

FOR PUBLICATION

LOCAL GOVERNMENT ASSOCIATION PEER CHALLENGE 2013/14 (JO30)

MEETING: 1. DEPUTY LEADER & EXECUTIVE MEMBER
FOR PLANNING
2. CABINET

DATE: 1. 20TH MAY 2014
2. 4TH JUNE 2014

REPORT BY: CORPORATE MANAGEMENT TEAM

WARD: ALL

COMMUNITY FORUM: ALL

FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS: Documents are available from the Policy section –
Town Hall room 1.13

- Peer Challenge Narrative
- Peer Challenge evidence base and case studies
- LGA Peer Challenge presentation

1.0 **PURPOSE OF REPORT**

1.1 To provide the Cabinet with the findings of the recent Local Government Association (LGA) Corporate Peer Challenge and gain approval for the improvement plan.

2.0 **RECOMMENDATIONS**

2.1 That Cabinet endorse the findings from the Peer Challenge and authorise the release of the report for publication.

2.2 That the Peer Challenge action plan is approved for implementation.

3.0 **BACKGROUND**

- 3.1 The Local Government Association (LGA) is a nationally-based body set up to represent and support local authorities throughout England. Its membership comprises all types of local authorities.
- 3.2 As part of the LGA's 'offer' to its member authorities, it provides for a free of charge Corporate Peer Challenge. The basis for a Peer Challenge is to allow elected Members and officers from other local authorities to visit a council and provide advice and guidance on current and future work with a view to offering suggestions for further improvement and development. The role of a Peer Challenge has been accentuated since the removal of the Audit Commission inspection system in May 2010. The Peer Challenge provides the kind of external verification and challenge previously offered by the Comprehensive Performance Assessment (CPA) and Comprehensive Area Assessment (CAA) process (although it should be emphasised that the Corporate Peer Challenge process is not an inspection and is entirely voluntary).

4.0 **THE CHESTERFIELD BOROUGH COUNCIL PEER CHALLENGE**

- 4.1 Chesterfield Borough Council took part in the Peer Challenge programme from Wednesday 13th November until Friday 15th November. The Peer Challenge Team included:
- Cllr Ric Metcalfe – Leader of Lincoln City Council
 - Julian Wain – Chief Executive of Gloucester City Council
 - Russell O'Keefe – Executive Head of Strategy, People and Democracy – Norwich City Council
 - Darienne Law – LGA Peer Challenge Manager
- 4.2 Before the challenge a range of background documents were supplied to the team including a short position statement, the Corporate Plan, financial information, performance data, key strategies and a number of case studies.
- 4.3 During the three day challenge period there was a variety of meetings and discussions with a range of members, officers and other stakeholders. This included:
- One to one meetings with the Chief Executive, Leader, other Political Group Leaders, Head of Governance, Head of Finance, Head of Business Transformation, Head of Internal Audit, Personnel and Financial Services Manager and Policy Manager.
 - Meeting with arvato and Kier representatives
 - Focus groups or informal meetings with Cabinet members, non-executive members, employees, corporate management team and key partner agencies.

4.4 The Peer Challenge focused on the following areas:

The Core Peer Challenge

There are core elements that all corporate Peer Challenges cover:

1. Understanding of local context and priority setting: Does the council understand its local context and has it established a clear set of priorities?
2. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
3. Political and managerial leadership: Does the council have effective political and managerial leadership and is it a constructive partnership?
4. Governance and decision-making: Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
5. Organisational capacity: Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

Exploring these areas will help provide reassurance and an indication about the organisation's ability and capacity to deliver on its plans, proposals and ambitions.

Additional focus

In light of the significant financial challenge we are facing in the years ahead and the associated ambitious transformation programme developed, CBC requested that the Peer Challenge team look at three additional areas:

1. To constructively test, challenge and inform the transformation programme to ensure this has the right focus and is moving at the pace required to deliver the changes the council requires.
2. Look at the current back office contract/partnering arrangements to see if these are delivering what is needed and how they can be taken to the next stage of development.

