**Corporate Peer Challenge**

**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 (CPC). 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 113 councils have had a corporate peer challenge, with a further 70 booked or in discussion. . Whilst not subject to this piece of research over 100 peer challenges have also taken place of the key service areas of adults, children’s and health.
2. As part of the wider evaluation of “Sector led Improvement”, approved by the Improvement and Innovation Board, the LGA also commissioned Cardiff Business School to undertake an evaluation of the effectiveness of the LGA’s peer challenge programme. This has been undertaken in two parts:
   1. a process review, which was undertaken over the first 12 months of the offer and reported to the Board in Summer 2012. This concluded that the process was working well and made a number of recommendations for building on this success, which the LGA has responded to and
   2. a longer-term impact assessment. The final impact assessment has now been completed and the “headline” results are reported below.
3. In addition in July last year the Board received a report analysing the first 30 peer challenge reports with a view to identifying how councils had been using the flexible element of the peer challenge (i.e. what were the main areas of focus councils chose in addition to the core components); the main issues identified by the peer challenge teams and the relevance of the LGA policy programmes, support and campaigns. The Board asked that a further analysis of the next tranche of reports be undertaken, and the results are reported below.

**Impact Assessment**

1. Professor Steve Martin, Cardiff Business School will present the key findings from the second stage of the research but in summary:
   1. The very high levels of satisfaction amongst those who have experienced a CPC is reflected in an increasing demand. There has been a significant increase in the take-up of the programme since Cardiff’s first report;
   2. One of the great strengths of the offer is the way it is tailored to each council’s needs. This means that it can be used in different ways by different authorities. However, all councils agree that preparation is key to its success. It is important to get the scope and timing right and to ensure ownership across the council;
   3. The process stands or falls by the quality of CPC teams. Councils have been impressed with the knowledge and experience shown by teams and the professional manner in which they conduct themselves;
   4. Councils report that the feedback and reports from CPC teams offer challenging, constructive and honest insight;
   5. Councils report that CPC has had a positive impact on their capacity to take responsibility for their own improvement. CPC has five key impacts: greater self-awareness, behavioural change, organisational change, service transformation and improved external reputation;
   6. More than 75% of survey respondents said that their council had developed an action plan in response to the report. Where an action plan wasn’t produced the key recommendations were integrated into existing improvement plans;
   7. More than two-thirds of survey respondents reported that CPC had led to improvements in the way their council was run. CPC has helped improve the way councillors and officers work together;
   8. CPC has supported councils in improving their medium financial planning, efficiency programmes, partnership working, performance management, and engagement with partners and local communities;
   9. In addition the process has undoubtedly encouraged councils to make changes that are likely to result in improvements in public confidence, corporate capacity, services and financial resilience;
   10. It is important that councils that are at most risk of failure benefit from the expertise offered by CPC and that follow-up support is targeted on those councils in the greatest need of it.
2. In addition, more broadly, the research found that:
   1. Through CPCs the LGA is facilitating a huge investment in sector led support for improvement. By March 2014, councils will have contributed more than 2,500 days of senior councillor and officer time to CPC teams. This represents a considerable investment by the sector in its own improvement which is equivalent to millions of pounds worth of consultancy and is delivered by respected and highly experienced councillors, officers and experts from beyond local government;
   2. The issue is not whether CPC should continue to be supported. The question is how to build on the success that it has already achieved to enable the sector to meet the growing demand for the offer without compromising on quality.
3. The research also makes a number of recommendations to the LGA about fine-tuning the CPC process in order to ensure that the sector builds on the success it has already achieved, for example:
   1. Providing a menu of options of different types of peer challenge to councils.
   2. Targeting follow-up support on councils in greatest need.
   3. Formalising the links between councils and the challenge team after the visit.
   4. Making the key lessons emerging from CPCs more accessible to the sector by publishing reports on key themes such as community engagement, local growth, shared services etc.
4. Officers are in agreement with the thrust of these recommendations which are being progressively acted upon.

**Analysis of next tranche of peer challenge reports**

1. In addition to the Cardiff evaluation the LGA has also commissioned an evaluation of the next tranche of 30 CPC reports with a view to identifying how councils had been using the flexible element of the peer challenge (i.e. what were the main areas of focus councils chose in addition to the core components); the main issues identified by the peer challenge teams and the relevance of the LGA policy programmes, support and campaigns. A copy of the report is attached at **Appendix A**.
2. In summary the report finds that in addition to the core components, the following were the most common areas of focus requested by councils (percentage of the 30 councils requesting):
   1. **Future issues – 43%** (including eg. the shape of the council in future, taking advantage of opportunities that may arise, anticipating future demand for services, reviewing strategic plans);
   2. **Transformation – 40%** (eg. changing the council’s way of doing business, providing services and structures in response to financial pressures and provide better outcomes);
   3. **Partnership working and partnerships – 27%** (eg.extending and deepening partnerships with public, private and voluntary sector; working more effectively with partners);
   4. **Improvement journey – 20%** (eg. progress over a period of time, typically since a previous peer review or intervention / sector-led support);
   5. **Economic development – 17%** (typically how to promote local economic growth).
3. The main difference between the first and second batches of corporate peer challenges is that the incidence of Future issues and Transformation is much greater in the second batch (in the first batch these were chosen as an area of focus in 10% and 20% of councils respectively). This may reflect a growing understanding that councils will need to change significantly in response to a range of challenges including budget reductions, demographics, technological change and public expectations.
4. The report points to some examples of notable practice whilst recognising that the primary purpose of corporate peer challenge is to support improvement. Members will be aware that we have begun to draw out some thematic lessons where these appear to be of interest to a number of councils e.g. the forthcoming report demonstrating how councils are utilising CPC to accelerate economic growth.
5. The report confirms that LGA Programmes and Support continue to be directly relevant to the issues raised through the corporate peer challenge process. The report concludes that productivity and commissioning is potentially the most relevant, given that it encompasses new ways of working, procurement, capital assets and economic growth and so is relevant to issues around finance, transformation and economic development which often arose in peer challenge reports. Councillor development is relevant to issues around leadership, governance, community leadership etc. which arose in a number of reports. A similar pattern was suggested by the analysis of reports from the first batch of corporate peer challenges, with perhaps more potential demand for Councillor development.
6. Members will be aware that following the CPC and as part of the feedback report we identify potential LGA support and signpost good practice which may be helpful to councils as they develop plans to follow up the findings and recommendations in the report. Developing a more standardised approach to CPC reports along with a generic “signposting” note will facilitate this further.

**Next steps**

1. The final Cardiff evaluation report will be circulated to members and we will seek to promote the key messages widely within the sector and to key stakeholders.
2. Members are asked to:
   1. endorse the positive findings and provide any strategic advice to shape the on-….going development and delivery of the Corporate Peer Challenge offer and;
   2. confirm that, subject to the availability of resources, corporate peer challenge ….should continue to be a key part of the LGA’s support offer to the sector.

**Financial Implications**

1. There are no additional financial implications arising as a result of this report.