

LGA Corporate Peer Challenge

Havant Borough Council

3rd to 5th June 2025

Feedback report



Corporate Peer Challenge

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1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involved a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending three days at Havant Borough Council to provide robust, strategic and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are responsible for their own performance; accountable locally not nationally; and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value Duty, with the government expecting all local authorities to have a CPC at least every five years.

Peers are at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

2. Executive summary

Havant Borough Council has experienced significant change in the last three years. One aspect of this was the disaggregation in 2022 from East Hampshire District Council, leading to the recruitment of a virtually entirely new senior management team. Another aspect was around half of the elected membership being new to local government when elected in 2024. A further change, following those elections, saw a coalition of Labour, Liberal Democrat and Green Parties forming the Administration after many years of Conservative control. All of this entails new roles being adapted to and new relationships forming.

There is an open acknowledgement from the Leader and Cabinet that the first year of the coalition Administration has been a period of significant learning and adaptation. Whilst this period has been challenging, there is a strong sense of the council's political leadership strengthening.

The political ambition from the Administration for the borough is palpable. What is crucial is ensuring these ambitions translate into a clear and consistent political direction that is focused on the strategic and around which there is collective Cabinet ownership and responsibility.

The Corporate Strategy outlines the political ambitions, has been inclusive in its development and is well thought through and articulated. A Delivery Plan underpins it and details the related actions, milestones and targets in a very clear and tangible way. The organisation is delivering a lot in line with this and there is much that the council can be proud of.

There is a strong emphasis from the Administration on the council enhancing its engagement with communities and stakeholders. The council is seen as a good partner at both the strategic and operational level and contributes in various ways to helping partnerships succeed. The council's senior management team, both as individuals and as a collective, are well regarded internally and externally.

Havant has low levels of debt compared to most other local authorities but also has a comparatively low level of reserves. A pattern of overspends in the revenue budget has been emerging in recent years, with reserves being called upon to achieve a balanced budget. The council acknowledges that there is a risk to financial sustainability in this context, with a requirement for "significant action" in response. The organisation has scope in relation to savings and increased income to help address the situation. However, there is an urgent need for the council to establish a single savings programme that is robust and has clear accountabilities and appropriate officer and elected member governance, oversight and monitoring.

There is a significant amount of change activity being undertaken in the organisation over the coming months. We developed concerns around the level of risk being carried here by the council in a context of the quantum of change and the

effectiveness of the council's key corporate processes and systems and the capacity to support this. We recommend that the council seeks to reassure itself around this.

The council is seeking to submit a new Local Plan by the end of the calendar year 2026. There is, however, significant difference between the number of additional homes proposed in the draft plan and government requirements. The council is committed to testing this approach through external expert advice.

Whilst there are generally good relationships between elected members and officers, we found that this isn't universal. To preserve and enhance what has traditionally been, and largely remains, a positive atmosphere between councillors and officers, it is important for the wider elected membership to support their Group Leaders in addressing instances of poor behaviour.

The council is an organisation that values and invests in its staff. There is a friendly and supportive working environment and there are good opportunities for people to learn, grow and develop. Staff value the approach to internal communications and feel informed. In the most recent survey 84 per cent of staff indicated they were proud to work for the council.

3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

3.1 Recommendation 1

Establish urgently a dedicated savings programme that is robust, has clear accountabilities and appropriate officer and elected member governance, oversight and monitoring

3.2 Recommendation 2

Establish a limited set of key performance measures and report these regularly politically and managerially to ensure a focus on what really matters

3.3 Recommendation 3

Ensure a clear and consistent political direction, focused on the strategic, around which there is collective Cabinet ownership and responsibility

3.4 Recommendation 4

Invest further in 'top team' working across the Cabinet and Executive Leadership Team to aid decision-making and further develop relationships

3.5 Recommendation 5

Address what we have highlighted in relation to the Planning Committee and Planning service

3.6 Recommendation 6

Fulfil the commitment to test the approach to the Local Plan through external expert advice

3.7 Recommendation 7

Consider the options and opportunities around the £9m capital funding that is ringfenced for 'regeneration' but currently appears unallocated to projects

3.8 Recommendation 8

Continue the investment in training for managers at the Operational Leadership Team level to develop understanding around corporate responsibilities and collective working and establish closer engagement with the Executive Leadership Team

