

Report To:	CABINET
Date:	16 SEPTEMBER 2024
Heading:	CORPORATE PEER CHALLENGE 2024
Executive Lead Member:	LEADER
Ward/s:	ALL
Key Decision:	YES
Subject to Call-In:	YES

Purpose of Report

For Cabinet to endorse the findings of the Local Government Association Corporate Peer Challenge.

Recommendation(s)

- 1. To endorse the findings of the Local Government Association Corporate Peer Challenge (report attached).**
- 2. To note the finalisation of a detailed action plan which will be brought to October Cabinet for approval.**
- 3. To approve for the Principal Select Committee to monitor implementation of the action plan throughout 2024/25.**

Reasons for Recommendation(s)

The Corporate Peer Challenge Review undertaken by the Local Government Association (LGA) in June 2024 is designed to support Councils and is part of a sector led improvement programme. There is an expectation from the LGA and government that the findings will be used to support improvements. It was therefore determined at the outset of the review that the results would be presented to Cabinet to ensure transparency and to sanction any actions arising from the report.

Alternative Options Considered

The Cabinet could opt not to endorse the LGA Corporate Peer Challenge Report or determine other actions arising from it. Not to endorse the report would undermine the process and wider sector led

improvement programme and furthermore there is no basis for doing so. In regard to the actions identified, these stem directly from the report findings. Not recommended.

Detailed Information

1. Background and Focus

Corporate Peer Challenge (CPC) is a tried and trusted method of improvement. It provides councils with a robust and effective improvement and assurance tool which is owned and delivered by the sector, for the sector. Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

The CPC process has been improved taking on board the recent Independent Evaluation of Sector-Led Improvement. The approach understands the value of face-to-face engagement where council Members and officers, partners and citizens can talk freely and openly with trusted peers. The approach is not prescriptive and can be adapted to reflect the local needs of councils. It will typically include the following stages:



The peer team explored the core components (underpinning features of good performance) that all LGA CPCs cover, which have been tailored for Ashfield District Council, including the additional key/second theme of 'holistic regeneration' as a key local priority:

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 and achieving improved outcomes for all its communities?
2. **'Holistic regeneration':** Is the Council making the most of regeneration in its widest sense to maximise related opportunities, for example those contributing to social value, the wider determinants of health, tackling deprivation, anti-social behaviour, through social housing, the Local Plan, good business growth, and building on the Council's Capital Programme and successful external grant funding?
3. **Organisational and place leadership:** Does the Council provide effective local leadership? Are there good relationships with partner organisations and local communities?
4. **Governance and culture:** How much progress has been made against Ashfield District Council's previous CPC key recommendations? Are there clear and robust governance arrangements? Is there a culture of respect, challenge and scrutiny?
5. **Financial planning and management:** Does the Council have a clear understanding of its current financial position? Does the Council have a strategy and a clear plan to address its financial challenges?
6. **Capacity for improvement:** How is the Council developing decision-making accountability (DMA) throughout the Council to achieve its purposes most effectively? Are, for example, all teams within the Council contributing to its corporate approach as well as contributing to and supporting each other's team agenda by working together? Is the organisation able to support delivery of local priorities? Does the Council have the capacity to improve?

Ashfield District Council's CPC Peer Team was:

- Member Peer – Cllr Adam Paynter, Independent Deputy Group Leader, Cornwall Council
- Chief Executive Peer – Martin Hamilton, former Chief Executive of Newcastle under Lyme Borough Council
- Serving Officer Peer – Tracey Birkinshaw, Director: Community & Economic Development - Cheltenham Borough Council
- Serving Officer Peer – Peta Newlin, Senior Workforce Adviser, LGA
- LGA PCM - Vicki Goddard, LGA
- LGA Project Support Officers – Kaylash Patel and Suraiya Khatun.

2. Peer Challenge Findings – Executive Summary

The Council's CPC findings are extremely positive.

'Through its Corporate Plan, ADC is ambitious, and indeed pioneering in some areas. The Council is successful, delivering and planning exciting holistic regeneration projects to improve its residents' lives as well as visitors' and businesses' experiences. ADC is also delivering good, solid services generally to local people. This is impressive for a District Council of its size.

Sport England recognises the Council as exemplary in delivering recent new leisure facilities. These are already meeting the needs of its local communities, after effective consultation with them, to improve their physical and mental health, and wellbeing. Membership and attendance of these facilities are growing notably each year. This is in contrast to other leisure centres across the country that are closing.

