

## AGENDA SUPPLEMENT

### Executive

**To:** Councillors Storey (City of York Council), Douglas (Chair), Kilbane (Vice-Chair), Coles, Kent, Lomas, Pavlovic, Ravilious and Webb

**Date:** Thursday, 9 May 2024

**Time:** 5.30 pm

**Venue:** West Offices - Station Rise, York YO1 6GA

The Agenda for the above meeting was published on **30 April 2024**. The attached additional documents are now available for the following agenda item:

**10. LGA Peer Challenge – report, recommendations and action plan** (Pages 1 - 42)

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.

This agenda supplement was published on **3 May 2024**.

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<b>Meeting:</b>	Executive
<b>Meeting date:</b>	18/04/2024
<b>Report of:</b>	Ian Floyd, Chief Operating Officer
<b>Portfolio of:</b>	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 2016<sup>1</sup>.
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.

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<sup>1</sup> [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)<sup>2</sup> A rating.

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<sup>2</sup> [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*<sup>3</sup>), 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*.

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<sup>3</sup> [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 guidance<sup>4</sup> (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.

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<sup>4</sup> <https://www.legislation.gov.uk/ukpga/1999/27/contents/>  
[https://assets.publishing.service.gov.uk/media/64a2e57606179b000c1aea03/Best\\_Value\\_guidance\\_subject\\_to\\_consultation.pdf](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

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<b>Report approved:</b>	Yes
<b>Date:</b>	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

# LGA Corporate Peer Challenge

City of York Council

6 to 9 February 2024

Feedback report



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## 1. Executive summary

The peer challenge team can attest to having found a strong and palpable sense of pride in, and commitment to, the city of York as a place in virtually every conversation during the Corporate Peer Challenge. In no small part this message came through strongly from the council's passionate and dedicated staff who are hugely committed to the place and its people.

Now feels a time in which there is a huge opportunity to take advantage of York's unique assets such as the newly established Combined Authority, the connectivity advantages of its location in the country, its proud heritage and its wealth of respected and influential anchor organisations (such as its two Universities and major institutions such as the Joseph Rowntree Foundation). There are already some examples of great practice and delivery in how the council is delivering its agenda for children and young people as well as the exciting Community Stadium initiative.

City of York Council (CYC) has really positive links and connections into communities and this engagement is well aligned with social provision such as libraries and leisure. The Community Stadium initiative clearly demonstrates the council's ability to connect services such as health and adults' delivery into the project. The peer team saw examples of the council beginning to map this positive community working whilst continually strengthening connections into these communities.

The 'Single Customer View' represents a very significant opportunity for CYC to develop an ever deeper understanding of its communities and customers. However, at present the benefits are not yet widely understood and the system's full potential is some way short of being fully realised. There would be value to CYC in further exploring the possible expansion of this capability more widely across the council and potentially with partners in supporting areas such as demand-led services and customer and community engagement in a wider sense.

CYC is able to demonstrate good innovation in the delivery of climate change activities, although there remains a need for more financial and resource capacity to deliver additional opportunities. This is an area which may lend itself to being a part of York's contribution to achieving Combined Authority objectives and potentially utilising resources from this avenue for delivery of climate change outcomes and priorities.

In relation to Equality, Diversity and Inclusion, the Council is currently being voluntarily assessed against DEI LGA framework with an aspiration to achieve the level of Excellent.

Another strong characteristic of the city's current 'mood music' is that the new political administration has demonstrated a significant level of ambition and drive. Both have been broadly welcomed both internally to the council as well as amongst the city's external partners. Within this point however resides a challenge which the council will need to ensure it confronts.

Taken in their totality, there was a clear and widely shared perception among external partners who met the team that the ambition and drive of the political leadership is not always fully mirrored among some of the council's senior management.

The view of numerous partners is that capacity, capability and mindset of some senior managers in CYC is not consistent in matching the ambition of the new administration's agenda.

There are examples provided by partners which demonstrate that some of CYC's senior managers are leading the council's achievement of positive and well-regarded outcomes for the city. This is particularly true of some of the work relating to children and young peoples' services, adults' social care, public health, voluntary sector collaboration and community engagement.

However, there was also a strong view expressed to the team by the same partners that there remains room for improvement in how some other of the council's most senior managers are leading. The view is that there is more for these senior managers to do in proactively and effectively communicating that they welcome the prospect of future growth and economic development in York. This perception, if it persists, could be extremely unhelpful in the necessary efforts for the council to be a convenor of a city-wide, multi-sector partnership of organisations bound by a shared vision of what York both wants to be and can be. The positive change CYC can lead will depend on the organisation clearly demonstrating to all partners that it is 'One Council' in having a unified member and officer leadership that are working together effectively. It will also be important that this united front from the council communicates clearly that CYC, as a whole, shares the passion partners express for realising the ambitions for the city's future development. This will be a powerful alliance if these ambitions are jointly developed and assessed to ensure they are both realistic and achievable.

With this partnership approach, achieving the ambitions of the city in the context of the new Combined Authority will have a greater chance of success.

There are already examples of good partnership working (such as some joint working with North Yorkshire and on the Integrated Care Board (ICB)). This demonstrates the foundations on which further effective collaboration can be developed

There is need to build a greater degree of consistent, positive and visible strategic officer leadership and collective corporate responsibility for the organisation. This is key to ensuring there is greater synergy across the whole council in achieving corporate priorities whilst removing any perceptions of silo working. This all starts with how the Corporate Management Team comes together. Whilst CYC can point to some talented officers in the top team how they are deployed and how the CMT operates as a whole will dictate how successful the next stage of the city's, and the council's, journey plays out.

This next stage should seek to clarify and focus the council's vision for the city and its

values to address the perceived lack of a corporate 'golden thread' and single narrative for the organisation. Translating this ambition into tangible reality will then require both the members and officers of CYC to 'prioritise its priorities' and this will need to be articulated in a clear delivery plan, underpinned by a robust performance management framework, and delivered within the Council's current financial means. This would allow everyone – staff, members and partners alike - to understand their role and contribution to delivering that ambition captured by the single narrative that drives all that happens in the organisation.

