

Meeting:	Executive
Meeting date:	18/04/2024
Report of:	Ian Floyd, Chief Operating Officer
Portfolio of:	Cllr Claire Douglas, Leader, Portfolio Holder Policy, Strategy, Partnerships

Decision Report:

Local Government Association Peer Challenge

Subject of Report

1. In February 2024, a Local Government Association (LGA) Peer Challenge took place at the City of York Council. The LGA Peer Challenge set out to understand how the council operates, exploring the council's leadership at place and organisational level, governance, culture, financial management and capacity to improve, with a focus on improving customer service and working closely with regional partners to best represent York's interests.

The LGA report presented strengths the council can celebrate, together with areas for improvement, collated through interviews and background reading.

2. Informed by the LGA Peer Challenge, and already planned in response to the Council Plan strategic theme "how the council operates", the council has prepared a corporate improvement framework setting out the activities that will address the recommendations of the peer review. This framework builds on existing strengths with a view to continuous improvement being very much a part of how the council operates.
3. It is the first step in uniting the organisation around an inspiring strategic vision and shared challenges and priorities. Action plans will be developed in consultation with officers, residents and

partners to implement the framework. This means the detailed action plan to deliver the recommendations in the LGA Peer Challenge will follow and be informed by further engagement.

Benefits and Challenges

4. Six months into the new administration, the council invited LGA to conduct a peer challenge to consider strengths to celebrate and areas of improvement to best deliver the ambitions set out in the Council Plan, *One City for All, 2023-2027* whilst balancing ever-increasing financial pressures.
5. The LGA Peer Review is an improvement and assurance tool which is owned and delivered by the sector. The process is not designed to provide an in-depth or technical assessment of plans or proposals. The peers use their experience and knowledge of local government to reflect on the information presented to them by people they meet, things they saw and materials they read.
6. The LGA Peer Challenge interviewed over 130 partners, residents and elected members, together with officers, to inform the recommendations which has raised an expectation that change identified by the LGA Peers will be deliverable. This is both a benefit and a challenge, with the opportunity to strengthen, build on and improve processes across the council, whilst the challenge of capacity to drive improvements remains.
7. The peers have noted several areas of strength for the council to celebrate. However, they also identified areas for improvement, or consideration by the Council. The report makes clear how hardworking and committed the workforce is, and that the council's staff remains its greatest strength.

Policy Basis for Decision

8. The LGA Peer Challenge recommendations have helped to inform the development of the Corporate Improvement Framework which responds to the Council Plan priority theme - *How the Council Operates*, with the recommendations supporting action to improve customer experience and prepare for regional opportunities.
9. The four core commitments are inherent throughout the report (see **Annex A**), specifically:

Equalities and Human Rights: The role of staff networks to support the organisation, together with the role of the workforce to champion equalities and human rights is key to successful delivery of the corporate improvement framework (**Annex B**).

Affordability: The balance between vision, priorities and what is realistically affordable within the financial strategy and reducing council finances will be addressed through the detailed action plan that is informed by the corporate improvement framework, together with greater understanding of the shared priorities.

Climate and environment: Climate change delivery is seen as an area of strength and innovation, with opportunities to explore and embed it's approaches throughout other areas of council delivery.

Health: Valuing the contribution of the council's workforce and continuing to support staff's health and wellbeing is a key action of the Council Plan. The LGA report and recommendations gave staff the opportunity to share their views and the corporate improvement framework has been designed to provide opportunity to co-produce action plans, with a focus on capacity and financial constraints.

Financial Strategy Implications

10. There is no additional funding available to support the delivery of the Corporate Improvement Framework/LGA Peer Challenge recommendations. Where additional resources to help deliver action is needed, posts will be redeployed, or roles repurposed. Additional change resources if required will be incorporated into the Working as One City Programme business case, with investment made to achieve savings later.

