

CABINET

14 JANUARY 2024

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: CORPORATE PEER CHALLENGE REPORT

REPORT OF: MANAGING DIRECTOR

EXECUTIVE MEMBER: LEADER OF THE COUNCIL

COUNCIL PRIORITY: THRIVING COMMUNITIES / ACCESSIBLE SERVICES / RESPONSIBLE GROWTH / SUSTAINABILITY

1. EXECUTIVE SUMMARY

1.1 The Council recently undertook a Corporate Peer Challenge (CPC) between 4 and 7 November 2024, 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 Managing Director, Leader of the Council and Deputy Leader be requested to develop an action plan responding to the recommendations in 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). The Leader, Deputy Leader 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. The Council's last CPC took place in January 2020 and it was decided to undertake a CPC early in the new political administration, so that the recommendations can help shape and inform the approach over the four year term.
- 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 section 4.2 of the feedback report). As part of considering Capacity for Improvement we specifically asked that peers look at our digital transformation programme, given its importance to the modernisation of the Council.
- 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 4.3 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:-

- we perform well, caring for and delivering for our residents;
- we have a clear understanding of the needs, wants and challenges in the district and are passionate about delivering for our communities;
- we generally have a happy workforce who feel supported to do their jobs and have access to learning and development opportunities;
- the administration is ambitious and keen to deliver for the residents of North Herts in their four-year term;
- there was significant goodwill and support for the work of NHC from stakeholders.

- 8.2 The areas for improvement include:-

- ensuring an effective roll out of the Council Plan, so that everyone is aware of their role in delivering against it;
- a need for clarity on our priorities;
- creating capacity for strategic leadership;
- improve the performance management framework;
- strengthen project and programme management.

8.3 The requirement of any CPC is that an action plan is developed within three months to respond to the recommendations from the peer team. There are ten recommendations within the report, set out in section 3. Additionally there is useful feedback and helpful suggestions within the body of the report which it will be important to capture. The action plan will be developed to respond to the ten recommendations and will be reported back to Cabinet in March for approval. 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 5.7.13 "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 report includes suggestions that relate 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 would be the subject of a separate report to Council.

10. FINANCIAL IMPLICATIONS

10.1 The Action Plan that will be developed will need to consider the cost of any proposals and how these will be funded. This is particularly relevant to recommendations 2 and 10, which relate to creating capacity to deliver projects but also challenging what is realistically achievable.

10.2 Recommendation 1 refers to the need to get to an in-year balanced budget. This will be supported by decisions on future priorities for service delivery. The Medium Term Financial Strategy sets out that this will be supported by resident consultation.

10.3 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. 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.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2. The CPC process helps to reduce risk by providing a different perspective on the Council. All of the five themes of the CPC process can support specific and strategic risk management.
- 11.3. The CPC report identified areas where we can utilise our performance management framework more effectively, which could with risk mitigation. The CPC report also identified that the terms of reference of the Finance, Audit and Risk Committee should be looked at, so that the focus of the committee is just on audit and risk.

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 The CPC report references behaviours which may have particular negative impacts on those with a a protected characteristic. The action plan will cover how this can be addressed. The CPC report also references the role of our Inclusion Group.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are some potential staffing resource implications of some of the recommendations in the CPC feedback report, particularly organisational development and ways of working. There will also be HR implications to increase capacity, e.g. in relation to project management. These implications will be considered in the development of the action plan.

16. APPENDICES

- 16.1 Appendix A – Corporate Peer Challenge Feedback Report.

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18. BACKGROUND PAPERS

18.1 NHDC Peer Review Position Statement.