
Scrutiny Co-ordination Committee
Cabinet
Council

10 June 2024
11 June 2024
9 July 2024

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Chief Executive

Ward(s) affected:

All

Title:

Local Government Association (LGA) Corporate Peer Challenge 2024 – Outcome of Peer Challenge

Is this a key decision?

No – although the proposals affect more than two electoral wards, the impact is not expected to be significant.

Executive summary:

The Local Government Association (LGA) is the national voice of local government, working with Councils to support, promote, and improve local government. The LGA's Corporate Peer Challenge offer is effective and well regarded by the sector and provides robust, strategic and credible challenge and support to Councils.

It is expected that all Councils receive a Corporate Peer Challenge at least every five years covering core areas and any specific areas requested by the Council. Coventry City Council's first Corporate Peer Challenge took place in October 2018. In 2023, it was agreed that Coventry City Council would again host a Corporate Peer Challenge as this was now timely.

The Peer Challenge took place from 15th to 18th January 2024. The visit focused on five core themes (local priorities and outcomes, organisational and place leadership,

governance and culture, financial planning and management, and capacity for improvement). These areas are critical to Councils' performance and improvement.

We also asked the Peer Team to provide feedback on transformation: the organisation's corporate capacity and plans for service transformation. Transformation was specifically chosen on the basis that it would benefit from some external challenge and feedback on future delivery plans.

The LGA Corporate Peer Challenge feedback report is provided as an appendix to this report (Appendix A). This report provides a detailed response on findings, including a number of observations and suggestions within the main section of the report.

In summary, during the course of the Peer Challenge week, the Peer Team found that:

- Coventry is an ambitious place that is on the up, with examples of innovation and a willingness to embrace change, whilst not forgetting its heritage
- Coventry is a well-run Council, with strong officer and political leadership
- Employees and elected members are passionate and proud about what they do
- The Council should take further steps to improve diversity across the organisation at all levels
- There is recognition that tough times are still ahead, but people are up for the challenge
- There is a need to ensure that the transformation programme is adequately resourced to enable delivery at pace
- The Council should use the established performance framework to drive improvement and bring greater prioritisation and visibility to areas that require improvement
- Partners and residents are eager to step up and become more involved at an earlier and more strategic level
- There is a need to review our external and internal communications and engagement strategy

There are some areas where further work is suggested by the Peer Team. These areas are described in the 'Key recommendations' section of the LGA's feedback report.

Following the Peer Challenge in January, the Council has reflected on the Peer Team's findings in order to determine its response to the recommendations that have been made. The Council response is provided as an appendix to this report (Appendix B). We are embracing the opportunity to reflect on this feedback and are committed to making improvements where we can through organisational ownership.

Recommendations:

Scrutiny Co-ordination Committee is recommended to:

- (1) Support the recommendations to Cabinet.
- (2) Identify any further recommendations to Cabinet in relation to the outcome of the Peer Challenge.
- (3) Request a further progress update after the LGA Peer Team's review and the subsequent LGA feedback report has been received.

Cabinet is requested to:

- (1) Support the work to deliver the actions outlined in Appendix B, in response to recommendations made by the Peer Team.
- (2) Consider any comments made by Scrutiny Co-ordination Committee in relation to the outcome of the Peer Challenge.

Council is requested to:

- (1) Note the content of the Peer Team's feedback report and the Council response document, and support the work to deliver the actions outlined in Appendix B, in response to recommendations made by the Peer Team.

List of Appendices included:

The following appendices are attached to the report:

Appendix A – LGA Corporate Peer Challenge Feedback Report

Appendix B – Council Response to Peer Team Recommendations

Background papers:

None

Other useful documents

None

Has it or will it be considered by Scrutiny?