3.9 Recommendation 9

Reassure yourselves in relation to the level of risk being carried around the quantum of change activity being undertaken over the coming months and the effectiveness of the council's key corporate processes and systems and the capacity to support this

4. Summary of the peer challenge approach

4.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA on the basis of their relevant expertise. The peers were:

- Jon McGinty, Managing Director, Gloucester City Council
- Councillor Jewel Miah, Leader, Charnwood Borough Council and member of Leicestershire County Council (Labour)
- Councillor Richard Keeling, Leader, Teignbridge District Council (Liberal Democrat)
- Councillor Caroline Jackson, Leader, Lancaster City Council (Green)
- Councillor Linda Robinson, Wychavon District Council (Conservative)
- Jan Guyler, Head of Legal Services and Monitoring Officer, Canterbury City Council
- Becky Clough, Pensions Policy Officer, LGA (shadowing)
- Chris Bowron, LGA Peer Challenge Manager

4.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local

communities?

3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?
5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every corporate peer challenge includes a strong focus on financial sustainability, performance, governance and assurance.

4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. 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 by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context for Havant Borough Council. It also included an LGA finance briefing (prepared using public reports from the council's website) and an LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called 'LG Inform'.

The peer team then spent three days onsite at the council, during which they:

- Gathered evidence, information, and views from more than 25 meetings, in addition to further research and reading
- Spoke to more than 120 people including a range of council staff together with elected members and external stakeholders

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and elected members.

5. Feedback

5.1 Organisational and place leadership

Havant Borough Council has experienced significant change in the last three years. One aspect of this was the disaggregation in 2022 from East Hampshire District Council, with whom the council had had a shared management arrangement over the previous 12 years. This change saw very significant managerial turnover, resulting in Havant recruiting virtually an entirely new senior management team through the course of 2022 and 2023. A Boundary Review, that made its recommendations in November 2022 and which were implemented for the elections in 2024, saw both the number of councillors and the number of wards reduce by two, to 36 and 12 respectively. Those elections, which were 'all-out', saw 17 councillors elected who were entirely new to local government. The change in the political make-up of the council through those elections was also very significant and were followed by a coalition of Labour, Liberal Democrat and Green Parties forming the Administration after many years of Conservative control. The council will see elections by thirds again in 2026.

The organisation has been wrestling with some challenging issues recently, including a major increase in demand for temporary accommodation and increasing levels of homelessness or people at risk of becoming homeless. The number of families from the borough in temporary accommodation increased from 72 in quarter 3 in 2023/24 to 132 in the same period in 2024/25, representing an increase of 83 per cent. The

council has also been engaged in exiting or reconsidering a number of major service delivery contracts, including for environmental services and a range of back-office functions and customer services.

The political ambition from the Administration for the borough is palpable and stretches across health; housing; improved street scene and cleanliness in the borough; climate change; employment and skills; regeneration and economic development; coastal; water quality; and crime and anti-social behaviour (ASB). A new Corporate Strategy was agreed in September 2024 and which we see as having been inclusive in its development; being well thought through and articulated; and, based upon our discussions, having secured a lot of buy-in. It has a focus on three over-arching themes that capture the political ambitions: Well-Being, Pride in Place and Growth.

The Corporate Strategy Delivery Plan underpins the overall strategy and details the related impacts, initiatives, actions, milestones and targets in a very clear and tangible way. As an example, it outlines a desired impact area as reducing the number of people rough sleeping and providing suitable temporary accommodation for families and vulnerable people. The related initiatives involve the purchasing of specific properties and identification of potential additional properties. This then breaks down into a series of actions, milestones and target dates relating to the acquiring, refurbishment and allocation of those properties.

Being a 'Responsive Council' is a fourth theme that underpins the Corporate Strategy. The importance of this can be seen from the results from the residents' survey from the summer of 2024:

- 37 per cent of residents feel that the council acts on their concerns – compared to a national average of 47 per cent
- 32 per cent of residents feel the council is open and transparent

By contrast, the same survey highlighted that 80 per cent of residents were satisfied with the area as a place to live. It also indicated that 58 per cent of respondents were satisfied with how the council runs things, compared to an average across other councils nationally of 55 per cent.