It also provides the vehicle through which CYC can more effectively engage with and celebrate the successes of the council's hard working and dedicated staff.

There remains time to address the considerable financial challenge facing CYC and it is recognised the council is not alone in facing such challenges. However, to do so, CYC will need to improve the council's corporate financial literacy and the overarching governance to support this. Currently there is some concern over how robust the planning and delivery of savings and budget is in both the coming financial year and in the medium term. This relates to City of York Council lacking a single, commonly accepted version within the council of CYC's financial position. At the present time there seems to be variation of understanding rather than a common message. Prioritisation based on clear consensus and agreement and a properly resourced strategic transformation programme is required to achieve this.

It will be important for CYC to achieve a common view on, and approach, to lining up all resources – human or financial – in order to achieve outcomes.

## 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, These are set out below for the council to consider, drawing on the evidence presented and in the context of the council's operating environment, financial challenges and capacity to change

- 2.1 Recommendation 1:** Clarify a strong and consistent narrative that drives the ability of the organisation to take advantage of the opportunities available to York.
- 2.2 Recommendation 2:** Be clear on the need to prioritise the ambition of the new council plan to focus on key delivery.
- 2.3 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.

- 2.4 Recommendation 4:** Consider how the corporate culture and senior arrangements of the organisation can help shape and deliver key priorities.
- 2.5 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.
- 2.6 Recommendation 6:** Put in place a robust performance management framework that recognises and rewards success and has clear accountability for delivery.
- 2.7 Recommendation 7:** Ensure improved staff engagement that clearly communicates the shared aims ambitions and priorities of the organisation and celebrates success.
- 2.8 Recommendation 8:** Establish a well evidenced and robust single version of the medium-term financial position that is collectively owned and understood.
- 2.9 Recommendation 9:** Improve the financial literacy of the organisation, financial controls and financial grip that focuses on the big picture.
- 2.10 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.
- 2.11 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.
- 2.12 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.
- 2.13 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.



- 2.14 **Recommendation 14:** Properly understand the relationship with the Combined Authority and its role in enabling CYC to deliver its key priorities.
- 2.15 **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.

### 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:

The Corporate Peer Challenge team is:

1. **Lead Peer:** Sara Todd (Chief Executive, Trafford Council)
2. **Member Peer:** Councillor Peter Marland (Leader of Milton Keynes Council)
3. **Senior Officer Peer:** Mark Fowler (Deputy Chief Executive and Corporate Director – Population Wellbeing, Luton Borough Council)
4. **Senior Officer Peer:** James Dunn (Director Prosperity and Investment, Telford and Wrekin Council)
5. **Shadow Officer Peer:** Lo'ren Spence (Partnership Development and Monitoring Officer, City of Stoke-on-Trent Council)
6. **LGA Peer Challenge Manager:** Ernest Opuni (LGA Senior Regional Advisor)

#### 3.2 Scope and focus

The five high-level themes we have adopted for all LGA Corporate Peer Challenges provides the core framework for any Corporate Peer Challenges. These are forward looking. The relevant themed questions have been agreed between City of York Council and the LGA as follows:

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? Does the vision for the council build on its potential as an innovator and thought leader for the Yorkshire and the Humber region, as well as for local government more widely?
2. **Organisational and place leadership:** Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities? Is it making the most of the strong range of partners and

their assets across the city? Could the council do more to utilise those assets on behalf of its communities, businesses and stakeholders? Is it realising its ambition to become a 'fantastic city, delivering the 10-year vision for everyone?

3. **Governance and culture:** As with any Council, are there clear and robust governance arrangements? Is there a culture of respect, challenge and scrutiny? Does the council have the mindset and capacity to deliver?
4. **Financial planning and management:** As with any Council does CYC have a clear understanding of its current financial position? Does the council have a strategy and a clear 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?

Within this, the council would like the team to provide reflections on:

- How well the council is doing in providing a positive experience for City of York's customers in keeping with the aspirations of York to establish the conditions that would make York a healthier, fairer, more affordable, more sustainable and more accessible place, where everyone feels valued.
- How well the city is positioned to maximise opportunities for developing the local economy utilising among, other factors, the Local Plan and emerging Local Transport Strategy. This includes effectiveness in securing standalone external funding for the City as well as accessing additional resources in the York and North Yorkshire Combined Authority arena – how ready is York structurally to fully benefit from future opportunities?

### 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 City of York Council, during which they:

- Gathered information and views from more than 50 meetings, in addition to further research and reading.
- Spoke to more than 130 people including a range of council staff 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. The findings

reported are based upon the triangulation of information read, heard and seen by the peer challenge team. This applies to information supplied both in advance of and during the onsite visit.

## 4. Feedback

### 4.1 Local priorities and outcomes

The city of York presents considerable opportunities on a number of fronts. In all of the meetings and conversations the peer challenge team had the opportunity to be involved with the strong sense of pride in, and commitment to York, from a variety of sources was palpable. This message came through consistently whether it was in meetings with City of York Council's (CYC's) fantastic staff (who are hugely committed to the place) or external partners. The city's unique physical assets and beneficial location allied to its committed partners and the ambitious new political administration provide a foundation on which CYC could be well-placed to take advantage of York's opportunities. These emanate from a number of areas including the newly created Combined Authority, the city's connectivity, and its heritage of strong anchor organisations including (for example its two universities and other organisations such as the Joseph Rowntree Foundation)

There are already some examples of great practice and delivery (such as the council's approach to working with children and young people in its Early Talk for York work and the exciting Community Stadium initiatives). However, there is more to do for the council to better position and organise itself in order to maximise the benefits of all these features.

