LGA Corporate Peer Challenge

Test Valley Borough Council

Tuesday 18 – Friday 22 November 2024

Feedback report

Contents

1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending 3.5 days at Test Valley Borough Council (TVBC) 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 UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain 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

Test Valley Borough Council is a high-performing council that delivers effectively for its residents, with a commendable community-first approach and a strong sense of pride throughout the organisation. Officers and members consistently speak of positive working relationships, mutual trust, and a clear understanding of roles, all of which enhance decision-making and contribute to a constructive organisational culture with a place based ethos embedded throughout.

Leadership is a standout strength across the organisation. The peer team heard how both the Leader and Chief Executive are highly visible and well-respected by officers,

members, and external stakeholders. Their commitment to deliberative engagement ensures that residents and members play an active role in shaping the council's vision and direction. The council's regeneration projects reflect this approach, being thoughtfully planned and executed by an experienced and capable team, with clear alignment to the council's ambitions.

The peer team observed commendable efforts to ensure cross-party working and decision making. This level of collaboration is particularly noteworthy given the political makeup of the council, where elsewhere such coordinated efforts are often challenging to achieve. The proactive approach to open communication and engagement across parties reflects a strong commitment to inclusive and holistic decision-making. These efforts not only strengthen internal alignment but also create a solid foundation for innovative and well-rounded service delivery to emerge.

Test Valley is committed to the ongoing development of their workforce, with personal and professional development being strongly supported. The council offers an established induction programme for new starters and has invested significantly in leadership training for its senior managers. Plans are in place to cascade these development opportunities throughout the workforce, ensuring a consistent focus on growth and capability-building across all levels.

The council is at the beginning of its transformation journey, with some solid foundations already in place. While a measured approach to planning is understandable, a clear vision for the organisation's transformation needs to be developed. To build momentum, the council could focus on quick wins in areas such as expediting its digitalisation and IT improvements. These actions will help the organisation adapt more quickly to future challenges and ensure efficiency and consistency across services and delivery.

The council is in a robust financial position, supported by a careful approach to investments and effective financial management over several years. Significant reserves have been accumulated, strategically allocated to support the council's goals for place-making and regeneration initiatives. As the council faces increasing financial and delivery pressures, it is critical to continue strengthening its performance management and audit functions. This will bolster the organisation's

ability to navigate challenges while maintaining its high standards of service delivery and place based approach.

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: Place Leadership
Continue strengthening your leadership role with partners across the region. Consider how the well respected and well regarded reputation of the Leader and Chief Executive within and beyond the County could facilitate agreed policy positions on key issues impacting residents and businesses.

3.2 Recommendation 2: Housing Delivery
The changes to the National Policy Planning Framework (NPPF) and national housing targets will be a challenge for the Test Valley communities through the Local Plan process. The Council needs to build on the success of its community engagement and bolster those robust and honest conversations at pace.

3.3 Recommendation 3: Transformation
The council is beginning its transformation journey and taking time to reflect; however, an articulation of what transformation means for the Council is paramount for clarity, whilst twin tracking some quick wins around digitalisation and IT.

3.4 Recommendation 4: Community Councillor Approach
Continue to build on the success of the Community Councillor approach through review and shared learning, whilst exploring longevity of funds available to community councillors.

3.5 Recommendation 5: Audit
Strengthen audit through the appointment of an independent member along

with increased use of third-party internal audit services, such as the Southern Internal Audit partnership to develop skills, resilience and capability.

3.6   Recommendation 6: Performance and Data

Strengthen the use of performance and data to better inform continuous service improvement, evaluation of impact, benefit and value for residents.

3.7   Recommendation 7: Digitalisation

Expedite your digitalisation strategy to improve service delivery.

3.8   Recommendation 8: Communications

Communications is at the heart of all Council activity and success. Consider an LGA Led Communications review to build on this.

3.9   Recommendation 9: Workforce

Continue to build on your current investment in the workforce to grow the leaders of tomorrow, today.