Yes – 10th June 2024

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 9 July 2024

Report title: LGA Corporate Peer Challenge 2024 – Outcome of Peer Challenge

1. Context (or background)

- 1.1. Peer Challenge is a core element of the LGA's sector-led improvement offer to local authorities. The activity is improvement focused, with the scope being agreed by the Council and tailored to reflect local needs and specific requirements.
- 1.2. In autumn 2023, the Council held an initial scoping meeting with the Local Government Association to determine the main focus (in addition to the core areas) of the Challenge. Discussion focused on when it would be best to undertake the onsite activities, the nature and composition of the Peer Team and the results the Council was seeking to achieve. It was subsequently agreed that a Corporate Peer Challenge would take place in January 2024.
- 1.3. The core components of each Corporate Peer Challenge relate to local priorities, organisational leadership, governance, financial resilience and capacity for improvement. These elements help Councils to check they have the capacity to continue to deliver their priorities.
- 1.4. The core components are described in further detail below:
 1. **Local priorities and outcomes** - Are the Council's priorities clear and informed by the local context? Is the Council delivering effectively on its priorities?
 2. **Organisational and place leadership** - Does the Council provide effective local leadership? Are there good relationships with partner organisations and local communities?
 3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
 4. **Financial planning and management** - Does the Council have a grip on its current financial position? Does the Council have a strategy and a plan to address its financial challenges?
 5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the Council have the capacity to improve?
- 1.5. In addition, Coventry City Council asked the LGA to provide feedback on **transformation**: the organisation's corporate capacity and plans for service transformation. Transformation was specifically chosen on the basis that it would benefit from some external challenge and feedback on future delivery plans.
- 1.6. The Peer Team identified many strengths across these areas which are summarised below.
- 1.7. Core Component – 1) Local Priorities and Outcomes

- The One Coventry Plan has good brand recognition within the Council and good political and officer buy-in.
- Coventry's children's services were rated 'good' following an inspection by Ofsted in July 2022 and the Council is ambitious to achieve an "outstanding" rating. The Council continues to address inequality in the city as evidenced by the continuing decline in the numbers of 16-17 year olds not in education, employment or training (NEET) – currently at 3.5% and the lowest bar one of the city's statistical near neighbours.
- The Local Job Shop is an example of an innovative approach to improving outcomes, helping around 14,000 residents find work in the last 10 years.
- The Council is developing innovative approaches to addressing climate change, including the partnership with E.ON. It is using the climate action to strengthen local supply chains and skills.
- Residents are starting to feel the benefits of some of the investments the Council is making in the city – especially the impact and legacy of the City of Culture.

1.8. Core Component – 2) Organisational and Place Leadership

- The Council has strong political leadership led by a Leader and Cabinet that work together well to address cross cutting issues.
- The visibility of the new Chief Executive has been valued by Council employees, elected members and partners and has been immediately impactful.
- There are pockets of good practice on Equality, Diversity and Inclusion (EDI) – the apprenticeship scheme and legal services is a good example.
- The Council is seen as a strong and trusted partner both strategically and operationally.
- The Council and the work it does is really valued by the Combined Authority.

1.9. Core Component – 3) Governance and Culture

- Scrutiny is seen as a place for good cross-party working that addresses pre and post decision-making and there is a good relationship between scrutiny and Cabinet.
- A statutory officer group is in place and the constitution is regularly reviewed.
- Managers and employees feel empowered to deliver.
- Employee networks have attracted over 1000 members and the chairs and the networks are valued.
- There is an appropriate consideration of risk. The Council knows the issues and it will be important to maintain a strong approach as it faces a challenging national and local environment.
- The Council welcomes external challenge and should continue this approach to support its further development and transformation.

1.10. Core Component – 4) Financial Planning and Management

- The approach to financial management has been prudent as evidenced by a healthy balance sheet underpinned by robust financial management processes, but there is recognition that this is going to get tougher.
- The Council's financial situation is well understood by the leadership team and members.
- There has been regular engagement through the year on the financial position and proposals to address challenges, in which scrutiny plays an active role.