The administration has detailed priorities from its manifesto to CYC's Corporate Management Team (CMT). As of Sept 2023, there is an adopted Council Plan which sets out the ambition. However, the peer challenge team heard that the commitments, values and priorities were not yet fully understood by staff or partners and they found it difficult to articulate their role in delivery. This has resulted in a sense that a 'golden thread' connecting interdependent work and taking advantage of the potential input from all partners does not yet exist. The Peer Challenge team acknowledge the Plan's comparatively recent adoption but suggest that there would be value in CYC considering how best to meaningfully embed this as part of the council's communications and engagement strategy. Messages which are clear, visible and have the ability to be prioritised against improve the likelihood of success in embedding values and commitment.

While there is a strong ambition in the Corporate Plan, its delivery is not yet clear as there is a sense of there being too many priorities. What is now needed is a greater clarity about key priorities from the new administration. Thereafter there is a need for a clear alignment between the vision and priorities with an assessment of what is realistic along with the timing of delivery. Further to this is a need to line this vision up

with a realistic and clear corporate financial strategy which clearly underpins and supports the delivery of those priorities whilst identifying what needs to happen and when. It is also important that the organisation brings to life what delivery looks like bringing together staff actions with outcomes that deliver on the vision and priorities. Having this 'delivery' plan will facilitate the development of a strong performance management framework to provide that 'golden thread' (i.e., a clarity among staff about their individual priorities and those of their teams). This would provide a means of ensuring easier measurability of the impact of staff contributions in achieving outcomes whilst underpinning this work with clear lines of accountability.

CYC has really positive links and connections into communities and this engagement is well aligned with social provision such as libraries and leisure. The Community Stadium initiative clearly demonstrates the council's ability to connect services such as health and adults' delivery into the project. The peer team saw examples of the council beginning to map this positive community working whilst continually strengthening connections into these communities.

In order to continue to build on this success, a whole corporate organisation and system buy-in as well as with partners is required. There appear to be opportunities to replicate this with Education and Children's services for example which would be a means of further embedding 'a golden thread' and single narrative for the organisation in better connecting place, people and assets.

The 'Single Customer View' represents a very significant opportunity for CYC to develop an ever deeper understanding of its communities and customers. However, at present the benefits are not yet widely understood and the system's full potential is some way short of being fully realised.

The 'Single Customer View' represents a unique and innovative approach to more effective and customer centric service delivery. The valuable insight into CYC's customers, the potential for a better joined up view of individual customers and families could have transformational benefits for the council. The efficiency benefits of reducing the numbers of contacts and repeat requests for the same information from the same customers could make a significant difference to service delivery. This is a resource which deserves a wider corporate roll-out and wider utilisation into the future.

CYC is able to demonstrate good innovation in the delivery of climate change activities, although there remains a need for more financial and resource capacity to deliver additional opportunities. This is an area which may lend itself to being a part of York's contribution to achieving Combined Authority objectives and potentially utilising resources from this avenue for delivery of climate change outcomes and priorities.

In relation to Equality, Diversity and Inclusion, the Council is currently being voluntarily assessed against DEI LGA framework with an aspiration to achieve the level of Excellent. The prioritisation of this is a clear demonstration of the new

political administration's Four Core Commitments embodied in the acronym EACH.

EACH stands for:

- Equalities and Human Rights – a city of equal opportunity
- Affordability – a more affordable city
- Climate Change and the Environment – a more sustainable city
- Health and Wellbeing – a healthier city

#### **4.2 Organisational and place leadership**

The strong political leadership demonstrated by the new administration is recognised internally and externally by partners. There is a clear sense of place, and a passion about being in CYC and York itself. This was tangible at all levels that the peer team engaged with. A programme of member induction has been introduced and some engagement has been achieved, although with mixed results as attendance was not uniform. This can however be built upon to widen this further as it will be important to ensure members can be, and feel, confident in their roles in setting the priorities, vision and corporate objectives of the council.

The ongoing programme of regular joint Executive and CMT meetings taking place is a positive. The opportunity now is for CYC is to make these meetings more purposeful. This would be the place in which effective work can be undertaken to prioritise the commitments of the administration whilst using this clear direction as the basis for action planning which underpins and drives delivery. The feedback at the present time is that the agendas of the weekly CMT meetings can at times be viewed as too operational in their focus. This potentially is a product of where the council has been in recent times. To have their fullest impact there is a widely recognised need for these meetings to evolve and become more strategic and action focused. There seems an opportunity for the dynamism and impact of these meetings to be further enhanced by moving towards ensuring that these meetings are held in person. Being 'present' is a key part of building that corporate culture and would go a long way towards strengthening this.

There is a significant amount of internal communications activity at CYC. However, feedback the team received suggested that these are not felt currently to be connecting with staff as fully or effectively as they might. There would be value in reviewing the current approach to this and identifying how this can be undertaken more effectively. For example, the messaging from CYC meetings to teams on key actions/news was felt by staff to be disjointed and not consistent. There may be an opportunity to make proactive use of short videos from the CMT for example to bring to life the messaging that they wish to convey to the organisation.

Looking beyond the council more widely to the city at large, it is important to highlight some of the significant work that has taken place in York. CYC has grappled with the significant challenges the whole of the local government sector has faced. Reduction



in budgets as well as in other forms of resources have had an undoubted impact on how the council has deployed its efforts. This is not a new situation and is true of times preceding that of the current administration.

Another part of the backdrop in which CYC, like other councils, has worked is the need to focus on preparing for and securing the deals relevant to devolution arrangements as well as setting up the Combined Authority. This reflects a 3-year programme of significant activity including liaison with central government, the Local Enterprise Partnership and the other partner in the Combined Authority, North Yorkshire Council.

There has been significant work undertaken around the Integrated Care Board (ICB) and other health and social care functions which has been a draw on the capacity of the council's Chief Operating Officer and other Director Level senior managers in recent years.

There are a number of achievements which have been achieved in York during these challenging times. The highly regarded Community Stadium was a multi-million-pound development that has benefitted from the involvement and leadership of the council drawing together and involving many partners as well as private sector investment.