4. Summary of 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:

- Cllr Sam Chapman-Allen, Leader, Breckland Council (Lead Member Peer)
- Caroline Green, Chief Executive, Oxford City Council (Lead Officer Peer)
- Mayor Peter Taylor, Leader, Watford Borough Council
- Deborah Johnson, Director - Customer Services and Organisational Development, Newark and Sherwood District Council
- Shawn Riley, Head of Economic Development, Wychavon District Council
- Kyle Evans, Political Officer for the LGA Conservative Group (Shadow)

- Katharine Goodger, 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.

The council also asked the peer team to focus on how Test Valley can further embed their place-based approach throughout the organisation.

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 at Test Valley Council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a 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 3.5 days onsite at Test Valley Borough Council, during which they:

- Gathered evidence, information, and views from more than 35 meetings, in addition to further research and reading.
- Spoke to more than 100 people including a range of council staff together with 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 members.

5. Feedback

5.1   Local priorities and outcomes

The peer team found Test Valley to be a high performing council, delivering for its residents and communities. This was heard consistently throughout the CPC from staff, members, community groups and partners who were all extremely positive in

their reflections.

The development of the corporate plan has been robust, reflecting a clear ambition from senior leaders and officers to achieve key objectives, driven by strong officer engagement and impactful service days. The corporate plan effectively reflects the council's vision of being responsive to community needs and delivering high quality, accessible services. This demonstrates a level of ambition, expertise, and drive across all areas of focus. The process has been marked by meaningful engagement, resulting in a powerful connection between the corporate plan and service delivery improvements, while also incorporating valuable insights from relationships with key partners.

The Community Councillor Approach is effective and widely valued by members, officers, and communities - demonstrating a strong ambition to proactively engage and deliver for residents across the borough. Its model empowers all members to drive place-based initiatives and take on a convening role to drive action. This fosters comprehensive buy-in and strengthens networks across the organisation, with partners and communities. This approach and establishment of the communities team enables officers to provide support and facilitation in a highly engaging and impactful manner, contributing to its continued success and meaningful outcomes. The peer team feel this approach works well for Test Valley, and the council should maintain progress in this area.

The council's use of deliberative engagement techniques, such as Citizens' Assemblies to inform policy around regeneration and to shape Test Valley's corporate plan, has been effective in ensuring inclusive resident participation and that the views of all are represented, not just the most vocal. This approach enables communities to shape their own futures, fostering meaningful engagement and driving better outcomes. By adopting an enabling process of deliberative engagement rather than a traditional top-down model, the council has empowered residents to come together around specific issues, ensuring resources are targeted where they are needed most. This approach shows how the council can continue to achieve impactful, community-driven solutions and facilitate the delivery of better outcomes for all.

The council should consider enhancing awareness of projects funded through community funding schemes to promote greater member learning and alignment with the corporate plan. Regular reporting of successfully funded community projects through the overview and scrutiny committee (OSCOM) is suggested to ensure robust oversight, continuous learning across members, and alignment with governance metrics to understand impact on the council's objectives. This approach would help strengthen the council's ambitious programme, enabling scrutiny members to provide valuable support to the executive and through into budget processes, ensuring these initiatives continue to align with the council's strategic objectives.

Clear communication of the council's corporate priorities to frontline officers is essential to ensure they understand their role in supporting and achieving these objectives. Providing clarity on these priorities, particularly on the vision for place, will help align efforts across all levels of the organisation. With multiple sites across the borough, the council must continue to ensure that all officers have access to consistent messaging and opportunities to engage with and understand corporate priorities, fostering a unified approach to achieving the council's goals.

