understand and plan for the new working arrangements and ICT requirements for the new administration building as well as time for the thinking around the Digital agenda to be more fully developed and be more closely aligned. It is clear that the ‘organisation has a long memory’ and there is still a nervousness around large scale ICT projects as a result of the ill-fated
Response Project. Adopting a pragmatic staged approach to the ICT challenge could better fit the Ealing way of working. Avoiding a “big bang” approach de-risks the ICT work and investment and will also ensure that services have greater confidence that their ICT requirements will be clearly reflected in future arrangements.

If a staged approach were to be adopted it is important that this is clearly communicated to services so that their short term expectations can be carefully managed whilst the medium term future plans are developed and implemented.

With work currently underway to update and refresh both the Customer Services and ICT Strategy at the same time as the development of a new Digital Strategy consideration could be given to combining all three into a single overarching strategy for the borough. This would enable the drawing together in a single document the outcomes, opportunities and practical manifestation of Ealing’s Digital ambition. In terms of ‘Place’, we recommend digital connectivity is more specifically aligned with Ealing’s estate regeneration and development opportunities to ensure growth is inclusive and enables further opportunity. Ealing’s strengths in regeneration and development should specifically promote digital connectivity, with (at the very least) an expectation of digitally enabled premises, public wifi/small cell technology and alternative forms of broadband provision (e.g. high-strength wifi and rooftop leasing).

In practice this could take the form of introducing a policy of using a percentage of section 106 monies to fund the roll out of free public use wifi for Town Centres and also introduce planning conditions requiring all new developments to install ducting along roads and into residential developments for dark fibre.

We also recommend that consideration be given to work with schools on the new computing curriculum, and the development of digital apprenticeships in the business community as well as in the council itself.

By looking at the ‘wider picture’ of the council responding to the digital challenge, rather than just ICT, the senior leadership team can highlight public benefits/quick wins and create the space necessary to build confidence among members, staff and the public about transformation.

The development of the Digital and ICT Strategy provide an ideal opportunity to take Customer Services on its next stage of development and delivering the council’s values of a ‘world class customer service’. Engagement with customers (including residents, citizens and businesses) to understand their current experiences and future needs of Customer Services will be crucial in designing the council’s approach. The use of costumer insight data will aid this process. Linking the Digital Strategy to one of the council’s corporate values will provide it with a key strategic focus and high level corporate buy-in.
The new website is a step on the journey, as is the citizen portal and integration work being undertaken by Agilisys. However, these are just small steps on an improvement and channel shift journey limited only by the council’s boldness and scale of ambition.

In developing this ‘One Ealing’ Digital Strategy, all service areas and wider partners (public, private and CVS) could evidence and reference the ‘Golden Digital Thread’ in their change and improvement programmes. From Telecare to Agile Social Care, Bin App and In Cab to self-service libraries and Wi-Fi enabled communities, a wide ranging and inclusive programme of innovation and change could be developed and branded. This could be an ideal opportunity to engage members and the public, for example through a Scrutiny Task and Finish Group or a Commission on Digital Transformation. Such engagement would develop understanding and drive partnerships on this agenda.

4.7 Outcome based budgeting

You have asked for the team to focus on outcome based budgeting as this is a new approach you are considering. There is an appetite to move from a traditional Star Chamber process that has for many years been at the heart of the MTFP and annual budgeting process, and has served the council well in maintaining strong cost control and delivering significant savings, towards a process that is focusing on the achievement of outcomes.

There is widespread recognition among members and officers that the Star Chamber is now an outdated model that will not deliver the future savings required. It is agreed that the adoption of a new budgeting model provides an opportunity to reduce duplication, encourage joint working and integration and prioritise spending for the benefit of local people. Moreover, a new approach will provide a new opportunity to engage with residents and partners and to ‘tell your story beyond the cuts’ narrative.

The peer team agree the need to change your budget setting process but challenge you whether Outcome Based Budgeting is the right approach at this time. Our challenge back to you is focused on the following points:

- Is this right for you? – our conversations highlighted that many officers regard outcome based budgeting as a ‘quick fix’ or a ‘new process’ as opposed to a fundamentally different approach to budget setting with implications for configuration of services, size and composition of teams and structures. In addition, success will require a shared vision and an ability to work across services.

- Outcome based budgeting might be more difficult and will be more costly than you think it will be – it will require a forensic examination of budgets against council priorities and you will have to invest in the process.
• Outcome based budgeting needs to involve partners and their budgets

• Finance needs to support the process as opposed to driving it – this will be a significant change from your strong tradition of a finance-led budgeting process

• Are you clear what informs the outcomes? – what engagement have you had with members, residents and staff in developing your priority outcomes? The current outcomes framework in the Corporate Plan is not sufficiently specific to drive this process and there may be further challenges around data which have yet to be resolved by your ICT Strategy.

• Your current Corporate Plan needs to be reviewed in light of our earlier comments in this report in order to provide the strategic framework necessary for an OBB approach.

‘Align the stars’

A fundamental principle involved in OBB is treating revenue not as traditional departmental spending but as organisation-wide investment in achieving agreed and evidence-based outcomes. It will be worth exploring elements of OBB processes as part of a long-term goal to establish this framework but only after alignment with other strategies, programmes and processes such as the ICT Strategy, Digital Strategy, the new building and consequent organisational change programme.

The new objectives set in the 2018 Corporate Plan will drive future budget processes, ensuring that investment is as effective as possible.

5. Next steps

Immediate next steps

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

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Heather Wills, Principal Adviser, is the main contact between your authority and the Local Government Association (LGA). Her contact details are: 07770701188 or heather.wills@local.gov.uk.
In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

**Follow up visit**

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