York Central is one of the largest regeneration sites in the country. This has benefited from the leadership of Senior Managers in the council working well with key partners such as Homes England and Network Rail. The project has benefitted directly from approximately £35m of council funding which will be further boosted by a further £50m secured as part of the devolution deal.

The Guildhall development is another major project with a significant budgetary input from the council of approximately £20m alongside the input of other partners. There is work ongoing in relation to housing delivery which has benefited from significant levels of council investment being used to build new homes using council funds exceeding £100m. The York Ring road is a major infrastructure development which is also benefitting from further investment in excess of £100m.

The Castle Gateway Masterplan is still in development but is very much part of plans for ongoing future improvement of the City's infrastructure. There has also been other significant private sector investment coming into the city in recent years.

Notwithstanding significant and positive work undertaken by CYC detailed previously, there remains a strong expectation among the majority of the partners with whom the team met that there remains more to do going forward.

In a number of different meetings the team held with a diverse range of partners, a common thread fed back to the team is that a stronger, positive strategic leadership and convening role from some senior officers at CYC would be welcomed. It is important to point out that this view was explicitly applied to the most senior officers at CYC. The impact of a previous article about York which appeared in a national publication remains embedded within perception of many partners even though this

occurred a number of years ago. Whatever the voracity of this perception, it is indicative of a narrative that the council would do well to engage with partners about in order to move forward from this being an unprompted but highly visible part of the narrative these partners hold onto.

Now seems to be a critical time in which to build on the existing good practice detailed previously. The hope for the future is that partners share examples of how their collaboration with the council has delivered positively for the city on different initiatives. With the ambitious projects cited previously, there is much in the recent history of the city that can fuel a more positive narrative than was shared with the peer challenge team whilst onsite.

There will be a great deal of value in a collective top team of the leading politicians at CYC and the senior managerial leadership working proactively with partners on how best to maximise the impact that effective collaboration can continue to contribute to the future development of York. There is an opportunity to show leaders of the city's key 'Anchor' organisations and other partners that there is a genuinely transformed commitment among all of CYC's most senior officers to delivering a bolder, more ambitious vision for the city. This will need to be underpinned by a new collaborative culture clearly embraced and demonstrated by all facets of the council, with partners proactively contributing to the city's success. This, in turn, will lead to more meaningful and sustainable culture of collaboration involving and recognised by all partners in the city.

When it comes to articulating and driving an ambitious vision for the city, there is a unanimous view that the council's political leadership is dynamic and provides the main championing voice of this on behalf of the council. The way in which this is energising most of the partners the team met with bodes well for a future in which there is minimal distinction between engagement with members or some senior officers. The energy can be created from a positive perception of engagement with all at CYC.

The opportunity to turn partnership working into a vehicle for tangible benefits is clear and present. York is uniquely blessed with a strong group of anchor organisations which are not only based in the city but are deeply committed to the city. The peer challenge team were informed of some of the great examples that have happened in partnership in relation to Early Help York and 'York Hungry Minds', the Free School Meals pilot, which provide examples for what the art of the possible might be if this way of working is scaled up and embraced across the council.

Delivery of a new Combined Authority represents a major step forward, and both officers and members have worked well with North Yorkshire in recent years to make this happen. There is however further clarity required on how the city will fully contribute to, and benefit, from the York and North Yorkshire devolution deal, the recently launched Combined Authority (CA) and the achievement of desired outcomes.

Whilst there is some time between now and when an elected mayor takes office, this does not preclude CYC from commencing work in earnest on a longer-term strategic plan for how CYC will deliver on the place aspirations for York in that sub-regional arena in the short, medium and longer term. There is greater possibility of influencing future sub-regional strategies from a position of York being clear about what the city brings to the table as well as having clearly set out aspirations from its own Local Plan.

As part of the need to create a strategic plan it is noted that the initial list of asks of the CA from CYC are mainly short term largely revenue requests. With CYC's new Local plan likely to be adopted this year it is recommended that greater focus is put on how working with the CA through whom support can be secured to ensure key developments come forward. Ensuring the wider developments come forward will then enable additionality as referenced in CYC's asks of the CA including enhanced sustainability of homes and accommodation for key workers for example. Much of this work will, however, need to wait until the Mayor has been elected in May 2024, and has subsequently established their strategic direction for the CA.

There are considerable opportunities when it comes to working with Integrated Care Board (ICB). The development of the Joint Commissioning Group provides an opportunity to drive integrated working as it evolves the group itself evolves. As part of this evolution, there may be value in considering how the co-location of partners in West Offices can be maximised as a means of partners working more closely together whilst still capitalising on the current income afforded by the current tenants and partners in the building. Again, in-person meetings, where viable, (recognising that space in the building is sometimes at a premium), could be a valuable part of embedding an effective culture of collaboration and joint working. In spite of challenges, finding ways of deepening collaboration seems an outcome to actively pursue.

Prevention and population health is well placed to get 'ahead of the curve' in dealing with need and demand. Directors for Childrens', Adults, Public Health and Place working together can be a positive and powerful team supporting integration and wrap-around services. The ability to support communities where they live will assist the work of the Health Place Board in being yet more impactful.

Progress has been made over the last 6 months. The York Place board is chaired by the COO with additional attendance by the DPH and engagement of the DCS and DASS and political representation from the Leader of the Council and the Portfolio Holder. However, there are clear areas for consideration if the Health Place Board is to further progress including that there is a need to ensure that the priorities it has chosen now move more tangibly towards delivering more ambitious, longer-term outcomes. This also includes the introduction of an agreed mechanism for Continuing Health Care (CHC) and a more strategic approach that is informed by an improved market statement.



### 4.3 Governance and culture

There is a strong and explicitly stated willingness and ambition from the new council administration to reset the organisational culture. Aligned to this there is demonstrable progress being made in taking forward the recommendations from previous reports the council has received.

