

LGA Corporate Peer Challenge

Coventry City Council

15-18 January 2024

Feedback report





Contents

- 1. Executive summary 3
- 2. Key recommendations 6
- 3. Summary of the peer challenge approach 8
- 4. Feedback 9
- 5. Next steps 24

1 Executive summary

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. The council is well-run, with strong officer and political leadership. Employees and elected members are passionate and proud about what they do. There is recognition that tough times are still ahead, but people are up for the challenge. Partners and residents are eager to step up and become more involved, and this will need to be grounded in better external communications and engagement.

Coventry has rebounded quickly post covid to see visitor numbers above those in 2019. The Council has a significant opportunity to work now with Destination Coventry, the West Midlands Growth Company and other partners to refresh the tourism strategy and to ensure that the structures are in place to sustain its strong performance.

The peer team heard about and were able to see at first hand the significant regeneration that is ongoing in the city. This includes, among a range of schemes, the Friargate scheme and the development of city centre south. At a strategic level the broad vision and ambition for the city is well articulated through the One Coventry Plan. However, partners told the peer team that there was a need for a city centre masterplan.

The peer team were pleased to see that the One Coventry Plan has good brand recognition within the council and good political and officer buy-in. The Plan is intrinsically linked to the Medium-Term Financial Strategy (MTFS) as both are aimed at securing the level of services and supporting the ambition needed to address the council's priorities. Partners are signed up to One Coventry, and they now want to be more involved in the development and implementation of actions that emerge from the plan.

Residents told the peer team that they saw, and were benefiting from, a number of investments the council has made in the city, this included improvements to the cityscape and more generally the impact and legacy of the City of Culture, particularly the arts offer.

The resident survey provides the council with rich insights which can and should be used with partners to tackle some of the city's biggest issues including inequality and

resident engagement and satisfaction with services.

Partners told the peer team that the council was seen as a strong partner both strategically and operationally. Together partners are seeking to address challenging issues such as rough sleeping where multi-disciplinary teams are being deployed to support individuals with complex needs. The community and voluntary sector told the peer team that it was working well with the council on the ground but raised some concerns about the mechanisms for it to engage strategically with the council.

The council benefits from strong political leadership. The Leader has been in position since May 2016 and the peer team were told that he is widely respected within the council and across city and West Midlands partnerships. The Cabinet is a strength with portfolio holders working together to deliver for communities while having a detailed understanding of the financial pressures. The council already plays a significant leadership role across the region but given its strengths it could do even more.

The council's Chief Executive (CEO) has been in post for around six months and there was universal praise from employees, members and partners for her visibility, engagement and leadership approach; the peer team perceived that she has been immediately impactful.

The residents that the peer team met were concerned at the quality of the communication from the council. There were two main elements to this: the timeliness and meaningfulness of engagement on key decisions; and a perception that the council's communications were not telling communities about all the good work that is going on. On this latter point, concern was also shared by front-line councillors.

The council is committed to delivering on its equality and diversity ambitions and there are examples of good practice including the apprenticeship scheme operating in legal services. The peer team heard from some employees that they felt there was still a ceiling on progression for employees from diverse backgrounds. More work needs to be done to realise progress on equality and diversity within the council. The leadership teams lack diversity and this could impact on the council's ability to meet the needs of its diverse communities.

The peer team got a real sense that employees felt empowered and wanted to

deliver great things for the City and its communities. This is being supported by action to address what had been a siloed working culture within the council.

In the view of the peer team, the council's approach to financial management has been prudent, as evidenced by the current healthy level of reserves, underpinned by robust financial management processes, but there is recognition that the financial situation is getting tougher.

The peer team note that Coventry has unaudited accounts for 2020/21, 2021/22 and 2022/23. In the view of Coventry's external auditor, Grant Thornton (Annual Report 2021-2022 published November 2023), the delays in the preparation of the financial statements could expose the council to financial risk.

There is a genuine recognition across the council of the need for transformation and a real ambition to 'save, do more, do better'. The approach being taken to transformation is owned by senior leadership and this will be invaluable to its future success.