Underpinning the 'Responsive Council' theme is a strong emphasis from the Administration on the council enhancing its engagement with communities and stakeholders. This includes the commissioning of the above residents' survey, which was the first for the council in many years and which there is a commitment to undertaking again in 2025 and 2026. The methodology is focused on ensuring the survey sample is representative of the borough. The council has also held public meetings, led by the Leader and Cabinet, in recent months to share and discuss the Corporate Strategy and the draft Local Plan. There has also been good engagement with residents and partners in the development of the borough's Active Well-Being Strategy.

The council's communications and engagement function has led the development of an Engagement Strategy for the organisation which has now been formally adopted. This team has also recently led a stakeholder mapping exercise across the council which will help to co-ordinate partnership and stakeholder engagement.

The coalition Administration has now been in place for around a year. There is an open acknowledgement from the Leader and Cabinet that it has been a period of significant learning and adaptation. Whilst this period has been challenging, there is a strong sense of the council's political leadership strengthening.

The council's senior management team, the Executive Leadership Team (ELT), having largely been recruited following the disaggregation from East Hampshire, has only been in place for around two years. The team, both as individuals and as a collective, are well regarded internally and externally and seen to be open and transparent in their communication and engagement.

We met partner organisations that the council is engaged with across a number of key 'spheres' for Havant. These included climate change and biodiversity; active well-being in local communities; and employment and skills. The council is seen as a good partner in these areas, at both the strategic and operational level. There is good dialogue with partners at both officer and elected member level. There was also good feedback from across a wider geography in relation to the council's engagement with other local authority partners over local government reorganisation for Hampshire.

The council contributes in various ways to helping partnerships succeed. This is most effectively demonstrated through the role the council fulfils hosting the 'Coastal Partners' arrangement for the five local authorities responsible for managing the 246 kilometres of coastline in the eastern Solent area. The Coastal Partners team and the work they are undertaking is impressive and held in extremely high esteem. Another area that was highlighted is the council's activity leading the development, with the likes of the NHS, the Active Partnership and Hampshire County Council, of the Active Well-Being Strategy for Havant.

A further example is the Leigh Park Youth Hub, which operates in one of the most deprived areas of the country and faces significant issues around health and education in particular. The council secured funding from the Department for Work and Pensions and works jointly with them from a community setting to bring stakeholders together to provide support for local young people around health and well-being; qualifications and experience; and motivation and confidence. This 'triages' young people and supports the meeting of their needs to help them progress towards employment. The activity includes a 'job matching service' that links talent with areas of local skills shortage. There is a specific focus on supporting businesses understand alternative recruitment best practice to ensure young people with social, emotional and mental health (SEMH) needs and special educational needs and disabilities (SEND) have the best chance of showcasing their attributes to potential employers. By the end of 2024, the Youth Hub had supported 695 young people in just over two years, with 316 of these moving into paid employment and 353 referred to accredited training courses. The University of Portsmouth have undertaken an analysis of the socio-economic impacts of the annual £140,000 investment programme and the results are extremely impressive.

The council is seeking to submit a new Local Plan ('Building a Better Future') by the end of the calendar year 2026. In preparing this, the council is indicating that it has learnt lessons from the experience of the withdrawal from examination of the previous Plan in 2022. As we touched on earlier, the council is currently engaging communities on a draft of the new Plan, which is designed to cover a period of at least 15 years. There is, however, significant difference between the 6,000 or so

additional homes proposed in the draft plan and government requirements for around 17,000 new dwellings in the borough. We recommended to the council during the corporate peer challenge that this approach be tested through external expert advice and were pleased to glean in response that it is already committed to this course of action.

5.1.1 Performance

The council has developed an impressive tool in the form of its corporate performance scorecard, which utilises 'Power BI'. This work has been undertaken by the organisation itself and offers comprehensive data, often in both interactive and real time form. What has been developed has attracted interest from a variety of other councils nationally.

Such is the extent of the performance information and data available to the council through what it has developed, we see a risk that people in the organisation might not be able to 'see the wood for the trees'. In this context, we recommend that the council establishes a limited set of key performance measures that reflect service delivery priorities and the 'corporate health' of the organisation. Reporting this regularly both politically and managerially, including to Cabinet, Overview and Scrutiny, ELT and the Operational Leadership Team would ensure a focus on what really matters. It would also help to develop a consistent and shared understanding across the senior leadership of how the organisation is performing.