The council's work on regeneration is strong, coherent, and underpinned by a clear vision and robust delivery plans, alongside an expert team. Bold decisions taken over the last few years have advanced the council's ambitious place vision, and the Andover Vision regeneration scheme has progressed well with defined timelines and a strong sense of place embedded. While plans for Romsey are ongoing and set to be clarified in the summer, it is vital the Romsey Future project aligns with the council's strategic financial planning, community engagement, and strategic relationships. With a well-managed, methodical approach, the council will ensure solid, sustainable progress without rushing the process. When there is further clarity around these regeneration schemes, the council needs to ensure clear communications on the timelines for delivery to residents, particularly in Romsey.

Councillors across all parties have collaborated over several years with officers to develop the Climate Emergency Action Plan and progress has been made in reducing the council's emissions and supporting community and business efforts. A

key achievement in 2023 was the adoption of hydrotreated vegetable oil (HVO) fuel for the council's vehicle fleet, cutting net carbon dioxide fuel emissions by up to 95 per cent.

Meeting the uplift in housing targets, which represent a significant 76 per cent increase, will be a challenging task for the council. However, the community and neighbourhood planning approaches provide a solid foundation, offering an opportunity to build on strong relationships with residents. Open and honest communication will be essential to ensure communities understand what these targets mean for their local areas and to navigate the difficult discussions needed around housing delivery. Despite challenges such as build rates and the ensuring a five-year land supply, the council has effective processes in place, supported by community and neighbourhood plans, community teams, policy teams, and civic leaders. Leveraging notable practices from these approaches will also be key to securing future community buy-in and aligning with the council's vision.

The peer team recognises the council's strong start in its Equality, Diversity, and Inclusion (EDI) journey, supported by committed champions across the organisation and buy in from senior leaders. The integration of Equality Impact Assessments (EQIAs) into decision-making and active officer engagement are positive steps. The council has made meaningful strides by fostering workforce inclusivity and creating spaces for all communities to be represented. To build on this progress, the council should ensure adequate resourcing, provide sufficient training to enhance capacity, and establish clear, actionable objectives to maintain a consistent EDI focus.

5.1.1   Performance

With the increased financial challenges anticipated, performance management, data, and audit functions will become increasingly important in Test Valley.

The peer challenge team reviewed reports and data, alongside considering the council's performance in interviews on site. The peer team found Test Valley to have a strong record of service delivery, supported with evidence from LG Inform benchmarking data, and the council benchmarks reasonably well against CIPFA nearest neighbour authorities and others in Hampshire in many metrics, including

being at the upper end of the scale in terms of processing time for planning applications and population estimated to have achieved a further education qualification.

Test Valley have made achievements in recycling and waste, being the first Hampshire authority to sign up for and approve the Hampshire Joint Municipal Waste Strategy, as well as the first in Hampshire to establish a strategic position on waste. The council also actively participates in consultations on waste reform. While the council's percentage of household waste sent for reuse, recycling and composting is in line with other districts in Hampshire, it remains below their CIPFA nearest neighbours. Although Test Valley's ability to improve recycling rates is somewhat limited by recycling material decisions taken by the waste disposal authority, there is an opportunity to take a more proactive approach to these challenges both in the local area and within the council's own properties. By leveraging their position of influence in the region and strengthening community engagement on recycling, Test Valley can play a key role in improving local rates and effectively engaging with waste and recycling reforms.

The new direction for the performance management framework is a strong starting point, reflecting an ambition not only to benchmark against others but also to learn from wider practices across the sector. The council should leverage this framework to deepen its evaluation processes, assess the impact of its initiatives, and build a robust evidence base to enhance the performance of services. By continuing to embed this approach, the organisation can drive sustained improvements and ensure its services deliver maximum value for its communities.

The council has made strides in adopting a data-led approach, improving individual service areas such as waste management. Building on this progress, Test Valley should ensure that performance monitoring is timely and up to date to enable agile interventions. It is crucial to not only track metrics around key performance indicators (KPIs) but also to assess and clearly communicate the impact of projects and interventions undertaken. Regular and consistent updates on both performance metrics and demonstrated outcomes should be provided to members at appropriate intervals to maintain transparency and alignment with priorities.