There is real innovation emerging, for example within Coventry Connects, the aim of which is to improve the way the council engages with residents and the way it uses data to improve services by considering the use of technology and integrating processes. The agile and iterative approach is enabling some early examples of what the overall programme could achieve.

Part of the purpose of the transformation programme is to generate savings, but given the programme is at an early stage, the timing of financial and non-financial returns on investment are yet to be fully clarified. The council will need to continually review the profile of savings from the transformation programmes and consider when these should be included within the MTFs.

The council is keen to resource the transformation programme without incurring additional costs. To do this it is diverting and coordinating existing capacity and establishing a 'Transformation Squad'. This approach has advantages and using talent from across the council provides development opportunities for employees. However, it is not clear whether all of the skills and expertise required to deliver on complex transformation programmes are held within the council currently. The peer team heard from employees that capacity is a current constraint and this will also need to be taken into account and transformation projects prioritised if the

programme is to be delivered within existing resources.

At this early stage of the programme, using all available insight and benchmarking on value for money of service delivery could accelerate identification of benefits and programme design and we would urge the council to take every opportunity to parcel data together to give a system wide analysis.

The peer team was struck by the commitment and ambition of elected Members and officers for further improvement in the way that the council is managed and the services it delivers to communities. The council builds on a track record of improvement as evidenced through the Children's services performance journey and the commitment to do better still.

Member training is delivered within the context of the One Coventry Elected Members Training and Development Strategy. Take up of training by Members has been low. The peer team heard a number of reasons why this might be the case, including time pressures, but also that the mandatory aspect of some training was not being enforced (most of these training programmes are available through the Council's online learning portal). The peer team also heard that Members would value training more if it was accredited.

2 Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

2.1 City Centre masterplan

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

2.2 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.

2.3 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.

2.4 Medium Term Financial Strategy

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.

2.5 Financial accounts

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

2.6 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.

2.7 Communications

The council should develop a refreshed external communication strategy.

2.8 Performance management

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

2.9 Member training

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.

2.10 Workforce Diversity

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

3 Summary of the peer challenge approach

3.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Pam Smith – CEX, Newcastle City Council
- Cllr Eamonn O'Brien – Leader, Bury Council
- Rupa Raghvani - Director of Finance & Procurement – Financial Control and Interim Chief Financial Officer, LB Hounslow
- James Partis - Assistant Chief Executive - Chief Transformation Officer, LB Newham
- Tinu Olowe - Director, Human Resources & Organisational Design, Enfield Council
- Eamon Lally - Peer Challenge Manager, LGA

3.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

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?

In addition to these questions, the council asked the peer team to provide feedback on **Transformation**: the organisation's corporate capacity and plans for service transformation.

3.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent four days onsite at Coventry, during which they:

- Gathered information and views from more than 35 meetings, in addition to further research and reading.
- Spoke to more than 100 people including a range of council employees together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4 Feedback

4.1 Local priorities and outcomes

Coventry is a compact city located in the West Midlands. It has a population of 345,300 and the city is growing with an increase of nearly 9 per cent in the 10 years to 2021. Coventry is home to two universities, Coventry University and the University of Warwick, and it has a student population of around 67,000. Coventry also has a

rich diversity with 45 per cent of the population identifying as being from an ethnic minority community. The City's population is relatively young with a median age of 35 and with 20 per cent of the population aged 18 or under. However, growth in older people is expected to accelerate and outpace other groups within 10-15 years (*JSNA 2023*) and this will have implications for the delivery of council services.

The city is relatively deprived, ranking 46th most deprived borough in England, with 14.4% of the city's neighbourhood amongst the 10% most deprived areas in England. Men living in the most deprived areas of Coventry live around 11 years less than those in the least deprived areas.

Coventry's corporate plan, the One Coventry Plan, seeks to address the challenges faced by the city. The plan has three core priorities:

- Increasing the economic prosperity of the city and region
- Tackling the causes and consequence of climate change
- Improving outcomes and tackling inequalities within our communities

These core priorities are underpinned by two enabling priorities: Continued financial sustainability of the council; and the council's role as a partner, enabler and leader.