All ADC's Members and officers are highly committed to and delivering for its communities. The ruling Ashfield Independents administration continually consults with, listens and responds to its households. This is supplemented by a range of consultation and engagement undertaken by Council officers, who make necessary changes to enhance the delivery of ADC's services and programmes. Through its strong political and managerial leadership, the Council is community focused and outward looking.

All local partners the peer team spoke to highly respect ADC as a place leader. This is especially through Discover Ashfield – the local Place Board. The Council convenes the Board, which is a real and just as highly respected catalyst for regeneration. The Council engages well with its partners. Together they have honest, robust and constructive conversations to progress and align each other's work programmes. The peer team was impressed with ADC's curiosity for the context and work of its partners, and how it seeks to explore with them the widest options and benefits.

ADC's work is well supported by its strong financial position, especially through its healthy level of reserves. The Council has sound financial planning processes and manages its finances well. Its base budget review process is good practice, and its commercial portfolio is generating valuable income for ADC. The Council should nevertheless closely monitor the portfolio, its returns and associated reserves to withstand any market changes. ADC should also develop robust, auditable programme and project management arrangements for the portfolio and the Council's regeneration programmes, given their size and the volatility of the development sector. This is particularly so ADC can foresee further income opportunities and risks.

ADC should also strengthen its wider 'check and challenge' governance arrangements. Internal governance of the Council's regeneration projects is far less formal than their external governance arrangements. It is also not clear whether ADC's Select (scrutiny) Committees hold

members or officers to account. Strengthened 'check and challenge' in these areas will enhance the council's oversight, ownership of and accountability for them.

The Council has plans for £0.6 million of savings to achieve a balanced budget in 2024/25. ADC's medium-term position is more challenging, with a growing deficit of £6-7 million forecast by the end of 2026/27. The Council must therefore have and deliver robust plans at the earliest stage to address these savings requirements.

The peer team clearly heard during its visit that ADC has not resolved various member/officer issues identified in the 2020 CPC report. The LGA has been working closely with the council since 2020 on these issues, and there has been some progress. Significant issues remain however, particularly due to the blurring of member/officer roles and responsibilities. These issues risk undermining ADC's work and are soaking up valuable resources. So ADC needs additional, genuine effort and commitment from its Members and officers to resolve these issues once and for all.

ADC is partly addressing its Member/officer issues through its good, initial implementation of the decision-making accountability (DMA) model. The Council has rolled out the model down to Assistant Director (head of service) level, and Executive and Assistant Directors generally understand the model. As a result, staff are starting to feel, and be seen as, empowered and trusted to take decisions and change work practices. ADC needs to continue rolling out the model, and fill vacancies, to empower all staff for maximum benefit.

The Council should build on its existing partnership work with the East Midlands County Combined Authority (EMCCA) by working with the latter's newly elected Mayor. There is real opportunity for ADC to position itself positively and proactively within this space, so EMCCA benefits from ADC's strategic, corporate plans and work where the two local authorities have shared agenda to benefit from. ADC should therefore work with EMCCA's Mayor and Interim Chief Executive.'

3. Peer Challenge Recommendations

The following key recommendations were made by the CPC Team: -

Recommendation 1 - commit and invest to address the long-standing issues around Member/officer relationships once and for all, and work to secure clarity around their respective roles, and model behaviours necessary to embed and normalise best practice – these issues are soaking up your resources and could undermine the work of the Council. Your political and managerial leadership and staff need to find further genuine resolve and commitment to address these issues collegiately and supportively for the benefit of the Council and its local communities.

Recommendation 2 - establish a proactive role with EMCCA to demonstrate how you can deliver for EMCCA locally across agenda such as inclusive growth, skills, destination management, deprivation, health inequalities, transport and housing – you already have a strong, healthy relationship with EMCCA. With its Mayor now elected, you should work with her directly to align and progress your shared priorities. You have much to offer EMCCA with your impressive track record. So work with EMCCA's Mayor and Interim Chief Executive so both your organisations and communities get maximum benefit from each other's agenda.

Recommendation 3 – enhance internal governance arrangements for your major regeneration schemes, including progressing your formal programme and project

management arrangements, to provide more robust assurance around the delivery of this ambitious programme and associated risks – these schemes' formal external governance arrangements work well. Your equivalent internal arrangements are not as formal, which could leave you open to not fully understanding and responding to opportunities and risks. The development sector is currently volatile and highly responsive to market changes. The key to riding out these pressures will be your ability to be agile and responsive. So progress your internal, formal governance, programme and project management arrangements for these schemes, for example via a programme management office, to mitigate any risks and to make the most of opportunities.