Recommendation and Reasons

Executive are invited to:

- Note the LGA Peer Challenge report
- Accept the LGA Peer Challenge recommendations
- Approve the City of York Council corporate improvement framework, informed by the LGA Peer Challenge and the Council Plan 2023-2027, *One City for All*.

Background

11. The LGA Peer Challenge is an improvement and assurance tool which is owned and delivered by the sector. The process is not designed to provide an in-depth or technical assessment of plans or proposals. The peers use their experience and knowledge of local government to reflect on the information presented to them by people they meet, things they saw and materials they read.
12. It provides the opportunity for the council to consider a range of issues, feedback and opportunities for improvement. [Corporate Peer Challenge | Local Government Association](#)
13. The LGA recommends that local authorities undergo a Corporate Peer Challenge at least every five years. The last Corporate Peer Challenge took place at the City of York Council in 2016¹.
14. York's LGA Peer Challenge took place at West Offices and the LNER Community Stadium 6-9 February 2024, with some preparatory interviews taking place in advance.
15. The scope of the Peer Challenge was agreed in consultation with the LGA, Leader and Chief Operating Officer. It covered the five high level themes in the LGA Peer Challenge framework, listed below, together with specific focus on how the council provides positive customer experiences and, how ready the council is structurally to benefit from future opportunities (such as Local Plan, Local Transport Strategy and Mayoral Combined Authority:
 - Local priorities and outcomes
 - Organisational and place leadership
 - Governance and culture
 - Financial planning and management
 - Capacity for improvement.
16. A working group comprised of the Head of HR, Head of Business Intelligence and Assistant Director Policy and Strategy, chaired by the Chief Operating Officer, met regularly to develop the approach, arrange a programme of interviews, and collate a report pack for the peers to build an understanding of how the council operates.

¹ [Peer review – City of York Council](#)

The LGA Peer Challenge report

17. The LGA Peer Challenge report and recommendations (**Annex A**) draws on a positioning statement and evidence pack provided by the council, interviews conducted by the peers and background research collated by the LGA.
18. The report has been produced independently of the council and all interviews were conducted in private (without officers from the working group in attendance). The report has been edited to ensure all feedback is completely anonymised and individuals are not identifiable.
19. In the report, the peers noted several strengths for the council to celebrate, including:
 - Strong pride and commitment to the city, especially from the council's passionate and dedicated staff, with unique assets for the city to benefit from including the new Combined Authority, the respected and influential anchor organisations.
 - Great examples of innovative and collaborative delivery such as the community stadium, Early Talk, climate change action and of good joint working with North Yorkshire Council (in particular the development of the devolution deal and combined authority) and the Integrated Care Board (through the Health and Wellbeing Board, York Place Board and other partnership working).
 - Several ambitious infrastructure projects such as the Community Stadium, Guildhall, York Station Frontage and York Central which have been successfully led in partnership with private and public sector.
 - A focus on both council and city-wide climate action with innovative projects including development of the Community Woodland, mayoral funded net zero projects and recent award for the Retrofit One Stop Shop York project, all contributing to the council's net zero ambition and leading to the CDP (Carbon Disclosure Project)² A rating.

² [About us - CDP](#)

The LGA Peer Challenge recommendations

20. The LGA Peers made the below recommendations, which Executive are invited to accept in full:

Recommendation 1: Clarify a strong and consistent narrative that drives the ability of the organisation to take advantage of the opportunities available to York.

Recommendation 2: Be clear on the need to prioritise the ambition of the new council plan to focus on key delivery.

Recommendation 3: Build on the clear leadership of the new administration to develop a more mature corporate culture that improves appropriate behaviours and relationships within the organisation.

Recommendation 4: Consider how the corporate culture and senior arrangements of the organisation can help shape and deliver key priorities.

Recommendation 5: Consider how the Corporate Management Team can establish a collective responsibility for the delivery of key priorities and provide clear and consistent positive leadership to the many hard working and dedicated staff.