The city has an abundant history and heritage and was the UK City of Culture in 2021. Although Covid restrictions were still in place at the beginning of 2021, overall, the City of Culture was a success with substantial inward investment and community engagement. The city continues to reap the benefits of the initiative with new venues and an improved cityscape. The city was also a co-host for the 2022 Commonwealth Games. Together these events contributed to Coventry rebounding quickly post covid to see visitor numbers above those in 2019. The Council has a significant opportunity to work now with Destination Coventry, the West Midlands Growth Company and other partners to refresh the tourism strategy and to ensure that the structures are in place to sustain its strong performance.

The peer team was pleased to see that the One Coventry Plan has good brand recognition within the council and good political and officer buy-in. The Plan is intrinsically linked to the Medium-Term Financial Strategy (MTFS) as both are aimed at securing the level of services and supporting the ambition needed to address the council's priorities. Partners are signed up to One Coventry, and they now want to be

more involved in the development and implementation of actions that emerge from the plan. **The next iteration of the plan needs to include a corporate delivery plan supported by consistently developed service plans.**

The council has a well-developed performance management framework, which takes a balanced scorecard approach focusing on outcomes, finance, workforce and quality. For 2023 complaints are down by 35% on their 2021 levels. Also, workforce grievances are down by 75% from their 2019 peak. In its latest One Coventry Plan performance report, for 2022/23, the council noted that 74% (42/57) of the directional metrics (excluding cannot say or not available) improved or stayed the same.

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 (this is also below the national median of 4.4%). This is positive but there are also areas where the council's performance is below that of councils nationally and near neighbours, for example in recycling. An LGInform headline report on Coventry's performance can be found [here](#).

The peer team was impressed with the level of innovative practice in the council aimed at addressing challenges and improving outcomes for communities.

Coventry's Local Job Shop is an example with over 1000 residents supported each year into employment since it opened in 2012.

The council is developing innovative approaches to addressing climate change, including the partnership with the Coventry based company E.ON. This strategic energy partnership, which the council and E.ON have described as being the first in the country, is for 15 years and will include 'the creation of a 30MW solar farm, bringing solar power into schools across the city and decarbonisation of a number of Council vehicles and depots'. The peer team heard that this partnership was also aimed at improving the local economy, providing jobs locally, strengthening local supply chains and skills and also addressing the cost-of-living crisis.

Residents told the peer team that they saw, and were benefiting from, a number of investments the council has made in the city, this included improvements to the

cityscape and more generally the impact and legacy of the City of Culture, particularly the arts offer.

The resident survey provides the council with rich insights which can and should be used with partners to tackle some of the city's biggest issues including inequality and resident engagement and satisfaction with services. The challenge is known. The Joint Strategic Needs Assessment (2023) prepared by public health with input from internal and external partners said that '*Although the city is cohesive, people do not feel they have influence over local decisions*'. The resident survey shows that in 2022 only 40 per cent of residents were satisfied with the way that the council was running things; this compares with an LGA benchmarking figure of 63 per cent for the same period. The peer team heard from residents that they did not feel informed about, or able to engage with, the council in its decision making. The positive message from residents is that they really want to be involved and believe they have a lot to offer the council as it seeks to meet challenges and take advantage of opportunities to improve the city and its services. In its residents, the council has an enthusiastic and ambitious resource that it can tap into.

The Peer team heard about and were able to see at first hand the significant regeneration that is ongoing in the city. This includes, among a range of schemes, the Friargate scheme and the development of city centre south. At a strategic level the broad vision and ambition for the city is well articulated through the One Coventry Plan. There is an area action plan for the city centre dating from 2017, which is subject to review and there are masterplans for specific schemes. **However, partners told the Peer team that there was a need for a city centre masterplan, which we understand is in development, and that they wanted to work at pace to influence and support its progress.** The masterplan will be an opportunity to consider the city's social and economic development in the round to achieve cohesive, sustainable and impactful change.