3. Examine the council's organisational capacity to deliver its capital and transformation programmes.

5.0 **KEY FINDINGS OF THE PEER CHALLENGE**

- 5.1 The Peer Challenge Feedback Letter is attached at Appendix A. This provides the feedback on all the focus areas along with suggestions for improvement.
- 5.2 Below is a summary of the feedback including the overall observations and messages:
 - There is a huge commitment to the borough and the council from both members & employees
 - The council is ambitious has done great things for the area, is performing well and is rightly proud of the impressive work on regeneration and economic development
 - You need to reflect on whether your financial challenges are greater than you thought
 - There is recognition of the need to invest to save, develop capacity and transform the way you work and some of the key elements for this are in place
 - There seems to be too many priorities given your financial challenges
 - You need a single comprehensive transformation programme focused at meeting your financial challenges
 - Skills capacity and changes in approach will be needed if you are to achieve the pace that you now need
 - The back office partnership is delivering against the original business requirements and it is vital that discussions are held about the nature of your future commercial relationship with them, including opportunities for future savings, levels of support and asset disposal and investment
- 5.3 The peer team developed some key recommendations for our consideration. These are based on what the team saw, heard and read during the challenge period. The team drew on their experience of the sector and knowledge of local government improvement. The following recommendations were made:

1. Revisit your financial assumptions and ensure that your medium term financial strategy has realistic targets for the next five years
2. Fundamentally review your corporate plan and the type of council you want to be in line with your financial challenges. You may want to develop and agree a clear operating model to guide the organisational transformation you need to undertake.
3. In line with the above, develop a clear and simple vision that can be easily articulated to members, customers, partners and employees about what the council will be like in the future, what is expected of them and what is in it for them to be part of that journey.
4. Create a single, comprehensive overall transformation programme, guided by the type of council you want to be, with realistic income and savings options for the medium term, which have been risk assessed and fully address the financial challenges you face.
5. Clarify leadership roles for delivery of the transformation programme and ensure that you have the right skills and capacity in the right places to enable its delivery e.g. HR, ICT, legal etc.
6. Reconsider current approaches that may hamper you delivering the change at the pace you need e.g. decision making and who is involved, the job evaluation process etc
7. Commence discussions with arvato and Kier about the nature of your future commercial relationship with them including opportunities for future savings, levels of support and asset disposal and investment etc.

6.0 **PEER CHALLENGE IMPROVEMENT PROGRAMME**

- 6.1 Since the Peer Challenge in November a number of the recommendations have been taken forward including revisiting the financial assumptions and extensive work on developing a new Corporate Plan. A number of key activities are planned for the next six to 12 months in order to respond to the challenges identified during the Peer Challenge and to maximise opportunities. Attached at Appendix B is the Peer Challenge Action Plan.
- 6.2 This plan will be owned and monitored by the Corporate Management Team. A progress report will be submitted to Cabinet at the six month stage and after 12 months.

7.0 **RISK MANAGEMENT**

7.1 The Peer Challenge letter identified a number of areas for improvement but no areas of serious risk. Many of the actions developed as a result of the Peer Challenge seek to minimise risk over the medium term including moving to a five year financial plan. The action plan activities are considered to be challenging but realistic. Corporate Management Team ownership of the plan and robust monitoring will ensure that the plan is delivered within a 12 month period.

8.0 **EQUALITIES CONSIDERATIONS**

8.1 There are no specific equalities issues or considerations arising from this report.

9.0 **FINANCIAL CONSIDERATIONS**

9.1 All activities identified within the action plan will be delivered within existing resources.

10.0 **RECOMMENDATIONS**

10.1 That Cabinet endorse the findings from the Peer Challenge and authorise the release of the report for publication.

10.2 That the Peer Challenge action plan is approved for implementation.

11.0 **REASON FOR RECOMMENDATIONS**

11.1 To respond effectively to the challenges identified within the 2013/14 Peer Challenge.

CORPORATE MANAGEMENT TEAM

Further information on this matter can be obtained from Donna Reddish (Extension 5307).

Officer recommendation supported/not supported/modified as below or Executive Members' recommendation/comments if no Officer recommendation.

J. F. Kelly

Signed

Executive Member

Date: 20.5.14

Consultee Executive Member/Support Member comments (if applicable)