CABINET
24 MARCH 2020

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: CORPORATE PEER CHALLENGE REPORT

REPORT OF: THE CHIEF EXECUTIVE AND THE DEPUTY CHIEF EXECUTIVE

EXECUTIVE MEMBER: LEADER OF THE COUNCIL AND DEPUTY LEADER

CURRENT COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

NEW COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL

1. EXECUTIVE SUMMARY

1.1 The Council recently undertook a Corporate Peer Challenge (CPC) between 21 and 24 January 2020, where we were visited by a peer team supported by the Local Government Association. The peer team met with a large number of staff and councillors, as well as external stakeholders such as contractual partners, neighbouring authorities and members of our community. The peer team has produced a feedback report, which is attached at Appendix A.

2. RECOMMENDATIONS

2.1. That the content of the Corporate Peer Challenge report and its recommendations be noted.

2.2. That the Chief Executive, Deputy Chief Executive, Leader of the Council and Deputy Leader be requested to develop an action plan responding to the Corporate Peer Challenge report, to be reported to the next scheduled meeting of Cabinet.

3. REASONS FOR RECOMMENDATIONS

3.1. To ensure that the Council responds to the matters identified within the CPC report, ensuring that the benefits of the CPC process are realised.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. The ‘do nothing’ option of not creating an action plan to follow up on the report has been discounted, as the Council committed to undertake the CPC and should therefore seek to gain benefit from that process.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. All staff and councillors who took part in the CPC were invited to attend the feedback session on the final day. That presentation has been made available to all staff and councillors (including those who had not taken part). Executive Members and the Leadership Team have received the feedback report and been given the opportunity to raise any questions or clarifications.

6. FORWARD PLAN

6.1. This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

7.1. The Local Government Association offers a number of services to authorities, one of them is the CPC and all authorities are encouraged to undertake them every four to five years. It has been a number of years since North Herts last had one. The CPC took place between 21 and 24 January 2020.

7.2. The CPC is designed by the Local Government Association to provide a robust and effective improvement tool managed and delivered by the sector, for the sector. Peers are at the heart of the peer challenge process and consist of councillors and senior officers from other District/Borough Councils who provide a 'practitioner perspective' and 'critical friend' challenge. The CPC was at no additional cost to the Council.

7.3. All CPC's look at five core areas for good performance (see page 4 of the feedback report). Additionally we asked that they look at two other areas, decision making by the Planning Control Committee and conducting effective scrutiny.

7.4. To prepare for the CPC the Council developed a background briefing document which set out our assessment of how the Council performs in certain key areas identified by the LGA.

7.5. The approach taken in the CPC is set out in section 3 of the feedback report and is therefore not repeated here.

8. RELEVANT CONSIDERATIONS

8.1. The CPC feedback report covers a range of areas and identifies both the Council's strengths and also areas where it could improve or change approach. In general terms the report is very positive and a fair assessment of the organisation, identifying a number of positive traits including:-

- strong working relationships internally and with partners;
- positive performance and delivery of services;
- prudent management of finances;

- Good staff morale, recognising the improvements generated by a number of recent initiatives;
- Service innovation and willingness to try new approaches.

8.2. The areas for improvement include:-

- A clear perception that the Council is risk averse;
- A lack of clarity around future ambitions or direction for the District;
- Taking a corporate and strategic approach to transformation;
- A number of specific recommendations regarding the operation of the Planning Control Committee (section 4.6);
- A number of specific recommendations regarding the operation of the Overview and Scrutiny Committee (section 4.7).

8.3. The expectation of any CPC is that an action plan is developed within three months to respond to the recommendations from the peer team. There appear to be three main themes arising from the CPC which will form the basis of the action plan, with specific actions against those themes

1. Developing an ambitious place narrative to shape our future agenda

2. Developing an internal transformation programme, reimaging the customer experience

3. Progressing the already agreed organisational development programme (called Shaping our Future) to link points 1 and 2 and ensure the Council is able to deliver on its programme.

8.4 The peer team identified the use of reserves to fund the place narrative work and transformation programme and this will be looked at in the development of the action plan, considering capacity of the organisation currently. Use of the General Fund reserves for discreet, time limited, projects that will positively benefit the organisation is possible although using reserves to fund ongoing costs is of course not possible. The resourcing of any work will be considered as part of the development of the action plan.

9. LEGAL IMPLICATIONS

9.1. Cabinet's terms of reference include at paragraph 5.6.13 "To consider the reports of external review bodies on key aspects of overall service delivery".

9.2. The CPC is a voluntary process and therefore there is no legal obligation to either host a CPC or act upon the recommendations. However it is best practice to undertake a CPC and having done so, to act upon the issues identified.

9.3. The CPC makes various recommendations relating to the Council's Constitution. These are matters for Full Council to determine in accordance with paragraph 4.4.1(p) of the Council's constitution and will be the subject of a separate report to Council.

10. FINANCIAL IMPLICATIONS

10.1. The recommended minimum level of reserves referred to in the CPC feedback report only applies to General Fund reserves, and this minimum has been set after considering the level of other specific revenue reserves. The Investment Strategy that was approved by Council in February, and this showed the need to use capital reserves to fund the currently planned capital programme, and indeed there would be a need for future borrowing. As stated in paragraph 8.4 above reserves must not be used for ongoing revenue costs, however time limited projects that positively benefit the Council could be funded. There would be a very high level of risk in following a strategy that aimed to have reserves at the minimum recommended level, even if the Council was in a position where there was a clear plan as to how to balance funding and expenditure in the medium term. Instead it is recommended by the Chief Finance Officer that a more prudent target level of reserves is considered, and that any spend on time limited projects should not take reserves below that level. The potential financial implications of the proposed action plan will be assessed as the plan develops.

10.2. The Peer Review, alongside many other services and support, is included within the Council's annual subscription to the Local Government Association. For 2019/20 this cost was £12,540.

11. RISK IMPLICATIONS

11.1. The CPC feedback report identifies that staff, partners and citizens frequently describe the Council as risk averse. The revised Risk Management Framework is intended to assist in moving the Council to a position of being 'risk aware' and focused on significant risks. This is an important part of the ongoing push to develop commercial income generating projects, but to move away from being 'risk averse' there would also be a need for a general shift in the level of risk that the Council is prepared to take.

12. EQUALITIES IMPLICATIONS

12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2. There are no equalities implications in this report.

13. SOCIAL VALUE IMPLICATIONS

13.1. The Social Value Act and "go local" requirements do not apply to this report.

14. HUMAN RESOURCE IMPLICATIONS

14.1. As identified in paragraph 8.4 above there are potential staffing resource implications of some of the recommendations in the CPC feedback report and these will be considered in the development of the action plan.

15. APPENDICES

15.1. Appendix A – Corporate Peer Challenge Feedback Report

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1. NHDC Peer Review Position Statement