However there remains work to do in relation to culture, behaviours and ethos amongst members and officers, which can be addressed in the proposed three year 'Overall improvement plan to embed a positive culture, behaviours and values' devised in response to the 2021 Public Interest Report regarding the Exit Package of the council's former Chief Executive. There is the need to build greater trust, respect, and confidence across the organisation including between members and officers to aid more effective and timely decision making. This would contribute positively to achieving the aspiration of 'One Council'. There was recognition among those the team met with that there is more to do on this front to remove the 'disconnect' and 'organisational silo working' which staff, partners and members articulated to the peer challenge team. Securing a shared clarity about vision, purpose and strategic direction would be a worthwhile and achievable objective which can be made possible from having a truly corporate management team where there is a greater degree of collective responsibility for the organisation.

The Peer team heard from several sources that part of the required change is the need for a more strategic view of delivering larger scale outcomes rather than focusing exclusively on detail. The default position in the past has been a propensity for being bogged down in process and examining significant amounts of detail in meetings for example. There is a need to move away from a focus on the minutiae to more of a higher-level strategic view of how the council does business. There is work with members ongoing to refresh the constitution as a means by which CYC might move towards a more strategic approach to decision making. The peer team agrees that there is some definite value in this work being taken forward. The team's encouragement to CYC would be to accelerate the pace of this work to ensure that the current slow progress does not prevent the council reaping the full benefits of achieving this ambition. Again, however, this would be best achieved through a focus on the broader principles rather than minutiae.

A higher degree of trust in officers by members will inevitably improve the speed of some of the council's work. The peer team were informed of a number of other examples in addition to the work on the constitution such as developing the CA terms of reference and work of the planning committee where members were going into a level of detail which might prevent decision-making being as efficient as it might be. There would be value in CYC reflecting on current practice and seeking to identify how these processes might become more agile. However, this way of working often described to the team as 'the York Way' goes beyond process and points to the need for a sustained focus on, and plan for, developing a more mature corporate culture.

This would be characterised by members setting and signing off the key direction, principles and agreements and then giving the appropriate autonomy to officers to document their decisions.

Scrutiny arrangements at CYC would benefit from review. As a function of governance, it can be hugely beneficial for quality of decision-making if it is fully supported and empowered to be a positive and integral part of policy development. It is clear that this is recognised by the administration as an area where a fresh look at how improvements can be made would also be a good use of time and effort.

The council's staff made clear to the peer team that they wish to be involved in contributing proactively to corporate problem solving. Currently the clear message received by the team is that staff do not feel empowered in this regard. One possible way of helping to address this, builds on a request from staff that the viability of an 'Ideas Hub' be explored. The aim would be to provide a space for staff to support the council in identifying solutions to any of the challenges it faces and exploring ideas on how things might be done better and differently. An initiative of this sort would allow the council to listen to these things, test ideas by doing an assessment and potentially turning up some truly innovative ways of delivering into the future. A guiding and underpinning principle for this approach is that all ideas would need to be replied to. 'No' as an answer is fine; the important thing is that all ideas receive a response.

Cost and control strategies in place were portrayed to the team as indicative of a mindset of risk aversion and not being able to embrace opportunities for change. This can have unintended consequences as it can inhibit procurement and recruitment whilst also stifling innovation and creativity. The restrictions on recruitment in particular was played back to the team as an example of how skills and experience being lost from the organisation appears to have no way of being replaced. The skills gaps created make it more difficult for taking on and delivering the council's priorities for the future due to this undermining of capacity and capability. With the current challenges all councils face, the peer team is very aware that there is a delicate balance between managing resources at the present time whilst also investing in the future. Nonetheless seeking to achieve this balance would seem to be a good investment of time and effort for CYC to make.

There is a need for internal processes to be more enabling, purposeful and less bureaucratic which was a view made clear to the peer team. There is a feeling among some staff that processes in and of themselves have the impact of preventing rather than enhancing the ability of staff to perform their roles as effectively as they might. The manner in which deploying a strengths-based approach resulted in reduced cost and improved outcomes in Children's Services may be an example of what can be achieved if staff feel they have a freer hand to share ideas and be

involved in identifying solutions. This good practice could be shared more widely across the organisation.

Despite the very considerable challenges faced by any council working and delivering in current times, the peer challenge team would like to emphasise that we encountered some hugely passionate committed and resourceful staff. The team would encourage the council to ensure it does not lose sight of this.

#### **4.4 Financial planning and management**

The Council is currently forecasting an £11.1m overspend on its General Fund Revenue Budget for 2023/24 (based on expenditure trends for the first half year). A range of mitigating actions were put in place following the first quarter monitoring forecast of an £11.4m overspend but at the time of the Peer challenge these are yet to make significant impact. Significant reduction to the overspend is forecast over the remainder of the financial year.

Significant revenue pressures of circa £10m per year have been identified for each of 2024/25, 2025/26, 2026/27 and 2027/28. At this stage no concrete action plans have been identified to deliver the required savings although a significant amount of action is underway.

As at the beginning of the 2023/24 financial year the council's General Fund Reserve was £6.9m and Earmarked Reserves stood at £31.4m. The council has identified £4.2m of Earmarked Reserves as available to help address the 2023/24 revenue pressures.

The council's Capital Programme for 2023/24 to 2027/28 currently stands at an estimated £523m. This programme is under review as part of the actions to address revenue pressures the council are facing now and into the future.

The council plans to introduce a Core Internal Programme team to support delivery of the necessary savings programmes. It will be important that CYC has a clear, definitive set of savings plans to work with, report on and ensure actual and potential impacts are reflected appropriately in 2024/25 and medium-term estimates.

The February 2023 budget report to Full Council stated that the minimum level for the General Fund reserve should be £6.8m (equating to 5% of the net budget). At the beginning of 2023/24 the reserve stood at £6.9m. In the event that the mitigations outlined in the November 2023 report to Executive do not deliver the anticipated savings the report is clear that whilst the General Fund Reserve is available to assist in addressing any remaining shortfalls, growth in reserves would need to be included in the 2024/25 budget setting process to maintain reserves at an appropriate level.