Whilst benchmarking is utilised in some service areas in the council, this has not been widely adopted. As a result, the council is not fully aware of how it performs in comparative terms, thus limiting scope for learning and the informing of decision-making around the likes of service delivery, service standards and resource allocation. We would suggest that benchmarking be applied as extensively as possible when the set of key performance measures is developed in line with the recommendation above.

Looking at the 'LG Inform' data and performance information system which the Local

Government Association hosts on behalf of the sector, the following can be seen for Havant when comparing it with the other councils in its CIPFA 'family' grouping of similar authorities, using the most recently available data:

Where Havant is amongst the better performers:

- The percentage of non-domestic rates collected as a percentage of non-domestic rates due
- The percentage of vacant dwellings as a percentage of all dwellings in the area
- The time taken to process housing benefit new claims and change events
- Access to employment by public transport
- New business registration rate per 10,000 resident population aged 16 and above

Where Havant is less high performing:

- The proportion of the population aged 16 to 64 qualified to at least Level 2
- The amount of residual waste per household
- The percentage of household waste sent for reuse, recycling and composting
- The percentage of adults who are active (150+ minutes per week)
- Smoking prevalence in adults
- The percentage of adults classified as overweight or obese
- The percentage of children in year 6 who are obese

Where performance in Havant is around the average:

- The percentage of council tax collected as a percentage of council tax due
- The number of households on the housing waiting list
- The number of affordable homes delivered
- The number of households living in temporary accommodation per 1,000 households
- The percentage of children in reception year who are obese

The following is a link to the latest information for the council in the LG Inform system: [Headline Report for Havant Borough Council - Bar Chart View | LG Inform](#)

5.2 Local priorities and outcomes

The council has a good understanding of the borough and its operating context. The borough of Havant has a population of around 124,000 living in around 53,000 dwellings and is comprised of four main urban settings – Havant, Waterlooville, Leigh Park and Emsworth – plus Hayling Island. The coastline is an integral feature of the borough. The borough has good connectivity to the national road and rail network.

The borough features significant differentials around affluence and deprivation and health inequalities. Leigh Park, once known as the largest council estate in Europe, has areas that are in the top 10 per cent most deprived nationally with regard to income, education and health. In contrast, areas such as Emsworth and Cowplain have relatively good socio-economic outcomes.

The organisation is delivering a lot and there is much that the council can be proud of. This includes:

- The Green Skills Scheme supporting local workers become accredited in the installation and maintenance of clean energy technologies, both improving the skills in local businesses and building capacity to help meet the borough's net zero objective
- Engagement with local residents over, and starting the delivery of, the Waterlooville Masterplan
- The Vacant Shops Scheme providing grants to small local businesses to open premises
- Appointing a dedicated Anti-Social Behaviour Officer with funding from the Police and Crime Commissioner (PCC) and Home Office
- CCTV investment through funding from Hampshire County Council and the PCC
- The Well-Being Hub established in the Meridian Centre enabling local people

to undertake health checks

- Work with the Health Foundation undertaking a three-year research project to understand the health inequalities in Leigh Park and break down the barriers to the wider determinants of health including education, skills, training and a good job – with a strong link here to the work of the Youth Hub
- A programme of refurbishment of play parks across the borough
- The recent adoption of a Biodiversity Strategy to support nature recovery in the borough and the management of open spaces in a sustainable way
- The adoption of a Climate Strategy, including a target to achieve net zero council operations by 2035

5.3 Governance and culture

The proportion of councillors new to local government, the changes to the political make-up of the council and the move to a coalition Administration – all following the elections in 2024 – provides a level of complexity for the organisation that it has not been accustomed to and entails new roles being adapted to and new relationships forming.

Good work has been done in providing ‘job descriptions’ for the range of elected member roles, helping both new and longer-serving councillors to be clear on the remit and requirements around them. Ward councillors indicated that there are generally good levels of responsiveness from officers in relation to casework. Arrangements around elected members contacting and engaging with officers have changed recently, with an expectation now that councillors should channel casework enquiries through senior managers. Views around this shift differ across the organisation, with some officers welcoming the ‘separation’ that it provides whilst some councillors and officers saw it as generating unnecessary distance between them and making things more convoluted.