Recommendation 6: Put in place a robust performance management framework that recognises and rewards success and has clear accountability for delivery.

Recommendation 7: Ensure improved staff engagement that clearly communicates the shared aims ambitions and priorities of the organisation and celebrates success.

Recommendation 8: Establish a well evidenced and robust single version of the medium-term financial position that is collectively owned and understood.

Recommendation 9: Improve the financial literacy of the organisation, financial controls and financial grip that focuses on the big picture.

Recommendation 10: Develop a clear plan to deliver savings that includes a properly resourced strategic program for change with sound business cases that flow through a strong and more robust governance framework.

Recommendation 11: Ensure there are appropriate support resources and structures to enable all members to undertake their respective roles including training, early access to papers and expanded access to information.

Recommendation 12: Develop a clear corporate strategy on how City of York Council can better utilise the desire, capacity and ability of partners to help the city improve and achieve its ambition.

Recommendation 13: Develop stronger, positive and strategic corporate relationships with all partners. Ensure these are more consistent across all partnership working utilising localised good practice - (for example the work of the ICB, engagement with the voluntary sector etc). Seek to replicate and embed these positive examples across CYC to establish effective collaboration as being the norm.

Recommendation 14: Properly understand the relationship with the Combined Authority and its role in enabling CYC to deliver its key priorities.

Recommendation 15: Implement an action plan to address these recommendations with urgency and pace that moves from single tactical interventions to a more strategic corporate approach.

Response to the key themes identified in the recommendations

21. In response to the above recommendations, and the Council Plan, the council has developed a high-level corporate improvement framework (**Annex B**) that builds on work underway, and good practice, whilst reflecting the feedback collated through the peer challenge. Detailed action plans will be developed with the workforce, partners, residents and Executive.
22. The below provides a summary of work underway that will be further developed through the delivery of the corporate improvement action plan, supporting the council's journey of continuous improvement:

Recommendations 1 – 5: priorities, culture, narrative and delivery

The council plan was designed to be a tool to help delivery, with priority actions listed on pg14-15 of the council plan and the four core commitments mnemonic (EACH) designed to be memorable. This is evident by the strong recall of EACH by staff noted in the

recent staff survey, with EACH featuring in internal and external communications regularly and being a key part of decision reports. However, we recognise that more can be done to ensure a clear line of sight and are linking EACH through refreshed internal governance arrangements.

Recommendation 6: performance

The Council Plan was approved by Full Council (in September 2023). At the same time, the council published its Performance Management Framework that aligns to the Council Plan, the 10-Year Plan and strategy and policy framework. Council performance mechanisms and reporting are robust and include quarterly published reports (the *Finance and Performance Monitor*³), and directorate management team performance clinics. In addition, Executive members challenge directors on their performance, and data is published on the OpenData Platform. However, we recognise we need to both align personal (officer's own) development and performance plans to the Performance Management Framework together with drawing on progress against the council's performance to recognise achievement.

Recommendation 7: internal engagement

Internal communications to embed the council plan included updating desk-top screens, screen savers, email signatures and featuring EACH in the Chief Operating Officer's weekly update and 6-weekly staff roadshows and quarterly Leading Together (manager cohort) sessions. Staff and manager induction information has also been updated. The Four Core Commitments are shared in internal communications campaigns which takes a seasonal look at each of the EACH components in turn (starting with the First Commitment - Equalities), with comms, corporate management team vlogs, training and recommendations about how to become a more inclusive council shared to help embed equalities throughout the organisation. The affordability seasonal internal communications campaign is due to launch mid-May. However, with feedback from the peers, we will review our internal communications to better understand how to ensure internal communications are shared and understood through the *organisation*.