The One Coventry Plan is the council's corporate strategy and it is supplemented by a range of strategies and plans both themed, including the transport strategy, the culture strategy and the climate change strategy, and departmental strategies and service plans. Many of these strategies link explicitly to the One Coventry Plan, such as the climate change strategy, but others do not (the transport strategy is an example). There are also potential gaps in the coverage of strategies, for example a

Voluntary and Community Sector Strategy and a capital and investment strategy (as required by Chartered Institute of Public Finance and Accountancy (CIPFA)). The Peer team also heard that the council did not have a corporate asset management plan. These are seen as good practice by CIPFA and help align the management of assets with the council's strategic objectives for its communities. The Council should review the corporate strategy framework to ensure strategies are linked and gaps are identified to support One Coventry Plan.

Addressing climate change is one of the council's key priorities. The council is committed to achieving carbon neutrality by 2050 (and if possible by 2041, which is the West Midlands Combined Authority target) and reducing carbon emissions to 55% of the 1990 level by 2030. The council has established an independent climate change board, with representatives from public, private and voluntary sector to oversee the council and the city's strategic direction and progress. The council expects that its strategic partnership with E.ON is a significant step in helping it to achieve its ambitions in reducing emissions and improving skills and job opportunities. The council has been successful in bidding for funding and is investing in green infrastructure including 5km of segregated cycle routes and a network of EV charging points (the largest outside London). The council has sought to accelerate action on domestic retrofit and has been successful in attracting around £30 million in funding to support all tenures. However, the peer team was told that the retrofit challenge was significant in a city where the housing stock is typically small and old and a lot of houses are not to modern efficiency standards. Data for 2021 shows that 20% of Coventry households live in low-income low energy efficiency households, compared to just 13% nationally. As the council's climate change strategy makes clear, the approach to addressing these challenges needs to be equitable and people centred.

4.2 Organisational and place leadership

The Peer team was impressed by the committed and cohesive leadership shown by the Leader and Cabinet who work together to deliver on cross cutting issues. There has been a good degree of stability in the Leadership which means that cabinet members have a good understanding of their portfolios. Members see their

leadership role as encompassing the council, the city and the wider West Midlands area.

The council is engaged in a number of partnerships within Coventry and across the West Midlands. These include: the One Coventry Partnership, with senior leaders from health bodies, the police, universities and the voluntary and community sector; and the Coventry and Warwickshire Anchor Alliance, which includes senior leaders from city, county and district and borough councils, two universities, three health trusts and the Integrated Care Board.

Partners told the peer team that the council was seen as a strong partner both strategically and operationally. Together partners are seeking to address challenging issues such as rough sleeping where multi-disciplinary teams are being deployed to support individuals with complex needs. The community and voluntary sector told the peer team that it was working well with the council on the ground but raised some concerns about the mechanisms for it to engage strategically with the council.

Coventry is a member of the West Midlands Combined Authority, which is a legal entity based on voluntary collaboration. The Peer team heard that the council and the work it does is really valued by the Combined Authority. And Coventry benefits from being a member of WMCA; for example, the city centre south regeneration scheme has received £113 million in funding from the WMCA-the biggest investment the Combined Authority has made into a single regeneration scheme.

The council benefits from strong political leadership. The Leader has been in position since May 2016 and the peer team were told that he is widely respected within the council and across city and West Midlands partnerships. The Cabinet is a strength with portfolio holders working together to deliver for communities while having a detailed understanding of the financial pressures. The council already plays a significant leadership role across the region but given its strengths it could do even more.

The Chief Executive (CEO) has been in post for around six months and there was universal praise from employees, members and partners for her visibility, engagement and leadership approach; the Peer team perceived that she has been immediately impactful.

The residents that the peer team met were concerned at the quality of the

communication from the council. There were two main elements to this: the timeliness and meaningfulness of engagement on key decisions; and a perception that the council's communications were not telling communities about all the good work that is going on. On this latter point, concern was also shared by front-line councillors. It was notable that during the peer team's visit external communications was raised again and again with some describing it as 'lacklustre'. There is desire for it to be more positive about Coventry. Residents also spoke about the accessibility of front-line councillors. It is clear that councillors do a lot to engage; 19 councillors hold surgeries; all make their contact details available; and they are all regularly in the community. If this is not perceived by residents it again possibly points to a communication issue. **The council should develop a refreshed external communication strategy.**