There is inconsistency in the provision of IT equipment to elected members and we

see this as both inequitable and potentially representing cyber security risks to the organisation. It is common practice for councils to provide all elected members with appropriate IT which, whilst coming at a financial cost, removes a series of potential headaches and risks for the organisation and its elected members. The council is clear that all elected members are offered the option of having IT equipment provided to them. There would, however, seem to be benefit in re-iterating this offer and outlining to councillors the benefits to them and the organisation, in order to extend take-up.

We formed a positive view of the 'golden triangle' meeting of statutory officers (Chief Executive, Monitoring Officer and Section 151 Officer), with them coming together regularly; having formalised agendas and minutes to support follow up action; and generally working well together.

Relationships across the elected membership are generally positive. Whilst there are also generally good relationships between elected members and officers, we found that this isn't universal. People highlighted appropriate respect for officers and their work not always being shown by all councillors. Group Leaders have started to take a firm line in relation to such matters and we would encourage them to continue in this. To preserve and enhance what has traditionally been, and largely remains, a positive atmosphere between councillors and officers, it is important for the wider elected membership to support their Group Leaders in addressing instances of poor behaviour towards officers. It is also important for there to continue to be a climate in which officers feel comfortable highlighting any such issues. Social media is impacting here, including the responses from elected members that are sometimes being seen, to posts by residents, which undermine or criticise officers. Such instances are keenly felt by officers.

As we touched on earlier, the high-level ambitions of the Administration are well outlined in the Corporate Strategy and related Delivery Plan. What is crucial is to ensure these ambitions translate into a clear and consistent political direction that is focused on the strategic and around which there is collective Cabinet ownership and responsibility. It is tempting and easy for a council's political leadership to become diverted to the 'trivial and the tactical' but this comes at a cost in terms of officer

capacity and the delivery of what matters most. Maintaining a strategic focus is not easy for councillors given their desire to be responsive and make a tangible difference; the fact that elections are pretty much a constant in the borough given their undertaking by thirds; and the potential of social media and the 'loudest voices' to influence thinking. The council's work to enhance engagement with residents and stakeholders can play an increasing role here, informing and strengthening decision-making through the development of an ever more sophisticated and robust evidence-base for the council.

Following our discussions with a range of officers and elected members in Havant, we have some reflections for the organisation in a number of aspects regarding 'decision-making' within the council.

The first relates to the complexities of a three-party coalition arrangement and the on-going adaptation for officers around working in line with that. Decision-making will inevitably be more intricate in these circumstances, with this being highly likely to translate into things becoming more drawn out. Working in ways that are reflective of these intricacies and enhancing the 'political nous' of the organisation is crucial in this context.

The second area concerns the informal processes that support the Cabinet and Administration in the formulation of policy and development of projects and initiatives in Havant. Our view is that these could be extended further in order to aid collective Cabinet ownership and responsibility. Currently, the informal Cabinet Briefing forum would seem to be often receiving items at a fairly advanced stage, presented by the respective Portfolio Holder and Executive Head or senior officer. We see merit in the 'floating' or 'socialising' of key matters at an earlier juncture in order to enable Cabinet as a whole, and the political groups forming the Administration, to develop and input their thinking in a way that shapes and informs proposals and reports ahead of them being developed.

We saw an example of this being played out during the course of the corporate peer challenge. In a context of us indicating that there appears to be £9m of capital funding that is ringfenced for 'regeneration' but currently unallocated to projects, it emerged that a very small cohort of two or three people within the Cabinet and ELT

have recently been having discussions around where a proportion of this could be allocated. Early engagement on a broad basis on this type of issue at Cabinet level, enabling perspectives then to be gleaned from within the political groups, would be likely to expedite and strengthen decision-making at the Cabinet level, enhance the collective ownership of decisions and reduce nugatory effort on the part of officers. Specifically linked to this element of our feedback, we recommend the collective consideration of the options and opportunities in relation to this capital funding pot in order to support of the delivery of political ambitions.

Linked to the theme of informal working and the strengthening of decision-making in the council, the Administration indicated that they are keen to enable the Opposition to play a constructive role on the council. An example of this can be seen with the formation of a cross-party budget working group last year, which there is a commitment to continue into future years.