Embedding a performance and data-led culture across all levels of the organisation remains a key area of focus. This includes ensuring the availability of the most useful data to drive continuous service improvement and consistently evaluating the impact, benefits, and value delivered to residents. Such a culture fosters accountability and supports informed decision-making.

The council should consider introducing a residents' survey to complement existing data and provide valuable insights into all areas of service delivery. This would not replace deliberative engagement techniques but rather serve as a baseline to establish wider context and enable year-on-year measurement. Regular, consistent feedback from residents would help assess the effectiveness of services and inform continuous improvement efforts.

5.2   Organisational and place leadership

The peer team consistently heard of how approachable and visible the Leader and Chief Executive are across all areas of the council, including the depots, and how this enhanced the feeling from officers that Test Valley is one team.

The Leader and Chief Executive are also highly respected and well-regarded across the county and wider region, earning a strong reputation for their leadership and visibility. Together, they are well-positioned to navigate complex challenges, including regional discussions on devolution and growth, by representing the council's interests effectively. It is essential that both the Leader and Chief Executive share responsibilities in engaging external stakeholders and partners, including the business and voluntary sectors, ensuring a unified and cohesive approach. Their combined ability to facilitate constructive and sensible discussions strengthens their value as conduits for advancing key partnerships. Leveraging this collaborative strength will enable the council to present confident and persuasive arguments on critical regional matters, securing its position as a key player in addressing future challenges and shaping the region.

Test Valley demonstrates a strong commitment to learning and continuous improvement, driven by the officer management team and supported by members. This culture of growth reflects not only a willingness to celebrate successes but also

a proactive approach to identifying areas for further development, for example through *Talk Talk* sessions and service days. The peer team heard that staff were constantly challenging assumptions to ensure service performance remains high and that the council continues to innovate, for example with refreshed approaches to resident engagement.

The council's officer induction programme and personal development opportunities are significant strengths, reflecting a genuine commitment to developing talent from within. Inductions for new staff are thorough and positive, though the peer team felt their impact could be enhanced by incorporating training on the political context of working in Test Valley. There is a wealth of training available and a strong appetite for learning across the organisation, with officers encouraged to engage in cross-team projects for their personal development. To maximise impact and ensure equitable access, the council should adopt a more strategic approach to training and training budgets, balancing time and resources to ensure opportunities are effectively distributed throughout every area of the organisation.

With staff survey results for 2024 indicating that 87.5 per cent of staff knew what the new values were, the council's values, and particularly 'Kindness', are highly appreciated by staff and resonate strongly across the organisation. This reflects the inclusive and thoughtful process undertaken to establish and embed these values. The peer team was especially impressed by initiatives like *Talk Talk*, which demonstrate the council's commitment to ensuring these values are consistently upheld and integrated into its culture and ensuring that staff across all sites have the opportunity to actively engage.

The council's Cabinet maintains a strong and professional relationship with officers, supported by robust processes that enable thorough debate and informed decision-making. This collaborative dynamic fosters a positive working environment where genuine challenge and open discussions are encouraged ahead of decisions. The effectiveness of this approach is evidenced by some Cabinet Members, who are twin hatters, expressing a desire to adopt the council's decision-making process at the county level, highlighting the respect and support it has earned within Test Valley

Partnership working is a significant strength of the council, with overwhelmingly

positive feedback from the voluntary and community sector, business partners, health partners, neighbouring authorities, and other stakeholders. Partners describe Test Valley as unique, praising the council's honesty, openness, pragmatism, and willingness to collaborate constructively on solutions. This strong reputation underscores the council's commitment to fostering effective, solution-focused partnerships.

The partnership with the University of Southampton is a significant asset, providing a strong foundation for evidence gathering, evaluation, and insight. This collaboration demonstrates the council's ability to seize opportunities and innovate, leveraging the university's research capacity to inform decisions and secure independent evaluations. Such evaluations are critical for maximising impact and scaling initiatives effectively. This vital partnership holds great potential to further strengthen, grow, and enhance service delivery, and the council is encouraged to continue developing and expanding this valuable relationship.

