

CABINET

LGA Corporate Peer Challenge Feedback Report

Report of Chief Executive

PURPOSE OF REPORT				
To request that Cabinet formally accepts the feedback in the LGA Corporate Peer Challenge report for the final report to be published by the deadline of 18 th July 2024.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Cabinet Member
Date of notice of forthcoming key decision	N/A			
This report is public however Appendix A is exempt by virtue of paragraph 3 and Schedule 12A of the Local Government Act 1972 until Cabinet agree to publish the document.				

RECOMMENDATIONS OF CLLR PHILLIP BLACK

- (1) That Cabinet formally acknowledges the work undertaken by the peer team and accepts the feedback in the Corporate Peer Challenge (CPC) report.
- (2) Delegates responsibility for the development of an action plan to meet the CPC recommendations to the Chief Executive.

1.0 Introduction

- 1.1 The CPC is a highly valued improvement and assurance tool that is delivered by the sector for the sector. The process is led by the LGA and brings together political and managerial leadership, through the use of member and officer peers. The LGA state that a peer challenge provides robust, strategic and credible challenge and support to Councils. Peer challenge also enhances the capacity of the sector and helps to avoid insularity within Councils. It is expected that all Councils will receive a CPC at least every five years. The Council last had a review in June 2015.
- 1.2 The Lancaster City Council CPC took place over three days in April 2024 (16th – 18th)
- 1.3 Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge. The LGA and CPC peers collate the findings from the 3-day challenge to provide robust,

strategic, and credible challenge and support.

1.4 The final CPC feedback report outlines the key findings of the peer team and the recommendations that the council are required to action.

1.5 The report findings and recommendations relate to five core themes:

- Local Priorities and Outcomes
- Organisational and Place Leadership
- Governance and Culture
- Financial Planning and Management
- Capacity For Improvement

2.0 Proposal Details

2.1 The CPC report highlights findings that are both specific to the council but also with significant relevance for the district, stakeholders and partners.

2.2 The CPC report provides a summary of findings as well as specific recommendations that are aligned the five core themes.

2.3 The CPC report highlights many positives, aligned to core themes of the CPC. At the start of the Executive Summary the report makes the conclusion that Lancaster is an ambitious Council, with a 'let's do it' culture and a clear vision for the district as set out within the Council Plan 2024-27. There is an ambition that increased prosperity must be for the benefit of the whole community, which runs alongside an aspiration to help and enable a low carbon future, providing the foundations for future sustainability.

2.4 Whilst specific examples can be found in the full report appended, under each theme the peer team found that:

Local Priorities and Outcomes

- Lancaster is an ambitious Council, with a clear vision for the district as set out in the Council Plan 2024-27. LCC is committed to working "in partnership with our communities, creating a district where people can flourish".
- Members of the peer team witnessed how the Council is making improvements for people and place, with practical examples shared.
- Feedback from staff supported the view that the Council is empowering and trusting staff to be creative when meeting the needs of individuals and identifying new ways to deliver services, embracing a 'let's do it' culture.
- Peers were impressed at how the approach to climate policy is being embedded across the Council.

- The peer team noted that in recent years the Council has made good progress at reviewing and reducing its capital programme.

Organisational and Place Leadership

- Lancaster City Council has well respected political and managerial leadership.
- The Group leaders are to be commended for this cross-party approach.
- The Council is held in high regard by a wide range of key stakeholders, with its convening power being utilised to renew the Lancaster District Strategic Partnership.
- It is clear that the Council is held in high regard by a wide range of key stakeholders, including for example, Lancaster University, Lancaster and Morecambe College, Lancashire and South Cumbria Integrated Care Board and Lancaster District CVS, who spoke positively about the Council's open and inclusive approach, including a willingness to engage, listen and innovate.
- Health partners spoke of the key role that the Council plays in place leadership and the proactive approach that it is taking in relation to tackling inequality.
- LCC utilises a range of active mechanisms to consult and engage with residents, including traditional approaches, such as the Keep Connected site which is a public facing consultation and engagement platform that enables people to engage with consultations, share ideas and stay connected with the Council.
- Peers note that the Council has an ambition for quality housing that is quite rightly very high and acknowledge that creating new homes alongside other community infrastructure can enhance carbon neutral ambitions if the Council has control of the development agenda.

Governance and culture

- Staff and Councillors that the peer team spoke to are proud to work for and represent LCC, and it is clear that officers and members work well together. The Chief Executive sets a positive tone for the whole organisation, including a proactive approach and strong working relationship with both the Leader and Deputy Leader.
- There is strong, visible direction from the Chief Executive and a new Chief Officer structure that it is viewed as accessible and welcoming. Peers heard and saw that the Council is a supportive, professional and friendly place to work, with a strong emphasis on staff wellbeing and development.

- Peers note that there is political maturity and pragmatism, along with improving working relationships within the coalition administration.
- Dedicated officer capacity has been directed to risk management and a management system has been implemented to capture risks from projects and operational services through to the strategic risk register. All strategic risks (including financial risks) have been mapped to the Council Plan and are reviewed quarterly by the Leadership Team before being reported into the Audit Committee, Budget and Performance Panel, and Cabinet.
- The strategic risk register is instrumental in informing the internal audit work programme, which is reviewed annually, with regular reports and outcomes shared with the Audit Committee. Internal Audit confirm moderate assurance over the operation of key financial controls. The Audit Committee itself is well served with reports on all key areas within its remit, including an appropriate focus on audit, risk and fraud. The relationship between key officers, such as the S151 officer, and the committee is positive and effective.
- There is commitment to reduce inequalities and deliver services that are inclusive and accessible to a diverse community, including examples of best practice, such as the development of a Fair Work Charter that aims to reduce inequalities in the local labour market by promoting equal and fair employment practices.