³ [Performance and Annual Report – City of York Council](#)

Recommendations 8 - 10: finance

The Council has a track-record of making significant savings and operating within an ever-decreasing financial envelope. The 2023/24 Medium-term Financial Strategy was developed in consultation with the new Executive, with a longer-term approach planned to set a 3-year medium term financial strategy from 2024-27. The budget setting process for 2025-26 will be a collaboration between Executive, senior officers, staff members and the city and will launch with the consultation on the Corporate Improvement Framework (Annex B) to understand how residents would like the council to operate. Cost control measures will remain in place to ensure the council provides 'best value' whilst the longer-term budget savings plan is developed. However, we recognise that adopting a robust single version of the budget position, describing the constraints and opportunities, and engaging with staff, residents and partners is something that should always be under review, with opportunities to improve being considered.

Recommendation 11: members

A comprehensive member induction programme has been launched, with a review of the programme provided to Joint Standards Committee later in May 2024. The member induction programme included Scrutiny, code of conduct and expected behaviours, with sessions supported by external expertise including the LGA. The member induction programme is being developed to support councillors in their roles over the years ahead. In the meantime, we recognise there is more we can do to strengthen member / officer relationships and are initiating the development of the internal cultural plan in collaboration with Executive and officers for member consideration in a future appropriate Scrutiny meeting.

Recommendation 12-14: partners

The council has several thematic partnerships convened to support development and delivery of the 10-year strategies and 10-year plans. Significant officer capacity has worked in collaboration with North Yorkshire Council and the Local Enterprise Partnership to establish the Combined Authority, with officers also supporting the newly established Place Board to better integrate health, care and community. The recent independent assessment of the council's approach to equalities, diversity and inclusion noted one of our strengths as community relationships. However, the feedback in the report has highlighted

we need to do more to understand partners objectives and work together for the city, in particular around development opportunities, and the opportunities that the Local Plan will bring.

Corporate Improvement Framework

23. In response to the LGA Peer Challenge recommendations and reflecting the Council Plan strategic theme “how the council operates”, the council has prepared a Corporate Improvement Framework (**Annex B**) which reflects a more strategic corporate approach as recommended by the peers, for Executive approval.
24. The framework maps activities to four themes and identifies which of the 15 recommendations the activities respond to.
25. The four themes provide structure and guide the council’s journey of continuous improvement. They are:
 1. Strengthen strategic leadership
 2. One City, One Council
 3. Harness the commitment to the city to deliver ambitions
 4. Build a strong foundation
26. The Corporate Improvement Framework has been developed by the Chief Operating Officer, in consultation with the Corporate Leadership Group (Corporate Directors, Directors and Assistant Directors), Executive and supported by the Assistant Director Policy and Strategy and Head of Human Resources.
27. The Corporate Improvement Framework articulates how the council has listened, reflected and responded to the LGA recommendations, with a commitment to move forward positively and address the issues.
28. A key aspect of evidence presented in the LGA Peer Challenge report is to unite the council around a single narrative and shared challenges and priorities. It recommends ensuring this links to the council’s robust performance management framework which already reflects the Council Plan and is then further embedded across the organisation including in personal (officer) performance outcomes to drive strategic delivery.
29. The framework has been designed to provide opportunity for officers, partners and residents to share their expertise and

commitment to the city and contribute to the success of the organisation. As a result, the Corporate Improvement Framework will be consulted on, and through that consultation, the detailed action plan to support the Corporate Improvement Framework will be developed. The detailed action plan will be presented to the Leader for approval in an Executive Member Decision Session.

30. Executive are invited to approve the Corporate Improvement Framework, subject to further consultation which will help inform the development of the detailed action plan and corresponding equalities impact assessment.

Consultation Analysis

31. In January 2024, Audit and Governance Committee reviewed the LGA Corporate Peer Challenge scope and recommended additional interviews. As a result, additional focus groups were arranged with elected members, trade union representatives, residents invited via the Talk About Panel and public participant from the January Audit and Governance Committee.
32. The LGA Peers conducted over 50 interviews and focus groups with over 130 elected members, partners, residents and officers.
33. The City of York Council Corporate Improvement Framework was developed in consultation with the council's Corporate Leadership Group and Executive. Throughout May and June, it will be shared for consultation with partners, residents, and officers, to inform the development of the detailed action plan and the equalities impact assessment.