Partnerships with other public services are also strong, and the Health Hub is a standout success, providing accessible health services while boosting footfall and viability in Andover town centre. Designed to support hard-to-reach residents, it integrates social prescribing and broader health delivery models, with health partners recognising Test Valley's pivotal role in its creation. Given this is not a typical district council responsibility, the partnership highlights the council's ambition to supporting residents, working closely with relevant stakeholders. The hub exemplifies a blend of innovative thinking and pragmatic execution, demonstrating the council's ability to identify opportunities, collaborate effectively with partners, and implement sustainable, impactful solutions on the ground. The council have seized the opportunities provided through their working arrangement with the University of Southampton and their Civic university agreement to ensure they are fully evaluating and understanding the impact of this work. This is an exciting opportunity to see what this can lead to and how this learning could be shared across the sector.

The council has built strong and valuable relationships with business partners, which are essential to sustain and develop further as responsibilities previously held by Local Enterprise Partnerships (LEPs) have transitioned to the county. Maintaining

these relationships through enhanced communication, such as with business involvement in the Economic Development Strategy, and active participation in networks will be crucial. The council's effective use of funding from the Levelling Up Fund and the UK Shared Prosperity Fund has already been instrumental in advancing local ambitions. Continued engagement with the business community will ensure their perspectives inform broader economic decisions and strengthen the council's ability to represent their interests in critical discussions.

The peer team recognises the council's efforts to celebrate its achievements and communicate its innovative work. There is an opportunity to build on this by being more vocal, consistent, and strategic in external communications and develop digital communications channels to ensure a broad reach. Communications are central to the council's activities and success, and developing a council-wide communications strategy, which could be supported by an LGA led Communications Review, would help prioritise campaigns and engagement. This would enhance the visibility and impact of successes across communities and stakeholders, ensuring broader recognition of the council's achievements and their impact and enabling shared learning among partners and residents.

5.3   Governance and culture

The council has a comprehensive member development programme with innovative sessions including the *Councillor Market Place* where members can drop in and speak to officers across services, and sessions to support councillor safety and personal resilience. The council should continue to make use of LGA training where appropriate.

Member and officer responsibilities are clearly understood, fostering a collaborative and productive relationship across the council. This shared understanding enables mature and constructive conversations at all levels, including committees and various governance structures, which is a notable strength.

The peer team observed a positive and constructive relationship between officers at all levels and the Cabinet, characterised by mutual respect and openness. Officers have the space to challenge Cabinet's views when necessary, and this is

reciprocated, fostering a culture of healthy debate. This dynamic ensures that decisions are evidence- and data-driven, further strengthening the council's governance and decision-making processes.

The council demonstrates strong cross-party working, with consensus across political groups on bold and ambitious decisions, particularly in regeneration efforts. This mature approach ensures debates occur at the appropriate level and in the right forums, setting a positive tone for the council and the wider communities. Such collaboration underscores a shared commitment to achieving the council's goals effectively.

Staff at the council are passionate, enthusiastic, and deeply committed to their work, creating a welcoming environment and a culture centred on service delivery and resident engagement. With a high response rate of 80 per cent in the 2024 staff survey, and with 85.3 per cent saying they would recommend the council as a place to work, this positive attitude is evident across the organisation and aligns with the council's clear goals. Residents, businesses, parish councils, and partners across the borough and county are firmly at the heart of the council's efforts, reflecting its dedication to serving the community.

Officers feel confident raising concerns with senior managers, who are approachable and visible across the organisation. Employees also benefit from strong support networks and effective relationships across the council, ensuring they can seek assistance even in the absence of their immediate line manager. This openness and accessibility are evident across all three dispersed sites within the borough, fostering a positive and supportive workplace culture.