In addition to the general reserve of £6.9m there are a range of other earmarked reserves where funds are held for a specific purpose. As at November 2023 there was a balance of £31.2m available in these earmarked reserves. The council's earmarked reserves will be reviewed on a quarterly basis and where appropriate to do so will be released to support the in-year position. The council will also consider amounts held by fully owned council companies to ensure that these reserves are not being held at levels that are unnecessarily high. A contingency budget of £500,000 has also been set, and this has been assumed to be available to help offset the £11.1m pressures outlined in the report.

Corporate budget setting needs to be more robust, open and collaborative. There is a need for improved organisational financial literacy and collective ownership and understanding. The main point being made by the team in this regard is for CYC to seek a single, commonly shared overview of this in place of what often has been disconnected and siloed view with variations between different directorates. Furthermore, it was suggested on several occasions that there is no overall insight of all the possible savings options by the Executive and CMT. A single shared version of the true financial picture by the leadership of the council is critically important. For example, it was noted that savings suggested within directorates were discussed directly with the relevant Cabinet member who dismissed them as not acceptable without oversight from the wider executive who should have been in a position to consider all options in the round. It is also not clear to the team whether there has been a review of learning from the way the 2023/24 budget was set and monitored.

CYC has a project assurance framework and a project assurance group chaired by the Section 151 Officer. This group meets regularly and maintains oversight of all medium and large projects and reports into CMT on a regular basis. This is an important group which warrants having its work being given the highest possible corporate support and profile. It is important that the overarching governance, financial planning and management processes support the work of this group. It would be beneficial to ensure it receives the requisite corporate buy-in to give it the maximum clout in all of the council's financial considerations. This includes strengthening the Project Assurance Group and further raising the profile of its work with the Council Executive.

The benefits from a strengthened overarching programme and governance include corporate budget becoming more robust and collaborative than the peer challenge team found these arrangements to be. This could be a means of strengthening the likelihood of a single shared version of council's financial challenge being embedded. This could help to address the variable management, monitoring and reporting of savings plans which the team found whilst on site.

There would be significant value to the council of more collaborative budget build over time and in the lead up to budget setting. This could assist in the council assuring itself that it has a clearer understanding of demand and budget trajectory. It

was not clear to the team that there was a clear approach to setting or managing the capital programme and in-turn impacts of slow delayed delivery. Ensuring the MTFs is developed, collectively owned and then regularly reviewed are functions which are only achievable if embraced and driven corporately. It will be critical going forward to ensure that the budget setting process is inclusive and ensures all parts of the council are in agreement of the overall position.

The council's Medium Term Financial Strategy needs to be collectively owned. The Council is in the process of putting together a 3-year plan to deliver the required savings identified in the MTFs. There is value in thinking ahead for a picture which looks across a multi-year view as far as is possible in spite of the limitations produced by the current single year settlement model of council funding arrangements. This will be important in combatting a somewhat disjointed picture of the precise level of the savings challenge CYC faces over the next few years. There would be value in greater deployment of data analysis and the impact of demography.

Financial grip and control varies across the organisation. A more central corporate approach as a starting point would enable a clearer, better understood and shared picture to be produced. Aside from the benefits of this being undertaken as a collaborative exercise, it is also likely to be more reliable and accurate if undertaken in this way. The picture at present appears to lack requisite grip on the detail meaning it is not always clear as to how MTFs demand pressures are being forecast and what evidence any forecasts are based on.

There were concerns expressed to the team about the in-year budget position. This is not entirely unsurprising bearing in mind CYC is using a fair amount of its reserves with there being some worry that the position could worsen causing further concern about use of resources.

The specificity of the £14m savings for 2024/25 caused some questions to be expressed to the team about how definitive this figure is and what impact there may be if the amounts anticipated were to change; this is symptomatic of a failure of departments to accept the position set out by the Section 151 officer. Demand forecasting and base budget pressures is an area in which CYC would benefit from further improvement.

The council on occasion appears risk averse with minimal exploration of invest to save opportunities. One example of this related to a proposal to deliver specialist accommodation for Adults/Childrens which had not been progressed given the capital costs. This may be easier to address with the empowerment of staff and a stronger approach to prioritisation of corporate objectives. The transformation mindset will be possible to take forward if there is a move away from cutting and shaving off costs and some focus on investing now in order to save in the future. There is a necessary culture of cost and control rather than a focus on the big picture at present and, once the immediate financial challenge is under control, the dial shifting would be of benefit to CYC.



There is a need to ensure the Corporate Risk Register is properly evidenced and focussed on higher risk areas. Where required, specific risk registers for projects could deal with more commercially sensitive matters to ensure the associated confidentiality requirements are met. There may be some value in the current financial challenge being more explicitly positioned on the Corporate Risk Register than appears to be the case at present.

There is a need to improve the capital investment strategy to drive revenue. There is a 'bundle' of activity which might benefit from being unpacked in order that CYC might be able to see and understand more clearly where there might be any opportunities to take greater advantage of.

There is strong evidence of improved outcomes and a reduction in budget pressures for Children's Services. This is a good example of CYC proving to itself that it is able to step into the space of service transformation. There is an opportunity to assess what made this possible and explore how this could be replicated in other areas where there are emerging pressures.

The new York and North Yorkshire Mayoral Combined Authority will be headed by a Mayor elected in May 2024. This is a significant opportunity and challenge to the council, particularly in the light of the financial issues the council is facing. Making the most of this and other Strategic Partnerships will be a key element of addressing the financial issues. However, this will again require the Council to invest resources which will in turn increase the level of savings needed.

#### **4.5 Capacity for improvement**

There is a need to focus organisational priorities, then align resources and consider skills. CMT need to then convey alignment and priorities to the organisation. There has been significant past instability in key senior roles but this is now stabilising.