Options Analysis and Evidential Basis

34. Executive are invited to accept the LGA Peer Challenge report and recommendations. As the report is produced independently of the council, articulating the LGA Peer's assessment of the council's areas of strength and concern which was informed through interviews, focus groups and further research, the Executive are not able to influence the report or recommendations.
35. The options presented are for Executive to either:
 - Approve the Corporate Improvement Framework; or

- Commission the council's Chief Operating Officer to revise or strengthen aspects of the Corporate Improvement Framework.

The framework responds to recommendation 15 and takes a more strategic approach to improvement, setting out opportunities to develop the more detailed action plan that will follow. The framework has been developed in consultation with the Council Management Team and therefore is deemed to be those activities the council has the capacity and capability to take forward, without introducing additional financial pressure.

Organisational Impact and Implications

Financial The Council has a clear and robust Medium Term Financial Strategy (MTFS) that has outlined the need to save a further £30m over the next 3 years. The MTFS is under constant review and the assumptions used within it, such as inflation, are updated as and when required. Delivery of the LGA Peer Challenge recommendations should help to make the MTFS even more robust and therefore will support the Council in the need to deliver an ongoing savings programme.

No additional specialist resource has been identified at this time to deliver the recommendations, but the requirement to control day to day spending remains a high priority to ensure the Council remains on track to deliver the required savings. The work outlined in Annex B will support the Council in managing the organisation through the financial challenges ahead.

Human Resources (HR) The peer challenge report has provided constructive feedback on Council services and activities. Whilst the report draws on the strengths of the workforce which we need to celebrate, there are suggestions and recommendations for improvement that some individual officers and / or teams may find hard to hear leaving a potential for some staff to feel demotivated or undervalued.

There is already a workforce plan in place to support the workforce, this will be strengthened and focused by adding in the recommendations of the Peer Challenge report. Actions will be co-produced with employees ensuring that the journey of celebrating successes and addressing improvements is owned and acted on at all levels and is reasonably and realistically resourced. Various engagement activities are already in place to work with employees around this shared journey. This activity will sit alongside the existing plans and priorities to ensure that staff

have the conditions and tools available to them. As with any change or hard to hear information, staff will be supported with support from management, employee assistance tools and supportive training. Trade unions have also been informed of the report findings and will support their members too.

Legal Under Section 3 of the Local Government Act 1999, the Council is under a duty to make arrangements to

“secure **continuous improvement** in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. The duty, being one to make arrangements, has been interpreted as operating at a fairly high level and free standing of the exercise of functions themselves. In each case, where a local authority proposes to make such arrangements, it must consult appropriate representatives, and take account of certain matters (prescribed in the Act), before doing so. The proposed corporate improvement framework is likely to constitute such arrangements and will be the subject of relevant consultation. Draft statutory guidance⁴ (currently under review) sets out the Government’s expectation that councils make their own arrangements to secure continuous improvement. This includes being open to external challenge and scrutiny, including peer challenges.

Procurement there are no direct procurement implications.

Health and Wellbeing: All the recommendations have either a direct or indirect impact on the health and wellbeing of staff, residents and visitors to our city. Having a clear vision, narrative and understanding will help support workplace mental health by building trust, cooperation, accountability and equity – all of which inform the Council Plan *One city for all*.

Environment and Climate action Recognition of climate change delivery as an area of strength and innovation, with opportunities to explore and embed it’s approaches throughout other areas of council delivery would support the Council’s net zero and climate ready ambitions. Whilst no immediate direct implications, the actions outlined within the attached action plan will help the Council deliver on those issues the Council considers most important.