The substantive audit work in respect of the 2023/24 Statement of Accounts commenced in October and it is anticipated that a full audit will be undertaken and concluded by the February 2025 deadline. External auditors have commended the council's positive approach to financial sustainability and raised no significant concerns regarding its accounts. While the council demonstrates strong financial stability, there remains an opportunity to continuously improve and ensure best value across all areas of the organisation.

The council has established clear and strong links between its corporate priorities, objectives, and risk management, which are now effectively reflected in the audit plan. This "golden thread" ensures alignment and coherence across these areas, embedding them into all aspects of the council's operations.

In 2022, the council made a positive step by separating the audit function from other committees, such as overview and scrutiny, creating a dedicated audit structure. While still in its early stages, this structure must evolve quickly to meet financial challenges and support the council's ambitious regeneration goals. Strengthening the audit function through the appointment of an independent member to the audit committee and leveraging the expertise of wider audit partnerships, including the Southern Internal Audit Partnership, will provide valuable external perspectives.

The council's Annual Governance Statement for 2023/24 went to the Audit Committee in March 2024. No significant governance issues were identified, however areas to strengthen included developing the links between the Corporate Risk Register and Service Registers and introducing a more rigorous approach to contract monitoring within services. The upcoming Audit Self-Assessment offers an opportunity to further enhance skills and capability, ensuring a robust and effective audit function to support the council's aspirations.

5.4   Financial planning and management

The council is in a strong financial position, underpinned by a prudent approach to investments and sound financial management over many years. Appropriate reserves have been built up, strategically aligned to support the council's ambitions around place and regeneration programmes. While recognising the evolving financial landscape and potential challenges ahead, these reserves provide a solid foundation to navigate future pressures and implement necessary measures to sustain long-term objectives.

The council has a good approach to its financial planning with an annually updated Medium-Term Financial Strategy (MTFS) which covers a three-year period up to 2027/28 and aims to compliment the Council's Corporate Plan. At the time of the CPC, the budget gap was forecast to grow from £174,000 in 2025/26 to £2.125m in

2026/27 and £3.887m in 2027/28. This gap is largely attributable to inflationary growth in the budget and the anticipated removal of some government grants. The council is aware of the potential challenges posed by a future business rates reset and is proactively prepared to respond when changes are announced, demonstrating a forward-thinking approach to navigating financial uncertainties. Whilst the position for 2025/26 is expected to be manageable, it must be a priority for Test Valley to accelerate efforts around the transformation programme to continue working proactively towards addressing upcoming challenges. Advancing at pace will help the council meet financial pressures while optimising service delivery for improved outcomes.

The council has clear and transparent systems of regular financial reporting and preparations for the 2025/26 budget have commenced, with assumptions on income, savings and inflation clearly set out. To enhance reporting Test Valley should consider aligning the monitoring of capital and revenue spending with the financial year.

Through Project Enterprise, Test Valley has been expanding and improving its property portfolio to generate financial returns. By the end of the 2023/24 financial year, the Council had invested £36.547 million across 11 projects, including developments at Walworth Business Park, Andover Trade Park, and residential properties in Romsey. The investments were funded using the Council's existing resources, without external borrowing. Since the project's launch in 2014, it has generated an additional £13 million in income, with properties yielding £2.559 million in annual income at an average return of 7.6%. There were £106,000 in rent arrears for four tenants in 2023/24, but these debts are being pursued and are not deemed uncollectable. Additionally, the Council purchased a lease for the Chantry Centre in Andover for £7.2 million in 2019, with the peer team shown plans to redevelop this area of the town centre during the time spent on site.

While the council's financial reporting is robust, technical enhancements and improvements to the quality of reporting should be made to ensure it is strong, clear and transparent. Test Valley should consider bringing together monitoring and capital revenue spend, and for this to be in line with the financial year.

Additionally, as financial challenges emerge, the council should ensure they are maximising additional income streams and income generation, focusing on smaller-scale initiatives such as promoting existing paid-for services to support financial resilience.

