

Corporate Peer Challenge: learning and evaluation

Purpose of report

For information.

Summary

To provide the Board with a summary of the learning from the Corporate Peer Challenge (CPC) programme delivery, including the common messages in peer challenge reports and how these are shared and utilised.

Recommendation

That the Improvement and Innovation Board consider the feedback/learning and provide any comments on the approaches to sharing learning.

Action

Officers to continue to monitor feedback from and the impact of CPCs, in order to ensure they continue to deliver a worthwhile product for councils and to consider how we might share the learning from authorities' CPCs even more widely in the future.

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Background

1. The Corporate Peer Challenge continues to be an effective tool at the heart of the LGA's support for sector-led improvement (SLI).
2. A recent independent evaluation ('Rising to the Challenge', February 2017) concluded that the Corporate Peer Challenge continues to be highly regarded by councils who have received one, delivers a range of positive benefits and impacts, and provides value for money. It also suggests the peer-led approach enables councils to benefit in several ways. Peers gain new insights on how other councils operate and have the opportunity of bringing back learning to their own organisation in ways that both improve service outcomes and drive efficiency.

Analysis of peer challenge reports

3. In addition to the peer learning, peer challenges provide useful insights into how councils are continuing to respond to the challenges facing the sector.
4. Corporate Peer Challenges focus on five core components:
 - 4.1 Understanding of the local context and priority setting
 - 4.2 Leadership of place
 - 4.3 Organisational leadership and governance
 - 4.4 Financial planning and viability
 - 4.5 Capacity to deliver.
5. An analysis of the most common messages within the peer challenge reports in 2016/17 has been undertaken – set out below. The analysis provides an insight into how councils are delivering their priorities within a rapidly changing policy environment, continued austerity and other demographic challenges.
6. In summary, the analysis suggests councils have a good understanding of the place they serve and represent, with many becoming more evidence-led in terms of their priority setting. Councils are providing strong leadership of place through positive relationships and partnerships, and seeking to influence sub-regional, regional and national policy. Most councils have a transformation programme of some description, with many focussed on developing new approaches to service delivery. Financial strategies are becoming predicated on a wider set of approaches, including commercialisation. There are several ways that councils are developing or maintaining their capacity to deliver, including digital transformation and shared services.

7. The following is a summary of the most frequent and common feedback messages from peer teams during 2016/17. It is structured in line with the five core components and high level questions considered by all LGA Corporate Peer Challenges.

Understanding of local context and priority setting: Do councils understand their local context and have they established a clear set of priorities?

- Councils have a strong understanding of place and demonstrate a good awareness and depth of knowledge of the needs and aspirations of local communities, coupled with a clear desire to see better outcomes for residents.
- Many councils are drawing on an increasing range of information, analysis and engagement to enable a comprehensive and sophisticated understanding of the local context. The potential and scope to use customer insight and data further to inform local priorities was also a common area for improvement. Councils looking to, or needing to, become more 'evidence-led' and 'data-driven' is a key emerging theme.
- There is a clear commitment to stakeholder engagement and consultation to supplement the understanding of the local context, determine priorities, and assess the impact of service delivery. And lots of good examples of engagement with communities – including targeted and topic based approaches, and digital channels. It was also an area for further improvement cited by many peer teams.
- Most councils translate their understanding of the local context and challenges effectively into a clear set of relevant strategic priorities, usually articulated via a council/corporate plan. There is scope to strengthen the narrative about the rationale for priorities. Some councils were encouraged by the peer team to consider developing an overarching vision or 'story of place'.
- While many councils are able to demonstrate some impressive progress against stated priorities, for some an increased focus on the outcomes expected would enable more accountability for delivery and demonstrate the measurable difference and impact residents can expect to see.
- Priorities within corporate plans commonly include: economic growth (including tourism, job creation and employment and education), people and place shaping (including community working, safer communities and connected communities), housing (including sustainability and affordable homes), health and well-being (including children and older people) and the environment.

Leadership of place: Do councils provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?

- Councils appreciate the role they play in providing leadership to the place they serve and represent. They know the importance of developing positive relationships, working

arrangements and partnerships with a range of organisations, stakeholders, and local businesses to build consensus on a shared vision for the place, and create a basis for collaboration and joint working.

- The role of the chief executive and leader in providing leadership was often cited. Many of the feedback reports mention a strong and effective leader and chief executive and how they personally help to develop relationships and enhance the reputation of the council. Their input to sub-regional, regional and sometimes national debates and forums that potentially impact on the area the council serves was also a common theme.
- Relationships with partner organisations across the public, private and voluntary sectors are often described as constructive and enthusiastic, and are seen to be delivering influence, impact and improvement in outcomes. In terms developing this further, many councils were encouraged to consider how they could seek earlier involvement and engagement from partners and other stakeholders to enable and encourage fuller collaboration, joint problem solving and co-production of solutions.
- Peers also often recommended earlier communication with communities around decisions that were likely to involve unpopular choices, ensuring the context and challenges faced by the council were made clear. Linked to this is the relationship between council and citizen, with some councils starting to consider how to re-set and re-balance expectations.

Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented.

- The majority of councils were described in positive terms with regard to the organisational leadership provided by senior politicians and managers. Many chief executives and leaders were described as well-respected and highly regarded by staff. They clearly provide a critical role in providing clarity about the direction of travel, and shaping the organisational culture, behaviours and values.
- Relationships between officers and councillors tend to be good, with supportive interaction and effective dialogue. Relationships are based on mutual respect and a good understanding of respective roles. There are of course exceptions to this. One common area for improvement is finding time for more dialogue – both formal and informal - between portfolio holders and senior officers for horizon scanning and longer term strategic planning.
- There is generally good cross party working that is consensual and inclusive. Councillors from all groups felt they had appropriate access to information and that relevant and timely opportunities exist for councillors to be informed and involved in decision making. Political composition (current and historical) has a bearing on this of course. Standards issues look to be rare. But where there are negative issues around member behaviour this impedes the council's progress in delivering priorities and overall

performance.

- Opportunities for non-executive councillors to provide scrutiny and challenge are considered an important part of the governance arrangements. Overview and scrutiny is often valued, with some good examples of where it is working well and adding value to policy development. However, there is often potential for the scrutiny to be focussed more on strategic issues including the transformation programme, and involved earlier in the policy development cycle.
- Councils appreciate the importance of robust performance management information and arrangements. Many are investing in its further improvement and development. Strengthened arrangements are enabling managers and members to more proactively monitor in-year service and budget performance and take remedial action where necessary.
- Most councils have a transformation programme. These vary in terms of their focus, but many include exploring new models of service delivery. The pace and scale of change in councils can unsettle staff. Their understanding and buy-in to organisational change is helped by effective internal communications. The need for a continued development of a clear, regular, consistent and realistic narrative between the top and bottom of the organisation was often identified by peers. Councils were often advised to consider developing the range of channels to achieve this.
- Capacity to lead and manage transformation is often cited as an area for further consideration. Ensuring sufficient leadership and management capacity was in place – including programme and project management capability and expertise - in order to deliver their future change and transformation programmes was a frequent recommendation.
- Councils need to further strengthen and modernise governance to support the transformation programme. Some were encouraged to become more ‘fleet-of foot’ and practical in their approach to decision making. Others were recommended to refresh, strengthen or streamline procurement and commissioning.
- Councils with a strong two-way communication with staff, feedback mechanisms and a staff suggestion scheme were often the ones with a positive and supportive culture for innovation and ideas. They encourage the involvement of staff in change processes. These councils also tended to have a focus on staff development and progression including management development, with a focus on supporting leaders of the future.
- Many councils are explicitly striving for a ‘one council’ ethos and culture. Some are further advanced than others. Many councils have staff who are loyal, motivated, and demonstrate the core values and behaviours of the organisation. A need to improve corporate working was evident in some councils, with particular reference made to the need to break out of silos, and develop a more streamlined, connected and cohesive approach.

Financial Planning and Management: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented effectively?

- The vast majority of councils have a clear understanding of the financial challenges they face. Whilst there are still many difficult pressures to be negotiated, there are numerous good examples of where these ongoing challenges are being well understood and planned for.
- There are big variances in how equipped councils are to respond to the financial challenge. The ability to respond to the challenge can often be determined by historical factors and decisions taken pre-austerity.
- Councils have continued to respond to the ongoing challenge of reducing revenue budgets in a variety of different ways. Financial strategies are becoming more diverse, proactive and innovative. However, due to the scale of the future financial challenges facing many councils, there is an acknowledgement that financial planning and management will require increasingly difficult decisions in the future. For most places, there are no more easy wins.
- The development of commercial income generating activity is underway to some extent in many authorities. There are examples of where this is more than just a focus on making savings, with proactive councils establishing income generation plans and developing multiple revenue streams. But there is a need for some councils to define and understand the term “commercialisation” more fundamentally across the organisation if they are to effectively prioritise, resource and deliver income targets.
- Many councils are able to demonstrate a grip on their financial position as a result of having developed clear, realistic financial planning. Where this can be improved, there is a requirement for more effective financial management systems based on quality intelligence, better management access to this intelligence and a review of reporting mechanisms.

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

- Councils across the country are benefitting from a loyal, enthusiastic and committed workforce who understand the need for change and to develop new and more efficient ways of working which avoid the duplication of activity. Many senior management teams recognise that their workforce is their greatest asset in ensuring the continued effective delivery of services in a challenging financial climate.
- Many places are recognising that agile, flexible staff are needed to deliver effective services in a climate of ongoing financial challenge. These places are continuing to invest in staff, taking steps to fully leverage the skills of a reduced workforce and utilise the experience of existing staff members. Member development is also a key consideration.

