

Corporate Peer Challenges

Purpose of report?

For discussion and direction.

Summary

This report updates the Board on the first thirty corporate peer challenges with an analysis of what these authorities invited the LGA to challenge them on, the main issues identified by the peer challenge teams and as a result, which of the LGA programmes, support activities and campaigns can best assist these authorities in implementing the recommendations made to them.

Recommendation

Members are invited to note progress to date and to offer views on the outcomes of the first thirty corporate peer challenges and the direction of future planned activities.

Action

Officers to take on board the decisions agreed by the Board.

Contact officers:

Mike Short

Andy Bates

Position:

Senior Adviser

Principal Adviser

Phone nos:

07799 038432

07919 562849

E-mail:

mike.short@local.gov.uk andy.bates@local.gov.uk

Corporate Peer Challenges

Background

1. As part of the LGA's offer to help councils improve we have made available to all councils, at no cost, a corporate peer challenge. The challenge is primarily an improvement tool and is tailored to allow councils to use it to focus on their local priorities. However, all corporate peer challenges include five core components that look at issues of leadership, corporate capacity and financial resilience whose absence we know from experience is linked to organisational failure. To date 73 councils have had a corporate peer challenge with another 100 booked in or in discussion to the end of the year.
2. The five core components for all corporate peer challenges are:
 - 2.1 Does the council understand its local context and has it established a clear set of priorities?
 - 2.2 Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
 - 2.3 Does the council have effective political and managerial leadership and is it a constructive partnership?
 - 2.4 Are effective governance and decision-making arrangements in place to respond to key challenges and manage change and transformation?
 - 2.5 Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?
3. The first thirty corporate peer challenges carried out over the period April 2011 to March 2012 have been assessed against three headings:
 - 3.1 What are the main areas of focus councils chose (in addition to the core elements),
 - 3.2 The main issues identified by the peer challenge teams and as a result,
 - 3.3 Which LGA programmes, support activities and campaigns can best assist these authorities in implementing the recommendations made to them?

Analysis

What were we invited to challenge?

4. A number of councils decided to limit the scope of their peer challenge to focus just on the core components. The following ranking indicates other local priorities/issues selected:
 - 4.1 **14%** transformation/efficiency
 - 4.2 **8.5%** localism/community engagement
 - 4.3 **7%** local growth
 - 4.4 **4.5%** future strategy.
5. This clearly demonstrates that a significant number of these thirty councils required more than the five corporate components. Of particular interest to them were issues around transforming their authorities in the context of austerity, in which the desire to be challenged on productivity and efficiency is obvious. In addition the topic of localism as a potential model way forward with which to achieve improved autonomy and greater community engagement is also of interest. Finally a number had some concerns around their economy and requested views and challenges on progress to date.

What were the main issues identified?

6. The following ranked order indicates which issues were most identified in corporate peer challenges (percentage = the number of times they were raised in the thirty peer challenges);

Most frequently mentioned

- 6.1 **Finance 63%** - *ranging from a need for a Medium Term Financial Strategy to deliver savings/efficiencies in both the short and long term, addressing the adult social care overspend as a related project, and public health preventative spend and well-being funds*
- 6.2 **Organisational development 56%** - *such as review the strategic framework and consider the consequences of the current restructure in order to put in place arrangements, to addressing the potential capacity and skills gaps*

- 6.3 **Leadership 53%** - *ranging from improve the conduct of Council meetings and review governance arrangements, through to strengthen political leadership both internally and externally*
- 6.4 **Communications 43%** - *ranging from a need to have a more pro-active media strategy and clear marketing campaign in order to share successes with partners and the public, through to internal communications will continue to be important at a time of continuing transformational change*
- 6.5 **Economic development 40%** - *ranging from effective leadership to being an active and effective partner in the Local Enterprise Partnership*

Mentioned on less than 40% of occasions

- 6.6 **Commissioning 30%** - *such as ensuring that there is a corporate (rather than silo) focus for a commissioning approach and a continued debate on key strategic issues*
- 6.7 **Governance 26%** - *such as modernise and streamline governance structures to provide the right level of support to the Leader and Cabinet*
- 6.8 **Localism 26%** - *including using the learning from the community budgets projects to change the culture and approach across the council and reviewing community engagement arrangements and activity is a priority*
- 6.9 **Partnership working 26%** - *ranging from the need (as public sector finances are constrained) for local partnerships to increase leverage funding, through to mapping and linking partners' community engagement mechanisms*
- 6.10 **Project management 23%** - *ranging from ensure a robust programme and project management approach to monitor and challenge progress of change, through to effective benefits management will be essential in linking projects and programmes to ensure agreed efficiencies are delivered with outcomes secured*