Recommendation 4 - ensure potential synergies between your approach to commercial investment, asset management, regeneration including climate change and planning are maximised and exploited for resident benefit – you already have related activities underway and planned. It is not clear though how these align across the Council and Discover Ashfield, nor if they are contributing to a defined strategy/set of outcomes. Opportunities could be missed as a result. You should therefore review and align all these approach's activities, so they best contribute to your overall strategy.

Recommendation 5 - strengthen your Audit Committee's capacity to provide constructive and rigorous challenge through the co-option of individuals with specific finance and commercial property skills, in line with best practice – you are leading on some high risk, complex areas. This places a heavy responsibility on your Audit Committee. So, source co-optees with specific regeneration and commercial skills to support this committee. This will help it best monitor these projects for the necessary checks and balances to keep them on track and compliant.

Recommendation 6 - invest time to drive out the benefits of the DMA model, and use this to embed a culture of empowerment, accountability, and compliance – you have successfully rolled out DMA to Assistant Director level and are starting to see the benefits. Continue to roll out the model to Service Managers and beyond and fill your vacancies. This will ensure all your staff are appropriately empowered to take and own their decisions, enhance work practices, and make all your functions as efficient and effective as possible.

Recommendation 7 - review your human resources (HR) arrangements to ensure access to timely, quality advice and support required, to match the pace and scale of your ambitions – various problems you are experiencing with your HR partnership mean that it is not supporting you as well as it could. It is also holding back the potential of your staff. Therefore, review the partnership, better clarify your HR needs, and reconsider the purpose and role of any future HR function. This will help you make progress on what you need to get the best from your staff and support them.

Recommendation 8 - embed consistent performance management practice across the Council and replicate your approach to publishing your housing performance to improve the public accessibility of performance information – you have a good and developing performance management framework, ensuring constant progress towards your corporate plan goals. Consistent performance management however is not yet fully embedded nor owned across the Council. As a result, you do not have full oversight of your performance to best gauge and improve progress. There would therefore be value in you addressing this oversight gap.

You have a mixed approach to public access to your performance data. Housing performance is easy to find but other performance is less so. This means residents do not best know how you are performing to be able to engage more with you. So, use your housing performance approach to collate and present data on your other functions to address this.

4. CPC Action Plan and Progress Review

The Council is currently finalising a detailed Action Plan which will be brought to Cabinet in October for approval.

As part of the CPC the Council is required to: -

- Publish the final CPC Report by 7th September 2024. The LGA will also publish the progress review report on their website.
- Publish the CPC action plan by Thursday 7 November 2024.
- Have a progress review within 10 months of the onsite CPC visit's last day, ie by Monday 7 April 2025, to explore the Council's progress implementing its CPC action plan, and publish the final, agreed report from that review no later than 12 months after the CPC's last onsite visit day, ie by Saturday 7 June 2025.

The progress review will provide space for a Council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

The date for the progress review at ADC is to be confirmed.

Implications

Corporate Plan:

The Corporate Plan 2023-2027 will be refreshed in April 2025 incorporating CPC recommendations where relevant. The CPC Action Plan will be directly aligned to the Council's Performance Management Framework with specific actions embedded into relevant Service Plans.

Legal:

There are no direct legal implications. [RLD 28/08/2024]

Finance: There are no direct financial implications arising from this report. [PH 19/08/2024].

Budget Area	Implication
General Fund – Revenue Budget	The LGA completed their own 'desktop' financial assessment prior to the onsite visit, stating in their findings that the Council has a healthy level of reserves, manages its finances well and has sound financial planning processes.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

Risk:

Risk	Mitigation
Failure to progress against each of the CPC's recommendations	<ul style="list-style-type: none">• Having a detailed smart action plan in place which is embedded into the Council's

	<p>performance management framework to ensure regular monitoring and review of delivery.</p> <ul style="list-style-type: none">• Principal Select Committee to monitor implementation of the action plan throughout 2024/25.
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Human Resources:

The CPC Action Plan incorporates specific actions in relation to Human Resources.

Environmental/Sustainability:

The CPC Action Plan incorporates specific actions in relation to the Climate Change agenda.

Equalities:

There are no equalities implications.

Other Implications:

None

Reason(s) for Urgency

Not applicable

Reason(s) for Exemption

Not applicable

Background Papers

Ashfield District Council Corporate Peer Challenge Report.
CPC Draft Action Plan

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