1.11. Core Component – 5) Capacity for Improvement

- The Council has a clear performance framework on which to build its improvement approach.
- Members and officers are ambitious for further improvement. This should be continued and will drive continuous improvement across the organisation.
- The Council has a clear ambition to pursue excellence in key areas e.g. ambition for achieving 'outstanding' in future OFSTED inspections.
- Recent leadership appointments are rapidly diagnosing and identifying further opportunities to drive through improvement.
- The Council has a track record of delivering on wicked issues (e.g. for those not in education, employment or training – NEETs). There is already-established best-practice in the organisation which can be shared and deployed to support continued improvement in other areas.

1.12. Additional Area of Focus – Transformation

- There is a genuine recognition for the need for transformation and a real ambition to 'save, do more, do better'. It is positive that the Council has made this a priority.
- There is real innovation emerging for example Coventry Connects, with residents at the heart of the programme. The agile and iterative approach is enabling some early examples of what the overall programme could achieve.
- The corporate programme of transformation builds on and will contribute to work that is underway in service areas. The approach being taken is owned by senior leadership and this will be invaluable to its success.

1.13. The LGA and the Council worked together to agree the timetable of activities and ensure the input of partners. The Corporate Peer Challenge took place from 15th to 18th January 2024. Peers reviewed a range of information to ensure they were familiar with the Council, the challenges facing the Council and plans for the future. The Peer Team spoke to more than 100 people during their time in Coventry, including a range of Council employees, Elected Members, external partners and residents, across more than 35 interviews and focus groups.

1.14. A 'Position Statement' was required to be submitted to the LGA, in advance of the onsite activities. This document provided a narrative on the Council's ambitions, progress and challenges.

- 1.15. The Peer Challenge concluded on 18th January 2024 with a high-level feedback discussion where the Peer Team shared their findings with senior officers and Elected Members.
- 1.16. The LGA's feedback report was received following the Peer Team's visit (Appendix A). This report provides a detailed response regarding these findings and includes recommendations for the Council to consider. The LGA will also publish the feedback report on their website.
- 1.17. The Peer Challenge did not provide an overall performance rating but it did highlight what is working well and where there are opportunities for improving. It is a matter for the Council, with the support of its partners, to decide how the areas for improvement identified during the Peer Challenge are taken forward.
- 1.18. In summary, the Peer Team found that Coventry is an ambitious place that is on the up, with examples of innovation and a willingness to embrace change, whilst not forgetting our heritage. They also acknowledged that Coventry is a well-run Council, with strong officer and political leadership and found that employees and Elected Members are passionate and proud about what they do. In addition, the Peer Team said that there is recognition that tough times are still ahead, but people are up for the challenge. Positively, partners and residents are eager to step up and become more involved at an earlier and more strategic level.
- 1.19. The Peer Team also found that there are elements for the Council to work on, for example the Council should take further steps to improve diversity across the organisation at all levels. The Peer Team found that there is a need to ensure that the transformation programme is adequately resourced to enable delivery at pace and that the Council should use the established performance framework to drive improvement and bring greater prioritisation and visibility to areas that require improvement. The Peer Team reflected that there is a need to review our external and internal communications and engagement strategy.
- 1.20. The Council has now reflected on these findings and suggestions in order to determine its response to the recommendations identified by the Peer Team during their time in Coventry. There is an expectation that the outcomes and resulting action plan, will be owned and delivered by the City Council, whilst recognising that the Council neither can, nor should, seek to do everything itself.
- 1.21. The LGA feedback report highlights 10 main recommendations, specifying areas for improvement, arising from the Peer Challenge. The recommendations are as follows:

1. City Centre masterplan

The Council should continue to work at pace to develop a city centre masterplan with the support and involvement of partners.

2. One Coventry Plan

The next iteration of the One Coventry Plan needs to include a corporate delivery plan supported by consistently developed service plans and should include a review

of the corporate strategy framework to ensure strategies are linked and gaps are identified.

3. Employees

The Council has rich data from the recent workforce survey and should develop actions to address the issues it highlights. A key element of this would be ensuring there is further support for the employee networks.