Mentioned on less than 20% of occasions

- 6.11 **Performance management 13%** - *such as although performance is monitored quarterly it has few targets and does not use comparative data. Benchmarking could be more ambitious and outward looking*

- 6.12 **Customer engagement 13%** - *such as integrate customer insight, customer feedback, costs, quality assurance and performance in order to manage outcomes*
- 6.13 **Education 10%** - *such as manage the capacity of the school improvement team to ensure effectiveness and consider the future funding model for school improvement*
- 6.14 **Asset management 10%** - *ranging from having a limited asset base and capital reserve and the importance of growing the capital reserve through more co-ordinated management of assets*
- 6.15 **Shared services 10%** - *such as define your position within the region working closely with neighbouring local authorities through mature conversations about joint approaches*
- 6.16 **Scrutiny 6%** - *such as ensure that the progress in securing the anticipated financial benefits from the Organisational Transformation Programme is scrutinised robustly*
- 6.17 **Other** - Contract management, Adult Social Care, Housing, Local plan all at 3%.
7. Given the challenges facing local government it is of no surprise that the issue of finance is a common feature for all thirty councils. There is a clear correlation between the number of peer challenges which focused on transformation and efficiency and the proportion of issues relating to finance, organisational development and commissioning raised by peers. However, the number of issues raised around economic development is proportionally higher than the number of times local growth was identified in advance as a focus area. It is noticeable that the number of councils choosing to use their peer challenge to focus on local growth continues to grow and it is one of the areas in which councils see the LGA peer challenge adding value.
8. What LGA programmes/support activities/campaigns can best assist implementation of recommendations?

Programmes

9. This high level analysis of the peer challenge reports and their recommendations demonstrates that a number of LGA programmes have a positive contribution to make in helping councils respond, as follows (programmes are ranked in accordance with the frequency of issues mentioned in the reports):

- 9.1 Finance
- 9.2 Workforce
- 9.3 Economy and Transport
- 9.4 Localism
- 9.5 Environment, planning and housing
- 9.6 Health, well-being and adult social care.

10. This report will be discussed with relevant Heads of Programmes in order to identify how best the LGA could both provide practical support within the above programmes and any key messages that could be promoted to both Government and the wider sector.

Support Activities

11. This high level analysis of the peer challenge reports and their recommendations demonstrates that a number of LGA support activities have a positive contribution to make in helping councils respond, as follows (support activities are ranked in accordance with the frequency of issues mentioned in the reports):

- 11.1 Councillor development
- 11.2 Officer development
- 11.3 Productivity – future ways of working
- 11.4 LG Inform
- 11.5 Productivity – asset management
- 11.6 Creative Councils (innovation).

12. The majority of support activities recommended to councils following a corporate peer challenge fall within the Leadership and Productivity remit. Close links have been established to continually update and cross reference growing potential demand with the delivery and implementation of support activities. For example a large number of peer challenge reports provide suggested links to relevant LGA and other organisations' support activities. This is followed up with councils by the Principal Advisers, recommending specific support packages for councils following the peer challenge.

Campaigns

13. This high level analysis of the peer challenge reports and their recommendations demonstrates that a number of LGA campaigns have a positive contribution to make in helping councils respond, as follows (campaigns are ranked in accordance with the frequency of issues mentioned in the reports):

- 13.1 Be a Councillor
- 13.2 Local Growth

- 13.3 Sustainable funding for local government
- 13.4 Show us you care – future of adult social care.

14. As with potential support activities, details of any relevant on-going campaigns which might be of assistance are included within the peer challenge reports themselves.

Conclusion

- 15. This is a brief summary of the first thirty corporate peer challenges. It provides some initial evaluation of issues faced by these authorities, the recommended actions to help resolve them and which LGA programmes, activities and campaigns can assist them.
- 16. Further evaluation work continues via Cardiff Business School and our own progress checking through conversations with Chief Executives (after a period of six months following the on-site work) to identify progress on implementing the peer challenge recommendations and evidence of any resulting improved outcomes for residents/businesses.