The council is committed to delivering on its equality and diversity ambitions and there are examples of good practice including the apprenticeship scheme operating in legal services. The council has collected equalities data across the workforce since 2017. Using December 2020 data the Workforce Equalities and Inclusion Strategy 2021-23 noted that 7 per cent of senior leaders were from a minority ethnic community. The Peer team was told that just 5 of the 85 members of the extended leadership team was from a minority ethnic community (around 6 per cent). It is worth noting again here that 45 per cent of Coventry's population is from a minority ethnic community. This is by no means an issue that is unique to Coventry. There is a general recognition that people from ethnic minority groups are under-represented at senior levels in local authorities (see this 2023 [report](#) from Solace). The Peer team heard from some employees that they felt there was still a ceiling on progression for employees from diverse backgrounds. More work needs to be done to realise progress on equality and diversity within the council. The leadership teams lack diversity and this could impact on the council's ability to meet the needs of its diverse communities. **The council should take further steps to improve diversity across the organisation at all levels.**

4.3 Governance and culture

The Peer team found governance to be taken seriously by the council and this was recognised in the latest external auditor's annual report published in June 2022. The

Council's governance arrangements are regularly reviewed and a statutory officer group is in place and meets regularly to discuss and address issues.

An area of governance that the council has addressed in recent years is that relating to the council's group of companies. Like many councils, Coventry has a number of subsidiaries and jointly owned companies. In November 2021, these were brought under the umbrella of Coventry Municipal Holdings Limited (the arrangements are set out in the council's Annual Governance Statement for 2022/23). The peer team notes that the external auditor said in its Annual Report for 2021/2022 (published in November 2023) that 'the revised structure is appropriate'. **The council's oversight of external company structures would benefit from continued external scrutiny and the Peer team understand that the council will review these arrangements in 2024. As part of that review the council should consider how it can ensure that elected Members have a good understanding of the complex arrangements for the governance of these companies.**

The Peer team found there to be an appropriate consideration of risk and there is a very high awareness of the main risks that the council faces, including finance, children's safeguarding and workforce stability, and temporary accommodation and homelessness. Member oversight of risk management comes from the Audit and Procurement Committee. The council knows the issues and it will be important to maintain a strong approach as it faces a challenging national and local environment.

Scrutiny is seen as a valuable function within the council. The council has five themed scrutiny boards and scrutiny coordination board. The chairs of the scrutiny Boards are drawn from the ruling party. Scrutiny is a key part of the decision and review processes of the council, feeding into the Cabinet and Full Council. The Peer team heard that it 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. Call-in of decisions is not a significant feature of the scrutiny approach. Scrutiny also engages with the community. An example is the Communities and Neighbourhoods Scrutiny Board's engagement with representatives from the Ukrainian Association, the Coventry Refugee and Migrant Centre, and Ukrainian guests and hosts, to talk about their experiences of the Homes for Ukraine Scheme.

The Peer team got a real sense that employees felt empowered and wanted to

deliver great things for the City and its communities. This is being supported by action to address what had been a siloed working culture within the council. Efforts to change the approach are coming from the top of the organisation. Measures brought in by the new Chief Executive include a flatter structure that disperses leadership, operating through a leadership board and supported by three themed boards. One of the aims of this approach is to bring more corporate checks and balances into the policy development and delivery processes and to enable a corporate view to be taken on key issues.

The council has a set of values which are included in the One Coventry Plan. These are: open and fair; nurture and develop; engage and empower; create and innovate; own and be accountable; value and respect. Although these seem a little unwieldy, they did appear to be understood and appreciated by employees. There was recognition from the Chief Executive that these values had to be owned and displayed at the top of the organisation and down through the chain of management.

The recent workforce survey results provide rich data for the council to act on.

There is a lot to be positive about, including that employees understand how their work contributes towards the success of the Council. However, employees are concerned that poor performance is not dealt with effectively. Employees have also expressed concern that it is not safe to speak up and challenge the way things are done at the Council. There is a need to mobilise the entirety of leadership to deliver on career progression, performance management and get buy-in from the whole organisation to its values and behaviours. Getting these aspects of the culture right will be an important achievement towards delivering better outcomes for communities. Employee networks have attracted over 1000 members and the Chairs and the networks are valued. **Further support for the employee networks would ensure that they are sustainable.**

The council welcomes external challenge and should continue this approach to support its further development and transformation.