⁴ <https://www.legislation.gov.uk/ukpga/1999/27/contents/>
https://assets.publishing.service.gov.uk/media/64a2e57606179b000c1aea03/Best_Value_guidance_subject_to_consultation.pdf

Affordability Aside from the benefits in terms of managing the council finances, the recommendations in this report and peer review will help maximise the benefits, efficiency and effectiveness of all council services and partnership working to all residents of York.

Equalities and Human Rights as per the above legal comments, we will be undertaking consultation and this will take into consideration our human rights and equalities assessment and the council's Public Sector Equalities Duty.

Data Protection and Privacy Data protection impact assessments (DPIAs) are an essential part of our accountability obligations and is a legal requirement for any type of processing under UK data protection and privacy legislation. Failure to carry out a DPIA when required may leave the council open to enforcement action, including monetary penalties or fines.

DPIAs helps us to assess and demonstrate how we comply with all of our data protection obligations. It does not have to eradicate all risks but should help to minimise and determine whether the level of risk is acceptable in the circumstances, considering the benefits of what the council wants to achieve.

The DPIA screening questions were completed for this report and as there is no personal data being processed for the options set out in this decision report, there is no requirement to complete a DPIA at this point. However, this will be reviewed where required, following the decisions from this report for example the supporting action to improve customer experience and preparation for regional opportunities.

Communications support will be required in both the immediate management of the report internally and externally and resources committed to delivery of the corporate improvement framework and associated actions.

Economy As highlighted under paragraph 35, there are reputational risks associated with the report. If realised, these reputational risks could impact negatively on funder and investor confidence and potentially lead to challenges in securing external funding and investment to support the local economy. It will therefore be important to carefully manage these risks to mitigate economic impact as far as possible.

Risks and Mitigations

36. **Financial Pressures** The LGA Peer Challenge recommendations, given the increasing financial pressures experienced by the council, could be undeliverable. The Corporate Improvement Framework sets out activities in response to the recommendations considering available capacity and capability. Detailed action planning is underway and recognises that business cases for additional recruitment are subject to an invest to save case.
37. **Officer commitment** The LGA Peer Challenge undermines both elected member and staff commitment to the council. Regular communications and engagement about the council's areas of strength, with a focus on the "hard working and dedicated" workforce will be put in place to mitigate this risk and continue to deliver on a programme of continuous improvement.
38. **Partner confidence** Partner confidence in the council could be compromised as a result of the recommendations, particularly around partner engagement. Given the emphasis the council plan places on working with partners differently, the council will work with partners and city leaders on how to best work together, strengthen key relationships and move forward in delivering priorities for the city.
39. **Reputational** The scrutiny the report could invite may lead to a sustained reputational impact that will be difficult for the council to recover from, negatively impacting future recruitment, retention and relationship with key funders. The strength of the strategic leadership required to lead and deliver the Corporate Improvement Framework and remain focused on addressing the issues the report presents will be crucial to mitigating the longer-term reputational impact.

Wards Impacted

All

Contact details

For further information please contact the authors of this Decision Report.

Author

Name:	Ian Floyd
Job Title:	Chief Operating Officer
Telephone:	01904 552909
Report approved:	Yes
Date:	1 May 2024

Background papers

Audit and Governance Committee discuss the scope of the LGA Peer Challenge [Agenda for Audit and Governance Committee on Wednesday, 31 January 2024, 5.30 pm \(york.gov.uk\)](#) item 40

Council approve the Council Plan 2023-2027 [Agenda for Council on Thursday, 21 September 2023, 6.30 pm \(york.gov.uk\)](#) item 6

Audit and Governance Committee discuss LGA Public Interest Report Assurance report [Agenda for Audit and Governance Committee on Tuesday, 7 February 2023, 5.30 pm \(york.gov.uk\)](#) item 40

Annexes

Annex A: LGA Peer Challenge Report and Recommendations

Annex B: City of York Council Corporate Improvement Framework