There would be significant benefits from a better articulation of the restructure and expected impacts. The peer team picked up some worries, concerns and questions about current proposals. What is it going to deliver? How will it help the organisation deliver on its priorities? There was not a common perspective on this from the various meetings and discussions the team was involved in. There is more to do to clearly articulate and demonstrate precisely and clearly what the proposed restructure will deliver. On the restructure the peer team would suggest a pause before pressing on with the second phase of this work. This is in order to ensure that the exercise is as effective as it might be by clearly identifying how changes will contribute directly to delivering CYC's vision and clearly helping to set priorities and direction in order to deliver this.

There is a need for focus and resources for training and development. There are some real worries and concerns about the impact on CYC's capacity and capability at a time when building both will be important. Having the right skills and capacity to

develop are not being met by the limitation of training to providing mandatory courses only. The current approach would benefit from a review in much the same vein as the team would encourage CYC that embracing investment in improvement ambitions now should result in future benefits and savings.

There is a need for CYC to evolve into a more outward looking organisation as the feeling is it is currently heavily inwardly focused. This probably a reflection of where, not unlike other councils, CYC has been focussing primarily on delivering on the budget challenges. The opportunity to be a thought leader and innovator for the city will require a look outwards. How does CYC bring in external skills and expertise? How does it take opportunities to learn from other organisations? This is much more about the outlook and culture of the organisation as it looks towards a next phase beyond the immediate short-term future.

Much of CYC's focusing is heavily weighted on reporting, rather than on managing performance with a focus on delivering high impact outcomes. There is a need to properly grip Performance Management. However this will be more easily achievable if there is a clearly understanding and articulation of the priorities and outcomes the council is seeking to achieve.

As already referenced, the Single View system has the potential to be a fantastic asset that can drive innovation and change but this is not yet being fully realised. It could be an integral cog in the CYC transformation efforts if its full potential is embraced and utilised more widely across the council. It is a tool that could also support partners and market shaping.

#### **4.6 Positive experience for customers**

The council are keen to engage, and this is a clear administration priority. The Leader of the Council is very visible, is engaging with residents and businesses and partnerships and is really well-regarded by all.

Large numbers of staff are York residents, either currently or in the past. This represents a cohort of ambassadors who love the city, love living in it and can be champions for the council.

There are some pockets areas of extremely positive engagement with residents for example the work with poverty champions.

York can point towards a strong third sector, although this needs to be better connected. This may be easier to achieve once priorities are really clearly defined and articulated. Subsequently the outcomes being striven for need to be clearly and strongly articulated whilst ensuring that progress is measurable. This also allows CYC to capitalise on its partnership landscape and identify how this collaboration might be able to deliver further improved outcomes for the city into the future.

There is a significant opportunity to use complaints and enquiries to inform learning and shape service design. How feedback is currently requested does not always allow for easy analysis and outcomes are not always fed back to residents. There is a clear opportunity to better utilise these 'loops' and ensure that they are closed at the appropriate time. There is also the opportunity to fully utilise Single View to improve the resident pathway and experience.

CYC could be clearer on its strategy to channel and engage elected members to champion the council. Once again success will depend to a significant extent on having consistent, shared messages which can be communicated by all.

#### **4.7 Maximise opportunities to develop the local economy**

The Local plan is nearing adoption. It is a key strategy for York's ability to deliver on its economic priorities whilst also positioning itself better to benefit from the opportunities to come via the Combined Authority. Similarly, the Local Transport Strategy provides a similar lever in the context of the York and North Yorkshire Combined Authority. The alignment between the strategy for the city and any wider sub-regional vision for the Combined Authority will be important to achieve.

Planning decisions are slow compared to benchmarked comparators, which reflects the lack of delegations and calling in procedures leading to significant number of applications going to committee. There would be value in CYC seeking out ways of addressing a view held by some partners that this is undermining the enthusiasm for investment and development in the city. It is also suggested that CYC engage with high performing Local Planning Authorities to understand their delegations and call-in procedures to inform potential changes.

A view persists in York that the benefits of tourism and students are not being fully embraced. While the impacts of both are not without challenge, it is important that this does not completely overshadow some of the benefits to the city of being as desirable a destination as it always has been. A number of residents gave examples of the loss of retail and the replacement with bars/cafes as a negative impact on the City. Clearly retaining retail is important however in light of wider post-Covid retail market trends it is possible that without the demand for bars/cafes those retail units would otherwise likely fall empty which in turn could have a much greater impact of the city.

There is an opportunity for a greater focus on the need to properly realise the benefits of the CA. The recognition of the opportunity the Combined Authority represents for York is shared widely. Significant energy is going into developing the right relationships for CYC - among both members and officers - to ensure York is as ready as possible to make the most of this. This notwithstanding, the culture of partnership needs to be improved. There is still some work to be done to fully understand who does what in this sub-regional arena. This will be key to arriving at a



clearly understood and articulated role for York. As the main urban location in the partnership and the home to a plethora of large anchor organisations including two universities, the potential role of the city as an economic driver for the sub-region ought not be underplayed.

There is the need to better develop and communicate strategies which support the opportunities to deliver growth and employment. York needs to understand the importance of confronting a perception in certain quarters that it is a place which does not welcome or enable growth and is not as agile as it might be in turning development opportunities into reality. It also needs to address the view held by some that the City is only interested in developments that the council directly leads on. It will also be key that CYC is clear that its strategic 'asks' of the CA are within the scope of what York and North Yorkshire Combined Authority is charged with delivering and is therefore able to support.

It is also very important that any restructure of CYC maintains a key focus on how any changes equip the council to be most effective in the Combined Authority context. It is not yet clear how well the proposed restructure contributes to achieving this aim although it is proposed to create a Director of City Development.

## 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 follow up check-in session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Mark Edgell, (Principal Adviser for East Midlands, Yorkshire and the Humber and the North East) is the main contact between your authority and the Local Government Association. Mark is available to discuss any further support the council requires. [mark.edgell@local.gov.uk](mailto:mark.edgell@local.gov.uk).