4. Medium Term Financial Strategy (MTFS)

Future financial modelling within the MTFS should consider the full impact and risk of key underlying assumptions e.g. demographic change, inflation, and policy on issues such as real living wage.

5. Financial accounts

The Council should make swift progress to sign off and publish their outstanding financial accounts.

6. Transformation programme

The transformation programme is at a very early stage of development, and the Council should focus on rapid engagement and mobilisation of the right skills, capacity and capability needed to deliver.

7. Communications

The Council should develop a refreshed external communication strategy.

8. Performance management

The Council should use the established performance framework to drive improvement and bring greater prioritisation and visibility to areas that require improvement.

9. Elected Member training

Elected Members are keen to engage with opportunities for training and development and the Council should review barriers to take up of the current offer and how these can be addressed.

10. Workforce Diversity

The Council should take further steps to improve diversity across the organisation at all levels.

1.22. The Council's response (Appendix B) describes the work that is being undertaken to address each recommendation. Many of the actions set out in the action plan were

already in progress before the Peer Challenge and have not been initiated as a direct result of Peer Challenge feedback.

- 1.23. Some of the work to address the Peer Team recommendations will be complex, requiring input from a range of stakeholders and consideration of resource requirements but this will only become clear as the work progresses.
- 1.24. There is an expectation that each Council will commit to a progress review visit within 10 months of the Peer Challenge. The purpose of this is to help the Council assess the impact of the Peer Challenge and demonstrate the progress it has made against the areas of improvement and development identified by the Peer Team. The progress review is anticipated to take place in November 2024. The LGA will then produce a Progress Review Report which is expected to be published within twelve months of the Corporate Peer Challenge (January 2025).
- 1.25. The current LGA sector-led improvement support offer includes an expectation that all Councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that Coventry will commission its next Peer Challenge by 2029.

2. Options considered and recommended proposal

- 2.1. There is an expectation that all Councils will take up the Peer Challenge offer, at a time of their choosing, as an effective tool for improvement. Independent evaluations of the LGA's Corporate Peer Challenge programme have previously concluded that there is a positive impact and a range of benefits from the Council receiving a Peer Challenge.
- 2.2. Cabinet is recommended to support the work to address the recommendations identified in the LGA's feedback report.

3. Results of consultation undertaken

- 3.1. A range of partner organisations and stakeholders were engaged in the Peer Challenge which included Council employees, Elected Members, Trade Unions, partners and residents.

4. Timetable for implementing this decision

- 4.1. The improvement plan associated with the Peer Challenge will be monitored through the Council's Leadership Board and implementation responsibility will be identified in the action plan.
- 4.2. As outlined above, there is an expectation that the Council will commit to a follow-up progress review within 10 months of the Peer Challenge. This will provide some assurances on progress following the Peer Team's initial visit.

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1. Financial Implications

There are no specific financial implications associated with this report. Should it transpire that the delivery of any of the specific actions require additional resources, these will be sought from within existing resources, ensuring appropriate organisational governance is in place to identify the requirement and the associated funding source.

5.2. Legal Implications

There are no specific legal implications associated with this report.

6. Other implications

6.1. How will this contribute to the One Coventry Plan?

Progressing the areas identified during the Peer Challenge will make a positive contribution to the delivery of the Council's priorities, particularly in relation to promoting the growth of a sustainable Coventry economy and improving the quality of life and outcomes for Coventry people.

6.2. How is risk being managed?

The Council's Leadership Board will be responsible for oversight of delivery of Peer Challenge recommendations. Where recommendations are associated with other change or improvement programmes, risk will be managed through individual programme governance arrangements.

6.3. What is the impact on the organisation?

There are no direct implications at this stage.

6.4. Equalities / EIA?

No specific analysis of equality impacts was completed in the course of the Peer Challenge.

6.5. Implications for (or impact on) climate change and the environment?

None

6.6. Implications for partner organisations?

Although led by the City Council, the Peer Challenge included a number of partner organisations as well as representatives from various partnership boards across the city and wider geographical area. Progressing the improvements identified will require input and leadership from everyone.

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