4.4 Financial planning and management

In the view of the Peer team, the council's approach to financial management has been prudent, as evidenced by a healthy level of reserves, underpinned by robust financial management processes, but there is recognition that the financial situation

is getting tougher. No immediate concerns were expressed by external or internal auditors. The last Annual Auditor's report is for year 2021/22 and was published in November 2023. In this report the Auditor noted that the council has a history of stable financial and budgetary management and noted that its reserves position (as at March 2022) meant that it was in a good position to manage any future shortfalls in funding. Demand pressures have meant that the council's finances have been under greater pressure in 2022/23 and in the current year.

In 2022/23 the council reported an overspend of £6.7 million which was balanced by a contribution from legacy covid reserves. Overspends resulted from pressures in Adults and Children's services, compounded by the impact on domestic and commercial refuse collection of the HGV driver strike and strike mitigation costs.

In the current financial year 2023/24 the council continues to experience in-year overspends. Based on outturns for the first half of the year the council was projecting an overspend of £11.5 million. Overspends again reflect demand pressures in Adult and Children's services, but in addition pressures in the provision of temporary accommodation; this is a sector wide challenge. To manage in year overspends the council has put in place measures including: restrictions on non-essential spend; a recruitment panel to control the filling of vacancies; and greater scrutiny of higher risk areas. The council expects these measures to reduce the level of overspend, but it is likely that the council will need to balance its final position by a contribution from reserves.

The council reports that it has total reserves of £196 million as at March 2023; £122.5 million of General Fund reserves of which £112.2 million are earmarked. In the council's view, it is *'adequately provided for in terms of its reserves compared to its overall level of budget and better provided for than some other similar authorities'*. The council notes that *'the level of uncommitted General Fund Reserves [£10.3 million) provides a sufficient level of short-term resource to meet any other unforeseen eventualities'*.

The Peer team consider that 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.

The council is now consulting on its budget for 2024/25. It anticipates achieving technical and service savings of around £33 million (technical savings here mean those that can be achieved within the existing policy framework. Service savings are those that arise from new political decisions). £11.7 million of these savings relate to management actions to reduce the budget gap. Some of the biggest savings within this category include: £3.3 million from the Children's Placement review; £2.4 million from an increase in financial contributions from partners towards statutory delivery; and £1.95 million from maximising the use of Grants for service delivery to release core funding. The peer team note that financial monitoring reports to the council's Cabinet for 2023/24 indicate that some service areas are finding it difficult to meet savings targets and it will be important for the council to keep a tight grip on savings performance to ensure that the council can manage down its budget gaps in 2024/25 and subsequent years.

Within the proposed 2024/25 budget, £3 million of the expected service savings are due to come from transformation projects under the heading of the One Coventry Model. The council's Transformation programme is still at an early stage of development. Projects included within the 2024/25 savings bundle, including Coventry Connects, will require culture change and organisational restructuring across the council and between partners. There are two risks. The first is that the transformation programme does not deliver at the pace required to meet savings targets. The second, is that the transformation programmes themselves are diverted from longer-term aims to meet short term targets. The council will need to take a corporate view on how the transformation programme and MTFS relate to each other; to what extent is the transformation programme delivering savings for the current MTFS and/or to what extent is the MTFS helping to prioritise areas of focus within the transformation programme? **The council will need to continually review the profile of savings from the transformation programmes and consider when these should be included within the MTFS.**

The peer team is aware that the council is currently facing 180 equal pay claims all of which it is defending at an Employment Tribunal. As of January 2024, the council said it had not made any formal assessment of the costs of the claims and is clarifying the basis of the claims which it is defending. The council also said that it had not as of January 2024 set aside any funds to use for compensation payments in

the event it loses any of the equal pay claims. However, the council has noted in its corporate risk register that ‘meeting liabilities, including potential additional pension fund contributions, may necessitate further spending reductions in service budgets.’ As would be expected under these circumstances the budget consultation for 2024/25 and the estimated budgets for 2025/26 and 2026/27 have been prepared without reference to the potential costs of the equal pay claims. The peer team recognise that for the council to lose the equal pay claims, even with the current strong reserves position, would have a significant financial impact.