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## Annex B City of York Council – Corporate Improvement Framework draft for consultation

The Corporate Improvement Framework is based on four themes to provide structure and guide our journey of continuous improvement. It enables the council to embed the four core commitments of Equalities, Affordability, Climate and Health (EACH), and responds to the Council Plan 2023-2027, *One City for all*, strategic theme “how the council operates”. It was informed by the evidence and recommendations in the LGA Peer Challenge February 2024, and will be updated with feedback from additional sources such as staff surveys or co-designing detailed action plans with Executive, officers, and partners. It provides a workplan for an initial 12 months of action and is the foundation of continuous improvement that will evolve as we learn more about how we can become a more effective and efficient organisation, that residents and officers are proud of. It is subject to consultation to inform detailed action planning (R15).

A 12-month update will be provided to Executive in response to the LGA Peer Challenge process.

1. **Strengthen strategic leadership:** Articulate a clear vision to inspire action in everything we do;
2. **One City, one council:** Build a culture that unites the council, officers, members and partners together, as one team;
3. **Harness the commitment to the city to deliver ambitions:** Deliver our shared priorities;
4. **Build a strong foundation:** Strengthen governance, accountability and financial management and a skilled, resilient workforce.

Strengthen strategic leadership	One City, one council	Harness the commitment to the city	Build a strong foundation
<p>Refresh the <b>Corporate Management Team (CMT)</b> restructure, repositioning as the strategic heart of the organisation – with greater collective visibility, establishing early opportunities to present a united team, share ownership of challenges, co-design a unifying vision and accelerating a strategic focus on priorities.</p> <p>R1, R2, R4, R5, R13</p>	<p>Co-design the <b>Cultural Improvement Plan</b> with Leading Together and Executive, to define shared leadership values based on kindness, respect and professional generosity, learning from partners and directorate successes to define and set agreed ways of working for the Corporate Leadership Group, Leading Together (Grade 12 and above cohort) and Managers to drive cultural change.</p> <p>R3, R4, R13</p>	<p>Develop and implement a <b>communications strategy</b> and plan, defining and embedding a clear corporate narrative, sharing strategic intent and facilitating opportunities to inspire action, regularly sharing progress against priorities - internally and externally.</p> <p>R1, R7</p>	<p>Review progress against the Council Plan, confirming <b>priorities</b> with the administration and agreeing a <b>roadmap</b> to hold the organisation to account for action, understanding delivery options for each action (eg, council, or in partnership with city partner, Mayoral, Integrated Care Board, etc).</p> <p>R2, R5, R14</p>
<p>Co-design a <b>leadership framework</b>, setting out leadership behaviours, delegated areas of responsibility and accountability, and values for all senior officers, putting in place a leadership development programme across the organisation to develop leadership, build shared trust and understanding, working with Executive Members, and delegated leadership throughout the organisation.</p> <p>R1, R4, R5</p>	<p>Co-design with Leading Together (the Grade 12 or above senior manager cohort) a <b>partnerships plan</b>, defining expectations, strengthening relationships as one council, agreeing ways of working, aligning to key priorities, and learning from good practice across the council, with regular updates discussed with Executive, Corporate Management Team and Corporate Leadership Group.</p> <p>R12, R13, R14</p>	<p>Establish and facilitate a <b>city leaders’ annual ‘events’ programme</b> comprised of thematic discussions aimed at bringing Executive members and the new Corporate Management Team together with city leaders to resolve strategic issues, including championing York’s interests regionally and nationally.</p> <p>R12, R13, R14</p>	<p>Review <b>Personal performance development and performance management</b>, ensuring alignment to EACH, establishing SMART objectives for employees that are recognisable, embedded in service plans and day to day delivery of services that align to priorities, strengthening recognition and celebration of success.</p> <p>R2, R4, R5</p>
<p>Redesign the <b>roles, relationships and responsibilities</b> within senior management internal governance arrangements, reviewing terms of reference and facilitating more opportunities to co-design options to resolve strategic issues, challenging and championing progress against priorities, with a shared</p>	<p>Build <b>capacity and capability</b> to establish an environment that strengthens leadership and strategic intent through a <b>Corporate Improvement and Resilience Plan</b> which brings together:</p> <ul style="list-style-type: none"> <li>• MTFS savings</li> <li>• council plan priorities roadmap</li> <li>• all transformation projects</li> <li>• internal governance</li> </ul>	<p>Build on the range of ways that employees can make suggestions for improvement including exploring an <b>e-“ideas” hub</b> for all staff with a refreshed approach to share officer expertise and harness innovative and creative ideas for consideration as part of the transformation programme.</p>	<p>Review <b>internal governance structures</b> to embed clear accountability and responsibility, establishing appropriate governance arrangements to deliver the council plan priorities, savings plans and transformation programme.</p>

<p>approach to organisation design for the 2<sup>nd</sup> phase of the senior manager's review.</p> <p>R4, R5</p>	<ul style="list-style-type: none"> <li>delivery of this action plan</li> </ul> <p>R10</p>	<p>R10</p>	<p>R2, R10, R11</p>
<p>Develop and embed an engagement plan to build greater understanding about the <b>mid-term financial strategy</b>, regularly sharing information about collective responsibility to overcome financial pressures, with an accountability framework across managers, and local schemes of delegation.</p> <p>R8, R9</p>	<p>Develop and deliver an <b>induction programme</b> for the new mayor of the combined authority, representing York's interests, in a visible show of unity.</p> <p>R13, R14</p>	<p>Strengthen the role of <b>Leading Together</b>, harnessing their expertise and commitment to the city to drive cultural change, change, financial and performance management, member/officer relationships, internal communications and engagement to inspire their teams to deliver the priorities.</p> <p>R2, R3, R7, R8, R9</p>	<p>Review <b>Scrutiny and oversight</b>, growing the <b>member induction programme</b> into a member development programme, to include opportunities to build increased understanding of roles and responsibilities for both officers and members.</p> <p>R10, R11</p>