Another key strand to the theme of decision-making is the ability to have more in the way of 'tough conversations' across the political and managerial leadership as the demands and pressures facing the council increase. It was positive to hear that "robust" discussions are capable of being held at this level and that statutory officers are enabled to provide their professional advice. Whilst the issues under discussion and the related decision-making will become increasingly challenging as the financial pressures and the drive for delivery and impact grow, being able to have the tough conversations will be fundamental.

Strong and clear political leadership needs to be demonstrated by any council when it comes to decision-making. Discussion is vital and disagreement often inevitable when decisions are difficult. What is important is a Cabinet and Administration demonstrating unity once a decision has been made. In Havant there is a tendency for people within the Administration to want to re-visit decisions once they have been taken. This needs to stop. That can be facilitated by what we outlined earlier regarding extending the informal working of Cabinet and the political groups forming the Administration.

A further consideration around decision-making is information provision to inform decisions by councillors and provide assurance to them. Elected members have to

be comfortable in working with the information provided to them to aid their decisions. This is, in part, an issue of the quality of information for councillors, including the outlining of the fullest possible range of options and their potential impacts. It is also about the information being 'accessible' to them, with instances of 300-page agenda packs making it difficult for councillors to find the time to engage with the information and making it challenging to identify what is most pertinent and crucial. We recognise it is a difficult balance for officers to strike between being comprehensive and thorough and providing too much information. This is an on-going development issue, as is Portfolio Holders being comfortable in presenting reports at Cabinet Briefing and Cabinet in a way that provides a clear sense of them 'owning' what is being put forward.

Work is on-going in the council to support understanding around decision-making processes and related roles and responsibilities. As an example, we noted a tendency to use 'Motions to Council' rather than Cabinet as the means for the Administration to progress a proportion of decisions. We recognise the Administration being keen to maximise involvement and engagement across the political groups, including the Opposition, when it comes to decision-making but would highlight that the Cabinet route would be more conventional and 'expedient'. As another example, we heard of the work of the Overview and Scrutiny Committee in relation to their consideration of the draft budget for 2025/26 and related recommendations that they sought to make to Cabinet. Unfortunately, due to confusion around roles and responsibilities, their recommendations did not progress to that level. In this context, we encourage the council to continue the development work around the understanding and application of the council's decision-making arrangements and underpinning roles and responsibilities.

In order to aid what we have outlined around decision-making, we see it as being important to invest further in 'top team' working across the Cabinet and ELT. This entails support to each of these bodies as a separate collective and to the two collectives together. There would also be benefit in continued investment in individuals at this level to aid their development more generally. This should build on

the increasing participation, particularly by Cabinet members, in development activity provided at a national level through the likes of the Local Government Association.

The council has been providing significant amounts of training and development, including around the basics of local authority governance, for both officers and elected members. There is a 'mixed picture' in relation to the take-up of this by councillors. Good levels of participation have been seen in the induction following the elections, which was open both to new and returning councillors and included key information on the borough; the role of councillors; the Constitution; the council's organisational and decision-making structures; the Code of Conduct; officer/member relationships; and elected member support. Participation in committee-related training, such as Planning, Licensing and Overview and Scrutiny, has also been good. Training and briefings on matters of strong local interest have also been well attended. This includes sessions on the draft Local Plan and related processes; anti-social behaviour; the Community Infrastructure Levy; emergency planning arrangements; the Active Well-being Strategy; the council's budget for 2025/26; and a briefing from Southern Water.

Engagement in activity focused on the role of councillors more generally and delivered locally by external providers, such as the Local Government Association and South-East Employers, has been much lower. Examples include their induction training for new councillors and sessions on personal safety and handling online abuse.

The council is learning and adapting its approach to elected member training and development as part of its ambition to engage councillors in it more. It has reflected on feedback that the induction activity last year was very intense and has also adapted the approach to Planning Committee and Overview and Scrutiny Committee training. More varied means of delivery are being looked into, as is delivering sessions at alternative times of the day. There is recognition that tailoring what is delivered, and how, to individual need as much as possible will be the key to success.

A number of council services that were audited through the Southern Internal Audit Partnership (the council's shared such arrangement with Hampshire County Council)

received 'limited assurance' ratings, leading to the council receiving an overall 'limited assurance' Internal Audit opinion for 2023/24. The latest Annual Audit Report has just been published by the External Auditor and highlighted this and the need for a robust response. There has been recognition by the managerial and political leadership of the importance of this and it is now being acted upon. This includes the Governance Committee, with a new Chair, beginning to step up to the challenge. Members of this committee would welcome additional development activity to support their further progress.

