

Report to	-	Cabinet
Date	-	4 December 2017
Report of	-	Executive Director of Resources
Subject	-	Local Government Association – Corporate Peer Review Challenge

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**Recommendation:** It be **RESOLVED:** That the:

- 1) report of the peer challenge review team at Appendix 1 be noted; and
  - 2) comments made by officers in relation to the key recommendations be noted and Members add any further comments.
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**Service Manager: John Collins**

**Lead Cabinet Member: Councillor Maynard**

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## **Background**

1. The corporate peer challenge approach is set out in the Local Government Association (LGA) publication 'Sector-led improvement in local government' (June 2012) (<https://www.local.gov.uk/sites/default/files/documents/sli-local-government-pdf--f4c.pdf>). The key principles on which it is based are:
  - Councils are responsible for their own performance.
  - Stronger local accountability leads to further improvement.
  - Councils have a sense of collective responsibility for performance in the sector as a whole.
  - The role of the LGA is to help councils by providing the necessary support.
2. The offer of support set out in 'Sector-led improvement in local government' is a core part of the LGA's offer to councils and includes a range of free of charge/subsidised tools and support for councils.
3. A major part of the support is the offer to each council and fire and rescue service to have a corporate peer challenge (at no charge) at a time of its choosing.
4. Peer challenges are managed and delivered by the sector for the sector. They are improvement focused; the scope will be agreed with the council and tailored to reflect their local needs and specific requirements.
5. The peer team involves officer and councillor peers from across the sector and beyond. Their ambition is to help the council respond to its local priorities and issues in its own way to greatest effect.

6. There are some important design principles:

- Peer challenge is not an inspection; it is a tool for improvement. Peer challenge is carried out to our specification aimed at improving, not judging, the council.
- A peer challenge is undertaken at a time which most suits the council and focus on what is of most importance to the council.
- A scoping meeting at the outset involving a visit by LGA representatives will be an essential feature. The council's specific needs, the areas it wants to focus on, the makeup of the team and the results it wants to achieve will be discussed and agreed.
- Peer Challenge should include some focus on leadership, governance, corporate capacity and financial resilience. These will form a core component of all corporate peer challenges.
- The process should be proportionate – minimizing the burden (rather than making unnecessary demands that absorb capacity and divert attention) focusing on making appropriate preparation and maximizing the benefits.

### **Rother's Peer Challenge Review**

7. In July 2017 a Corporate Peer Challenge was undertaken at the Council and Members will see from the final report at Appendix 1 that the outcome of the review reflects very positively on the Council. The headline messages from the review are:

- The Council has a sound financial position, stable services and has identified the need to make significant changes in the way it works
- Members and staff are committed to the district.
- Do not let caution temper ambition.
- Focus on what will deliver the greatest impact.
- Harness the talent in the organisation.
- Remember your residents in everything you do.

8. As part of the process the peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. These are the areas the LGA believe are critical to councils' performance and improvement:

- i. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
- ii. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
- iii. 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?
- iv. 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?
- v. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

9. In addition to these questions, the peer team were asked to look at the Rother 2020 Programme (which formed the basis of the Council's agreed Sustainability & Efficiency Plan - Minute CB16/36 refers) and to answer some specific questions:
  - i. Is there capacity within the Council to deliver on its Corporate Plan Priorities and the Rother 2020 programme?
  - ii. If not, how do we create this capacity?
  - iii. Is the Rother 2020 programme about right in what it aims to deliver? Is there anything that is missing?
  - iv. Does the Council have the necessary skills/ knowledge (including within its Members) to deliver the 2020 programme? If not what skills does the Council need to acquire?
  - v. Does the organisational structure support the ambitions expressed through the Corporate Plan and the Rother 2020 programme?
10. Rother's corporate peer challenge review was originally due to be carried out during the week commencing 5 June 2017. This had to be rearranged once the government called a general election for Thursday 8 June 2017.
11. The date was subsequently rearranged to run from Tuesday 18 July to Thursday 20 July. A number of members and officers were interviewed by the review team and their final report is attached as Appendix 1.
12. Given that the review was carried out over three days and therefore only a limited number of Members and staff could be interviewed, the process is inevitably a snapshot of the organisation at a point in time. Furthermore, as would be expected from such an improvement focused process, there are recommendations for improvement contained within the report.
13. As previously stated, overall the review was very positive for the Council and a number of key recommendations were made. These were:
  - **Prioritise your focus on income generation and IT projects** – The area of income generation is one which should provide the greatest returns as part of the Rother 2020 programme. To do this you should ensure that your investment and other strategies are aligned. Due to capacity issues and the high risk around the two key IT projects, this should be your other priority area.
  - **Be clear about what you want to achieve from other strands of Rother 2020** – This means defining exactly what the outcomes of each workstream should be. 'Demand management' in particular is unclear at present – is it about channel shift or decreasing demand on services?
  - **Use financial strength to invest in resources to deliver** – Your financial position is good and in order to deliver priority areas there needs to be investment in the capacity of these areas, including the appointment of project managers at an early stage and the use of external experts.
  - **Support all members to become more strategic** – There are a range of development opportunities for portfolio holders that can be provided by the LGA (e.g. leadership programmes and mentoring).
  - **Develop the effectiveness of Scrutiny** – Although Scrutiny has recently been reviewed, Members need to understand how a good overview and scrutiny function works. Support can be provided through the LGA.

- **Take opportunities to look beyond East Sussex for inspiration and innovation** – At a time of organisational change it is important to look beyond East Sussex to see how authorities have addressed transformational change. The review team and the LGA can provide you with opportunities to do this.
- **Account for risk rather than avoiding it** – The culture of financial risk aversion has led to caution and this is preventing the council moving forward at pace. A robust risk management approach around investment and regeneration will ensure that progress can be made in a measured way.
- **Improve staff communications** – Through greater use of the intranet, face to face communications, and regular weekly bulletins or blog posts. This will help to ensure that all staff are engaged and fully informed. Consider having an internal communications role within the council.

14. Other issues raised and the Council's responses are shown in Appendix 2.

## Conclusions

15. Members are asked to note the report and the comments from Officers. Members are also asked to provide any further comment they may have on the key recommendations and other issues raised.

Malcolm Johnston  
Executive Director of Resources

## Risk Assessment Statement

There are no risks directly associated with this report. The process of carrying out a peer challenge review and the publication of the final report are key components of the Council's commitment to openness and transparency.