Financial planning and management

- The Council has a plan to address its budget deficit with the 'Fit for the Future' programme incorporating an Outcome Based Resourcing (OBR) process, including for example a rationalisation and review of assets and use of 'flexible capital receipts' regulations to enable investment in transformation to deliver savings.
- The framework has been put in place to address the medium-term deficit and it is anticipated that it will take another 12 to 24 months to fully achieve its aims. An accompanying governance structure has been created incorporating member and senior officer involvement to oversee progress.
- The Council has adopted the requirements of His Majesty's Treasury Green Book in its capital project business case development and appraisal, requiring all capital projects to be aligned to the strategic objectives of the Council set out in the Council Plan and a full and viable business case to be presented to committee before capital expenditure is approved.

Capacity for improvement

- The peer team were impressed to see that the Council has been on a rapid two-year improvement journey, making significant changes to the operation of the Council and its governance and assurance processes, from the

introduction of a new risk management framework and implementation of a revised complaints system to the reconfigured senior management team structure and establishment of the Lancashire District Strategic Partnership. This progress has been driven with strong, visible leadership and support from the Cabinet and Senior Leadership Team.

- Staff are empowered to try out new things, with evidence of a 'let's do it' attitude that is permeating the organisation, supported by the new and more dynamic leadership team.
- There is a clear focus on employee development and wellbeing. The Council has recently introduced a new 3-year People Plan, which has incorporated a range of new initiatives including the introduction of a leadership development programme, launch of a learning and development strategy, a refresh of the Council's values, implementation of a wellbeing strategy and establishment of an engagement strategy.
- Peers heard that internal communications, such as the weekly staff newsletter and in-person Chief Officer briefings are well received and valued by staff, although there is a need to ensure that frontline staff who may not have access to ICT are able to see communications, along with wider Council policy documentation, etc. Expansion of the 'We're Listening' front line staff engagement group could present an opportunity to enhance this approach.
- The peer team also heard a number of examples of digital transformation delivering improved outcomes and efficiencies.

2.5 The CPC full report findings and recommendations can be seen in the Appendix A to this report.

2.6 The 10 recommendations detailed in the CPC report are listed below:

- 1) Develop a clear narrative for growth and an economic strategy.
- 2) Incorporate a "call for sites" earlier than the Local Plan process would otherwise allow.
- 3) Use the Council's strong reputation as a collaborative and proactive place leader to further develop partnerships.
- 4) Continue to invest in the learning and development of the new chief officer team.
- 5) Take steps to strengthen and further develop the Fit for the Future savings and transformation programme by:
 - A) Strengthening the alignment of budget planning and Fit for the Future process to the Council Plan and service planning.
 - B) Implementing a prioritisation framework to inform the delivery of the Capital Programme, ensuring resources are targeted where they will have the most impact.
 - C) Accelerating the completion of the asset review and delivery of the asset management programme to reduce costs, maximise income and reduce the need for future borrowing.

- D) focusing on the creation and implementation of a Digital and ICT strategy.
- 6) Implement a whole Council strategic approach to the use of data, performance management and financial monitoring.
- 7) Build on recent improvements in the approach to project and programme management.
- 8) Invest further in member development to support Councillors.
- 9) Engage with Councillors and officers in work to enhance and embed a culture of effective overview and scrutiny across the Council.
- 10) Accelerate the production of a refreshed equality policy that incorporates clearly defined objectives.

3.0 Details of Consultation

- 3.1 The Chief Executive has engaged with the LGA to amend some details in the report to ensure factual accuracy.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: Accept the findings and recommendations in the report.	Option 2: Do not accept the findings and recommendations in the report.
Advantages	If accepted, the report will be published, and the Chief Executive will develop an action plan to act on the recommendations and monitor progress.	No advantages are identified for this option.
Disadvantages	No specific disadvantages are identified for this option.	The Council will need to engage with the LGA on any disputed findings and recommendations. This will slow down the process of establishing an action plan for CPC recommendations.
Risks	None identified.	None identified.

5.0 Officer Preferred Option (and comments)

- 5.1 The recommended option is to accept the report findings and recommendations, so that the report can be published and for the Chief Executive to develop an action plan to act on the recommendations (Option 1). The report must be published by 18th July 2024, and the action plan by 4th September 2024.

6.0 Conclusion

- 6.1 The report provides details of the LGA Corporate Peer Challenge and the details of the feedback report. Cabinet acceptance of the findings and recommendations in the CPC report will result in the report being published and a new action plan to be developed to act on the recommendations for organisational developments. Alongside this a comms and engagement plan will ensure that we brief staff, members and partners on the excellent findings

of this review.

RELATIONSHIP TO POLICY FRAMEWORK

The CPC feedback report provides a number of recommendations that align with the strategic principles of the Council Plan 2024-2027. The development of an action plan for the recommendations will consider the scope of actions in consideration of the strategic and financial decision-making already set out in the Council Plan 2024-2027.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

No direct impact.

LEGAL IMPLICATIONS

No legal implications arising directly from this report.

FINANCIAL IMPLICATIONS

No financial implications arising directly from this report.

OTHER RESOURCE IMPLICATIONS

Human Resources:

No HR implications arising directly from this report.

Information Services:

No ICT implications arising directly from this report.

Property:

No property implications arising directly from this report.

Open Spaces:

No open spaces implications arising directly from this report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments to add.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments to add.

BACKGROUND PAPERS

Appendix A: LGA Corporate Peer Challenge
– Feedback Report

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