The Overview and Scrutiny Committee has also had a change in Chair and is strengthening. This body has started to undertake pre-decision scrutiny, including looking at the future provision of both environmental services and customer services and considering a number of council strategies, such as the Active Well-Being Strategy and the Hayling Island Coastal Management Strategy, at a formative stage. The committee also receives performance information, which until recently was an overview of performance and progress on priority areas but has shifted recently to consider a specific service area such as housing (as was the case in April).

Planning featured regularly in our discussions in a way that felt out-with the norm for a corporate peer challenge. This related both to the Planning Committee and the Planning service and suggested a shared lack of comfort across the range of stakeholders around how things are functioning and progressing. In relation to the Planning Committee, a question exists around the frequency with which site meetings are undertaken and whether the extent of that represents the most effective and efficient use of their time. There has also been a lot of discussion, centred on the rejection of statutory officer professional advice, around best practice guidance in relation to the chairing of the Committee.

With regard to the Planning service, there is a lot of discussion and sentiment around the leadership, capacity and support that exists there. A key part of this is the difficulty to recruit to the post of Executive Head of Place, left vacant in March 2025 when the previous incumbent left the organisation, and the decision to seek to cover this role through alternative arrangements. It would seem appropriate now to review those alternative arrangements. As regards the performance of the Planning service,

LG Inform showed the processing of ‘major’ and ‘minor’ planning applications on time for Quarter 3 2024/25 being less positive when compared to councils in Havant’s CIPFA ‘family group’, whilst the processing of ‘other’ applications is around the average. We recognise this is merely a snapshot, limited to one particular three months period.

5.4 Financial planning and management

With borrowing of just under £3m, Havant has low levels of debt compared to most other local authorities. Equally, the council has a comparatively low level of General Fund reserves. LG Inform indicates Havant as joint third lowest in its CIPFA ‘Family Group’ in relation to the level of un-ringfenced reserves as a percentage of net revenue expenditure, at 40 per cent. A pattern of overspends in the revenue budget has been emerging, with £1m in 2023/24 and £2m in 2024/25, with reserves being called upon to achieve a balanced budget. The council acknowledges that there is a risk to financial sustainability in this context and, indeed, projects that General Fund reserves will be exhausted by 2028. The Section 25 commentary from the Section 151 Officer relating to the setting of the 2025/26 budget indicated the requirement for “significant action” in response to this. Any overspending in future years risks exacerbating the council’s projected £6.6m medium term (through to 2029/30) financial gap. The overall context here is a net General Fund revenue budget for the council in 2025/26 of just under £20m.

We have developed significant concerns in relation to the financial sustainability of the council. Part of this relates to what we see as an urgent need for the council to establish a dedicated savings (combined with opportunities for increased income) programme for the organisation that is robust and has clear accountabilities and appropriate officer and elected member governance, oversight and monitoring. Taking the current financial year as an example, there is a requirement to achieve £1.8m of savings. Whilst there is a list of initiatives that it is indicated can address this quantum, we gleaned little confidence through our discussions that these were going to be delivered to the extent required.

One such initiative is achieving five per cent 'efficiencies' across the domain of each Executive Head and the Chief Executive. Others included 'establishment savings'; securing savings from external contracts; savings on temporary accommodation – which currently is the council's largest area of financial pressure; and increased advertising revenue.

Our concerns around the council's financial sustainability are exacerbated by what was seen last year in the way of organisational response to the emerging in-year overspend. The issue was escalated through the governance structure, including ELT, Cabinet and ultimately Full Council and interventions were agreed but these focused on the slightly longer-term and little impact was seen on the in-year situation.


The council has scope in relation to savings and increased income to help address the medium-term financial gap. This includes the list of initiatives highlighted above, which emerged from an away day of senior managers; IT-related projects currently underway as part of the council's 'Good to Great' initiative that will see legacy systems being replaced and which, according to the council's Position Statement produced to inform the corporate peer challenge, "should enable significant efficiencies"; and a series of service reviews across housing, environmental health and Planning. These must, however, be translated urgently into the dedicated programme described above.

Difficult decisions will need to be made by the council going forward to address the financial position. This is likely to include a requirement to begin considering areas of discretionary spend that have previously not entered the council's thinking.