5.5   Capacity for improvement

The council's draft digitalisation strategy provides a strong foundation to advance, supporting the council to catch up with developments seen in other parts of the country. Adopting a careful, phased, and well-prioritised approach - similar to the council's approach taken with regeneration - will enable clear and sustainable progress. Once the strategy is finalised, a step-change in digitalisation is required, emphasising the need for swift delivery enabling Test Valley to transition firmly into the transformational digital arena. It will be important for the strategy to include consideration of staff skills development and readiness to deploy new systems and technologies, such as artificial intelligence (AI), and ensuring this is built into the delivery plan. Involving staff from the outset, for example through developing a network of change champions, will be key to ensure staff buy in and progress in this area. By learning from the experiences of others, the council can avoid pitfalls and benefit from best practices, preparing for future challenges while innovating and enhancing service design.

The peer team observed that the council's IT officers are highly regarded for their helpfulness and support. However, there is a need for further investment in hardware and software to enable more efficient and effective working. The inconsistent use of IT across teams, particularly in applications and tools, highlights an opportunity to establish a baseline of consistency and shared expectations for IT use across the organisation. For example, some teams have created process notes that could be shared more broadly to facilitate learning and standardisation.

The council's move to hybrid working also underscores the importance of developing capabilities in tools like Microsoft Teams and other applications to enhance collaboration. A consistent approach to IT use and the adoption of shared practices would benefit the organisation and improve efficiency. Additionally, the development

of the council's digitalisation strategy presents an opportunity to identify and implement quick wins e.g. moving forward with the review on telephony. These early successes could foster a sense of progress and enthusiasm for further digital transformation initiatives.

The peer team acknowledges that there are considerations as to the future of the Beech Hurst site, and the transition to hybrid working and reduced in-office staff presence presents an opportunity for the council to reconsider the use and layout of its office space over the medium term. Engaging staff in these discussions and plans could help ensure that any changes align with their needs and support the new ways of working effectively.

The communications team collaborates effectively with services to develop messaging on specific projects, showcasing strong internal support. The council should consider developing a corporate-wide communications strategy that prioritises key campaigns and messaging to drive behaviour change, such as increasing recycling rates. This strategy should integrate with the council's digital strategy and community engagement model, emphasising two-way communication with residents through tools like social media. Communications is at the heart of all Council activity and success, and as mentioned earlier in the report, Test Valley should consider an LGA Led Communications review to build on this and help align communications efforts with broader council priorities, maximising impact across communities.

Partnerships are a significant strength for the council, with opportunities to further leverage the voluntary and community sector (VCS) to enhance service delivery. The Peer Team saw notable practice on integrating public services with the VCS, and continuing to integrate the VCS into multi-agency meetings could help create a more cohesive, wraparound approach to casework, ensuring residents receive the best support from the right services at the right time. Additionally, there is potential to align the council's strong partnerships with businesses and the VCS to foster greater collaboration and buy-in for community-focused initiatives, expanding and deepening these partnerships to strengthen and enhance outcomes for residents.

6. Next steps

It is recognised that 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. Following publication of CPC report you need to produce and publish an Action Plan within 5 months of the time on site. 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 a 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 one day.

The date for the progress review at Test Valley Borough Council is expected to take place in September 2025.

In the meantime, Will Brooks, Principal Adviser for the South East, is the main contact between your authority and the Local Government Association. As outlined above, Will is available to discuss any further support the council requires and can be reached at william.brooks@local.gov.uk.

LGA Corporate Peer Challenge
Test Valley Borough Council

Annex A: Signposting to support and resources

Transformation

Transformation | Local Government Association

The LGA Transformation Support Offer helps councils in England innovate and improve services through tailored support, peer learning, funding, and training. It provides bespoke advice, access to networks and case studies, funding for transformative projects, and practical tools. The offer also includes leadership development and training to empower councils to drive efficiency and adapt to changing demands effectively. If you would like further information on any aspect of our Transformation programme, please email us at transformation@local.gov.uk .