The current budget consultation includes estimates for 2025/26 and 2026/27. The projected deficits are £13.4 million and £14.5 million respectively. However, the Peer team was told that these estimates did not model potential changes to the city’s demographics, policy changes, or potential changes to inflation and interest rates. Any potential understatement of budget estimates for spend is an area of risk, especially for Coventry which is growing at a relatively fast pace. **In the view of the Peer team, the future financial modelling within the MTFs needs to consider the full impact and risk of key underlying assumptions e.g. demographic change, inflation, and policy on issues such as real living wage.**

The finance team is well regarded. The support it gives across the council on financial management is valued and should be used to drive financial accountability across the organisation’s leadership.

The Government is soon to consult on proposals to deal with the backlog in audits, which is expected to include a compulsory deadline of 30 September 2024 for all outstanding financial assessments. The proposal is that after this date council accounts that are outstanding will be qualified or disclaimed. Although this approach is broadly accepted by the sector as the only way forward, given the backlog in audits, it is unclear what the impact will be in individual cases. The peer team notes that Coventry has unaudited accounts for 2020/21, 2021/22 and 2022/23. In the view of Coventry’s external auditor, Grant Thornton, (Annual Report 2021-2022 published November 2023), the delays in the preparation of the financial statements could expose the council to financial risk. **The council should make swift progress to continue to sign off and publish these outstanding accounts.**

4.5 Capacity for Improvement

The peer team was struck by the commitment and ambition of elected Members and officers for further improvement in the way that the council is managed and the services it delivers to communities. The council builds on a track record of improvement as evidenced through the Children's services performance journey and the commitment to do better still.

The council should use the established performance framework to drive improvement and bring greater prioritisation and visibility to areas that require improvement. This work has begun. A new Safeguarding and Performance Board is being established to oversee performance reporting and management across the council. This Board will report to the Leadership Board and Cabinet. In the view of the peer team a key strength of this approach will be the ability to take a cross-organisational view on key issues and to strengthen the understanding of communities and their needs. To support this approach the council can develop further a more corporate and integrated business intelligence approach bringing together the rich insight the council already has.

The council is innovative. Examples include:

- Accessing funding for the development of a prototype Very Light Rail system with a city centre demonstrator route being constructed in Coventry later this year.
- Accessing funding from DfT to be the first all-electric bus city by 2025
- Establishing the largest network of electric vehicle charging points outside of London
- A training academy has been developed for local people to learn green skills and grow the local workforce to support the decarbonisation of 2000 social homes.
- The UK's first AI assisted recycling centre.

This desire to innovate, to compete to be first, is something that the council can be proud of.

The peer team saw and heard of existing best practice across the council which can be shared and deployed to support continued improvement in other areas. Through its transformation programme the council is removing internal overlaps and is seeking to make the best use of resources across partner organisations. The focus here is to ensure that the priorities set out in the One Coventry plan can be met.

Partners and residents are a key resource for the council's improvement journey and we heard that they are keen to be involved.

The peer team found a motivated and engaged workforce who want to be seen and heard and want their talents used. Grievances are in decline, but the council had a relatively high level of sickness absence at 13 days per FTE in the year to 31 December 2023. The council appeared to the Peer team to be very committed to addressing equalities issues both within the council and across the city. However, there is an opportunity to do more to demonstrate this commitment to the workforce. The Council's current Workforce Diversity and Inclusion Strategy came to an end in 2023 and there is a real opportunity for the council to now renew its plans and commitment to EDI.

The peer team heard from employees that they are already feeling stretched. The transformation programme will want to draw on the talents of existing employees, but this will need to be balanced with the 'business as usual' (BAU) pressures that arise from increasing demand and scarce resources. A focus on, and consistent approach to, workforce planning will be important in managing these tensions.