Whilst the External Auditor issued a 'disclaimed' opinion on the council's accounts for 2023/24, this is essentially reflective of the capacity challenges in the audit market nationally.

5.5 Capacity for improvement

Havant Borough Council is an organisation that values and invests in its staff. Through our engagement with officers at a variety of levels we gleaned a picture of a friendly and supportive working environment and a flexible and mature approach to




hybrid working which works well for people. Staff value the approach to internal communications and feel informed. Key communications mechanisms that were highlighted were 'The Fountain' intranet and 'Fountain Live'. The latter is a fortnightly online briefing open to all staff led by the Chief Executive. Twice each year there are face to face equivalents of 'Fountain Live' that all staff are invited to.

There is good participation, at over 80 per cent, in the staff survey. This is undertaken twice each year and the organisation is seen to respond to what emerges from it, such as embarking on the move to return customer services to being directly under the council's control. In the most recent survey, in December 2024, 84 per cent of staff indicated they were proud to work for the council.

The approach to staff induction has recently been revised, seeing it being undertaken now face to face. People highlighted good opportunities for themselves and their colleagues to learn, grow and develop in the organisation. This includes the undertaking of Masters qualifications in certain professional domains such as Planning and the introduction of apprenticeships into the organisation. We also met through the course of the process individuals who had entered the council's employment through the work of the Leigh Park Youth Hub, which we outlined earlier.

There has been investment in training for staff and managers on core aspects of an effective organisation and good governance. This includes council decision-making structures and arrangements; report-writing; data protection; health and safety risk assessments; and procurement. Managers at the Operational Leadership Team (OLT) level have benefitted from such training. We would encourage the council to continue investing in the development of OLT, with what we feel to be the potential to enhance understanding and engagement at that level around corporate responsibilities and collective working. It is positive that work is currently underway to establish management and leadership development programmes in the organisation. A specific area of focus, as we see it, should be developing closer engagement between ELT and OLT, including regular joint forums.

Key corporate processes and systems appear to us to be under-developed in the organisation. This includes project and programme management; asset management; contract management; and procurement. We met some talented




people in project and programme management roles in the organisation but their capacity is finite. Procurement also has limited capacity. The council has only recently embarked on developing an asset register, which is fundamental to effective asset management. Contract management would appear to have been an on-going challenge for the council, reflected in negative perceptions of performance in certain out-sourced services and the related decisions to return a number of services to in-house delivery.

In this context, we have developed concerns around the level of risk being carried by the council in relation to the quantum of change activity being undertaken over the coming months and the effectiveness of the council's key corporate processes and systems and the capacity to support this. This includes the planned delivery of a series of major IT projects, amongst them the replacement of existing systems for HR, finance, elections, Planning and regulatory services. The return of customer services to the council is included within this. We recommend that the council seeks to reassure itself around the level of risk that exists in a context of the level of change that is planned in a concentrated period of time.

In taking forward the IT initiatives outlined here, there would appear to be scope, based on our discussions with staff at different levels, for the application of learning from recent similar activity. This includes greater co-ordination to spread the impact and the capacity strains of change on those staff needing to implement and adopt new systems and ensuring they receive all the support necessary to manage the transition.

The council is gearing up for local government reorganisation (LGR) as part of the government's priority programme and this will generate an additional set of capacity demands upon the organisation.

On the subject of LGR, and in a context of what we have outlined through this report, a constructive question that we would pose is what the political and organisational ambitions are in terms of Havant Borough Council's 'legacy'. It is delivering impressively in a number of areas and is hugely ambitious for more. At the same time, it faces a set of challenges including its future financial sustainability, effectiveness of decision-making and capacity constraints to deliver a major amount



of change. There may be something about determining what the main elements of the 'legacy' entail and ensuring everything is fully aligned to ensure their effective delivery.

6. Next steps

It is recognised that the council's senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. As part of the CPC, the council are also required to have a Progress Review and publish the findings from this within twelve months of the CPC. The LGA will also publish the Progress Review report on their website.

The Progress Review will provide space for the council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The Progress Review will usually be delivered on-site over a day and a half.

In the meantime, Will Brooks, Principal Adviser for your region, is the main contact between your authority and the Local Government Association. He is available to discuss any further support the council requires and can be contacted via will.brooks@local.gov.uk