Audit

The LGA offers a range of practical resources to support local authorities in managing their audit functions effectively. This includes guidance and templates to assist councils in setting up and running their audit committees, ensuring they meet legal and governance standards, and leadership essentials training for Councillors.

Ten questions for audit committees | Local Government Association

The LGA's Ten Questions for Audit Committees provides valuable guidance for local authorities to strengthen the effectiveness of their audit function. It offers a set of key questions that committees should ask to ensure they are fulfilling their roles in overseeing governance, risk management, and financial control. These questions are designed to help audit committees evaluate their own practices, assess the robustness of financial management processes, and identify areas for improvement.

Leadership Essentials | Local Government Association

Aimed at Audit Committee chairs, the Audit Committees Leadership Essentials Programme discusses how Audit Committees can be most effective. Drawing on the insights of regulators and practitioners it will provide space for participants to reflect on the way their committee functions and how it can gain maximum assurance that the council's governance arrangements are fit for purpose. For dates of upcoming programmes, please visit the link above or contact grace.collins@local.gov.uk

Please note, there are a wide variety of Leadership Essentials Programmes available to Cllrs, topics include financial governance, transformation, and risk management.

Performance and data

Research and data | Local Government Association

Performance management for local authorities | Local Government Association

The LGA's Performance and Data Support Programme helps councils enhance their use of data and performance management to improve decision-making and services. It provides access to benchmarking tools, guidance, and resources to analyse and compare data effectively. The programme includes tailored support for improving data capabilities, peer learning opportunities, and workshops to share best practices. It also promotes transparency and accountability through the development of robust performance frameworks and supports councils in addressing challenges using evidence-based approaches.

Digitalisation

Cyber, digital and technology | Local Government Association

The LGA supports councils in digital transformation through initiatives such as the Cyber and Technology Support program, which offers guidance on cybersecurity and digital resilience, and the Digital Pathfinders Programme, which funds scalable projects to address digital inclusion, connectivity, and security. Additionally, the LGA provides the Digitalisation Almanac, a guide outlining 12 strategic outcomes—including connectivity, inclusion, data management, and security—to help councils align their digital strategies with broader goals. These efforts aim to improve service delivery, foster innovation, and ensure inclusive, secure, and efficient use of digital technology. For more information, you can contact cyberanddigital@local.gov.uk

Communications

Our communications support offer | Local Government Association

The LGA offers communications support to councils through various services. These include one-day and three-day communications reviews, strategic workshops, and strategy development. They provide support in crafting organisational and place narratives, as well as crisis communications. Additionally, we offer training in social media, media handling, and skills audits to improve councils' communications capabilities. Services are tailored to specific needs, including communication with elected members and the public. For more information, you can contact commsnet@local.gov.uk

Member support

The LGA can broker political mentoring for Cabinet Members, committee chairs and group leaders to support them in their role. Political mentoring involves matching mentees with a LGA member peer from the same political party. This is particularly helpful for confidential conversations for members to explore tricky issues in a 'safe' environment. In identifying suitable mentors, we take into account the themes that mentees want to explore in mentoring.

Political mentoring costs £362/day with the time to be 'spent' as agreed between the mentor and mentee (e.g. in hourly blocks/ half days etc).
We typically suggest a mentoring engagement of three days equivalent which can be spread across a six-month period. For more information, please contact nick.searle@local.gov.uk

Case studies from across the sector
Case studies | Local Government Association

The LGA Case Studies page highlights examples of successful projects and initiatives undertaken by councils across the UK. It serves as a resource to share best practices, innovative solutions, and lessons learned in addressing local challenges. The case studies cover a wide range of topics, including health, social care, housing, climate action, community engagement, and more, offering insights into effective strategies and approaches that can be adopted or adapted by other local authorities.