

## Strengthening Corporate Peer Challenge

### Purpose of Report

For direction.

**Is this report confidential? Confidential Appendix (4A)**

### Summary

At the Improvement and Innovation Board meeting on the 13 October 2023, members agreed to look at options to 'strengthen the LGA's approach to delivering Corporate Peer Challenge'. This paper sets out the priority areas to address and proposes a range of options for improvement.

This and future reports on this topic will also be taken to the Improvement and Development Agency (IDeA) Board.

**LGA Plan Theme:** Support for councillors

### Recommendations

**That the Board comment upon the proposed options in Appendix 4A and provide direction to task officers with developing a fully costed project plan, including all resource implications and a fully developed communication and engagement plan.**

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## Strengthening Corporate Peer Challenge

### Background

1. At the Improvement and Innovation Board on the 13 October 2023, members agreed to look at options to ‘strengthen the LGA’s approach to delivering Corporate Peer Challenge’. This paper sets out the priority areas to address and proposes a range of options for improvement.
2. Corporate Peer Challenge (CPC) has historically been and continues to be, one of the most valued support tools the LGA offers the sector: feedback from councils receiving CPCs highlights the positive impact they achieve.
3. The operating context for councils has changed significantly in recent years, with an increase in the number of councils facing significant challenges and several instances of councils issuing Section 114 notices. The delivery of Sector Led Improvement (SLI) is seen as a factor in ensuring good performance of the sector, providing assurance to the sector and to central government and facilitating councils to achieve their best value duty. In this context, it is important that we continue to strengthen the CPC offer to ensure that it is the best it can be and meets the needs of the sector.
4. In addition, the development of Oflog’s role in providing “authoritative and accessible data and analysis about the performance of local government and supporting its improvement” through early warning conversations and other mechanisms, may present challenges but also poses a unique opportunity to address misconceptions about CPCs.
5. This new operating context has therefore led to considerable debate in the sector, the trade press and within central government regarding SLI and in particular CPCs. Instances of current discourse can be seen in the following recent articles:

[After the crash: the future of sector led improvement](#)

[System for struggling councils is not fit for purpose](#)

6. Officers have undertaken desk-based research to review the points raised in these articles and have identified the following five perceptions of peer challenge:
  - I. Councils can avoid having a Corporate Peer Challenge as it is voluntary. The councils that most need peer challenges are therefore avoiding them.
  - II. CPCs do not adequately identify and/or address underperforming councils, especially those experiencing financial failure.

- III. Councils can select the peers they want on a CPC therefore delivering messages that the council want rather than need.
  - IV. The verbal and written feedback is not directive, robust, or clear, with councils able to edit the feedback and not publish their reports.
  - V. The LGA cannot be an authoritative voice and cannot direct councils to progress recommendations as the LGA is a membership organisation.
7. Subsequently, the following three priority areas for improvement have been identified:
- I. To look at options to **make our Corporate Peer Challenges (CPCs) more robust** and to better demonstrate the value they add and the assurance they already provide through effective communications to showcase their value to the sector and DLUHC.
  - II. To identify opportunities to **promote SLI and challenge perceptions through more effective communications and engagement** with the sector. To better share its values and approach and demonstrate the significant positive impact it is already making across local government. (linked to improved promotion of CPCs referenced above).
  - III. To have and be able to demonstrate greater assurance in the **capacity and capability of our officer and member peers** to deliver effective support to the sector including through a renewed approach to peer development and training.
8. Many of the comments articulated in the trade press do not correlate with feedback from external evaluations, surveys and messages conveyed in CPC reports. This feedback indicates strong and continued support for SLI and CPC as still being the most effective improvement and assurance tool for councils.
9. Indeed, the government's draft statutory Best Value Guidance recognises the value of CPCs as a tool for self awareness and improvement, and indicates that councils should have a CPC at least once every years (as well as recommending CPCs engage with wider SLI support). A recent sector survey by DLUHC also found that the sector support programmes are popular and **considered to be the most in-depth and best value support offering that those in the sector are aware of**. It also found that an important benefit of the programme is that it enables participants to establish sustainable peer networks. These networks help spread awareness of the programme as well

- as helping to share practice. Strong take up also demonstrates the value of CPCs with over 160 CPCs and Progress Reviews delivered since April 2022.
10. User feedback is also strong with [external evaluation](#) undertaken in 2020 by Shared Intelligence identifying that ***almost 80 per cent of respondents either agree or strongly agree that SLI is the right approach in the current context.***
  11. The CPC Annual Survey from both 2021/23 and 2022/23 (conducted with all councils receiving a CPC in that year) found that ***100 per cent of respondents indicated that the process of preparing for and participating in the peer challenge has had a positive impact on their council.***
  12. The CPC conducted on the LGA itself identified Corporate Peer Challenge as a strong USP (unique selling point) and provided feedback that: ***Whilst the CPC should remain as the key learning and challenge tool for the vast majority of councils - and is seen as such by many of the council representatives the team spoke with - it is important to not lose its unique value as an improvement tool...***
  13. The LGA's CPC also made the following recommendation: ***Lead the design of a reshaped sector support and assurance framework for local government, reflecting the different needs seen across the sector now. Build and add to the strengths that already exist, with separate offers for 'assurance' and 'improvement', ensuring models and ways of working for those requiring a higher level of assurance are suitably utilised in the timeliest way possible.***
  14. There is a recognition that there is an opportunity to strengthen the CPC approach, and to make it more robust and consistent. Additionally, it is understood there is a need to improve communication and promotion to more effectively demonstrate the existing value, impact, and rigour of CPCs and to challenge inaccurate perceptions.
  15. Members are asked to review the options for strengthening CPCs set out in the **confidential Appendix 4A** to this report.

## Implications for Wales

16. There are no implications for Wales. Our Corporate Peer Challenges are part of the Sector Support Programme funded to provide support for English authorities. The LGA looks to make resources available to WLGA and Welsh authorities where this is possible.

## Financial Implications

17. Subject to agreement of the recommendations in the report, next steps will include the development of a fully costed and resourced project, communications, and engagement plan; however, it is important to identify some of the high-level resource implications for Improvement and Innovation Board Members consideration.
18. Applying the proposed options overall will impact on the workload of the national peer challenge and regional teams. There are also some specific areas that will require some additional resources:
  - To strengthen, rebrand and relaunch the CPC offer, there will be a significant need for strategic and operational communications support.
  - To further evidence the impact of CPC, there will be a requirement for enhanced strategic research and data analysis support.
  - To collate, develop, present and maintain up to date case study material and ensure it is communicated effectively there will be a need for additional resources to assess, analyse, draft and place case studies.
  - To extend the training and development for member and officer peers will require additional and skilled trainers to deliver this programme.

## Risk implications

19. Further work is required to undertake a detailed risk assessment subject to the agreement of the recommendations in this report.
20. Any shift in the purpose of CPC, including moving towards a more assurance focussed approach, will present additional risks ensuring ongoing council and peer engagement and support for the updated approach.

## Equalities implications

21. None arising directly from this report, the LGA is committed to promoting equality, diversity and inclusion (EDI) standards throughout its work.

## Next Steps

22. We will aim to strengthen CPC and undertake a rebrand and relaunch of this offer, including a programme of sector engagement through to April 2024, aiming to pilot the refreshed offer and build in learning by June 2024.