- Skills gaps within councils are being identified, particularly in relation to commercialisation. This is at both an officer and member level. Training and any new recruitment would do well to target the skills currently missing within organisations, and there is opportunity for councils to take measures to retain these skills where they are present, develop capacity and enable successful succession planning.
- Peers have highlighted several areas where councils can positively impact their capacity to deliver. Namely: an efficient and effective digital strategy; flexible partnership working that ensures early engagement with stakeholders; flexible working practices, utilising cross-departmental and co-location working; clear and consistent modern management practices and strong leadership and clear communication.
- Exploring new, innovative approaches to service delivery has been highlighted by peers as useful in developing capacity and resilience. Commissioning, outsourcing or shared service initiatives with other authorities, whilst areas of focus for some councils, would benefit from further development in others.
- The continued drive to share and publicise these innovations through best practice examples is encouraged as a way of ensuring shared learning and evidence-based decision making across authorities.

Sharing the learning

8. The learning from Corporate Peer Challenges is shared in several ways, including:
 - 8.1 Good and innovative practice database: examples of practice from Corporate Peer Challenges are added to the database on the LGA website as a means of sharing them with the wider sector. We amended the preparation guidance issued to councils ahead of a peer challenge to encourage them to put a section in their position statement (self-assessment) identifying practice that they consider to be worthy of sharing.
 - 8.2 Peer learning: peers gain new insights on how other councils operate and have the opportunity of bringing back learning to their own organisation with a view to improving service outcomes and efficiency.
 - 8.3 Publication of peer challenge reports: there is an expectation that councils will publish the feedback report, making them publicly available for others to read and learn from. Reports cite strengths and effective practice, as well as areas for further consideration and improvement.
 - 8.4 Peer Challenge Manager Briefings: LGA challenge managers come together 3-4 times a year to share learning about the peer challenge process and examples of practice in councils.

8.5 Peer training events: experience and examples from peer challenges are shared by LGA Programme Managers.

8.6 Chief Executives 'roundtable: we have recently held an event with a number of council chief executives to discuss their experiences of leading corporate peer challenges and to share learning. We are considering further events.

8.7 Sharing with LGA colleagues so that learning from the programme can inform and influence other facets of the Sector-Led Improvement offer, such as political leadership programmes.

Programme delivery

9. Take up of the Corporate Peer Challenge continues to be positive. Four fifths (80%) of the sector have had a Corporate Peer Challenge, or are signed up for one. The numbers of councils who have not yet taken up the offer, and the reasons why, are closely monitored. The number continues to reduce. Approximately half of the Corporate Peer Challenges delivered during 2016/17 and 2017/18 have been in councils receiving one for the first time.
10. During 2016/17 we engaged with 62 councils through the programme: 51 councils received a Corporate Peer Challenge, seven councils received a Follow-Up Visit by some or all of the original peer team (typically one to two years after the Peer Challenge), and five councils received a Finance Peer Review. We deployed more than 250 officers and councillors as peers who delivered more than 1,200 days of challenge and support to councils. Corporate Peer Challenges teams were made up, on average, of 4.2 peers plus an LGA peer challenge manager.
11. Delivery in 2017/18 is set to be at similar levels. It is anticipated that by end of March 2018 we will have engaged with nearly 70 councils. This demonstrates a continued and notable investment by the sector in its own improvement.

Feedback from councils

12. Feedback is sought from councils that have received a Corporate Peer Challenge. This is collated through two surveys sent to Chief Executives and Leaders:
 - 12.1 Feedback survey: survey sent to the Chief Executive and Leader on completion of the Peer Challenge to ascertain initial feedback about the process and peer team.
 - 12.2 Impact survey: sent to the Chief Executive and Leader 12 months after the Peer Challenge to ascertain measures and perceptions of impact in the longer term.

13. In terms of the feedback survey, headline findings from those conducted in the first half of 2017/18 include:

- 13.1 100% were very or fairly satisfied with the Corporate Peer Challenge their council received (79% were very satisfied).
- 13.2 100% would be likely to recommend a Corporate Peer Challenge to other councils if asked about it.
- 13.3 100% said their confidence about the council delivering its priorities had increased, having participated in the Corporate Peer Challenge.
- 13.4 97% said that the objectives they had for taking part in the Corporate Peer Challenge were achieved fully or largely.

14. In terms of the impact survey, headline findings from authorities who had received a Peer Challenge a year ago (i.e. during the first three quarters of 2016/17) include:

- 14.1 96% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the council's performance.
- 14.2 96% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the delivery of council priorities.
- 14.3 88% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the council's external reputation.
- 14.4 88% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the culture and behaviours within the council.
- 14.5 92% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on relationships with partnerships external stakeholders.
- 14.6 72% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the financial sustainability of the council.

Implications for Wales

15. The Corporate Peer Challenge programme applies to councils in England only. The WLGA does not commission us to work on wider improvement issues, including peer challenge.

Financial Implications

16. There are no direct financial implications.

Next steps

17. The LGA will continuously monitor feedback from and the impact of CPCs, in order to ensure they continue to deliver a worthwhile product for councils. We will be reviewing how we might share the learning from authorities' CPCs even more widely in the future.