There is evidence of an increased focus and improved performance on meeting high standards of customer service, which the council must maintain as it transforms. In December 2023 the council met, for the first time, its target for the percentage of abandoned calls, at 5 per cent, although the average for the year remained at 10 per cent.

Member training is delivered within the context of the One Coventry Elected Members Training and Development Strategy. Take up of training by Members has been low. The Peer team heard a number of reasons why this might be the case, including time pressures, but also that the mandatory aspect of some training was not being enforced (most of these training programmes are available through the Council's online learning portal). The Peer team also heard that Members would value training more if it was accredited. **The peer team heard that 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.**

4.6 Transformation

There is a genuine recognition across the council of the need for transformation and a real ambition to 'save, do more, do better'. The approach being taken to transformation is owned by senior leadership and this will be invaluable to its future success. The transformation programme as outlined by the council will deliver savings but the key intention is to modernise the delivery of public services for the benefit of communities within the city. There are a number of aspects to the corporate transformation programme including: changes to the way the council interacts with residents (Coventry Connects); a review of advice services; and the development of integrated place-based service hubs. These corporate programmes build on and support the transformation that is taking place in individual service areas including adult and children's services.

There is real innovation emerging, for example within Coventry Connects, the aim of which is to improve the way the council engages with residents and the way it uses data to improve services by considering the use of technology and integrating processes. The agile and iterative approach is enabling some early examples of what the overall programme could achieve. The Peer team heard about the success of the approach in dealing with and reducing complaints (from a peak in June 2023 complaints have declined month on month) and the team's engagement with the private sector to improve digital connectivity in the community.

However, in general, the corporate Transformation programme is at an early stage and rapid engagement and mobilisation of the right skills, capacity and capability needed to deliver will be critical, for example the full engagement of HR.

Part of the purpose of the transformation programme is to generate savings, but given the programme is at an early stage, the timing of financial and non-financial returns on investment are yet to be fully clarified. The peer team heard a number of estimates for the savings from transformation. The budget consultation report builds in savings of £3 million for 2024/25 (increasing to £4 million for 2025/26 from the One Coventry Delivery Model which is one element of the transformation programme). The peer team was told that other savings from transformation were included in the £32.7 million budget savings for 2024/25 that the council is consulting on from December 2023 to February 2024, particularly those elements of service change that focus on prevention and managing demand; these include savings to be achieved

through the children's placement review, and the improving lives programme. The council is aware of the risks that savings may not materialise at the speed and scale required and have said that there are contingency plans in place to mitigate these risks. If not mitigated, there is the risk that overspends could arise which could lead to a further call on the council's reserves.

The council is keen to resource the transformation programme without incurring additional costs. To do this it is diverting and coordinating existing capacity and establishing a 'Transformation Squad'. This approach has advantages and using talent from across the council provides development opportunities for employees. However, it is not clear whether all of the skills and expertise required to deliver on complex transformation programmes are held within the council currently. The peer team heard from employees that capacity is a current constraint and this will also need to be taken into account and transformation projects prioritised if the programme is to be delivered within existing resources. **In the view of the peer team there could be cases, for example, in the technical aspects of improving the customer experience where the council should not rule out the use of specialist external support, as and when this is needed.** The peer team also heard that partners are keen to support the council in its transformation of services to communities and it should consider how to take up this offer.

Transformation requires a solid understanding of communities; their service needs; and how communities want these services delivered. Data to support transformation will be held across the council and with partners. At the same time the council can draw on benchmarking data to assess capacity for value for money improvements. The peer team did not get an opportunity to consider in depth the sources of data and insights and how these are being used to underpin the transformation programme, but at this early stage of the programme, using all available insight and benchmarking on value for money of service delivery could accelerate identification of benefits and programme design and we would urge the council to take every opportunity to parcel data together to give a system wide analysis.

5 Next steps



It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a progress review within twelve months of the CPC, which provides space for the council's senior leadership to update peers on its progress against the recommendations from this report.

In the meantime, Helen Murray, Principal Adviser for the West Midlands, is the main contact between your authority and the Local Government Association. Helen is available to discuss any further support the council requires.

helen.murray@local.gov.uk.