

Report

Peer Challenge Programme

The Local Government Association's Annual Report 2017/18

Executive Summary

Corporate Peer Challenge and other service Peer Challenges continue to be a highly effective tool at the heart of the LGA's Sector-Led Improvement (SLI) programme. The programme aims to help local authorities to continue to improve and reform, by building the capacity and capability of the sector to enhance its effectiveness and resilience.

The sector remains fully committed to SLI and its guiding principles:

1. Councils are responsible for their own performance and improvement and for leading the delivery of improved outcomes for local people in their area; 2
2. Councils are primarily accountable to local communities and stronger accountability through increased transparency helps local people drive further improvement;
3. Councils have a collective responsibility for the performance of the sector as a whole

With the role of the LGA to maintain an overview of the performance of the local government sector in order to identify potential performance challenges and opportunities, and to provide tools and support to help councils take advantage of the approach.

This commitment continues to be demonstrated by the levels of take-up, with 64 Councils having engaged in Corporate Peer Challenge, Finance Peer Review, or a Corporate Peer Challenge Follow Up Visit during 2017/18 - which equates to nearly a fifth of the sector. This is a slight increase on 2016/17.

In addition 51 Councils, Fire & Rescue Services and other public sector organisations have engaged in service specific peer challenges including communication peer challenges, planning peer challenges and adult services peer challenges.

Overall the LGA has facilitated the delivery of 115 peer challenges in 2017/18 and enabled the deployment of 2,300 days donated by the sector to its own improvement through the peer challenge process. This clearly demonstrates the significant investment by the sector in its own improvement.

35 councils received a Corporate Peer Challenge for the first time during 2017/18 and we are now seeing many councils undertaking their second CPC and using peer challenge and other improvement support as key tools for their business improvement processes.

Feedback from the sector continues to be positive. In a feedback survey¹ sent to the leader and chief executive in councils that received a Corporate Peer Challenge between 1 March 2017 and 5 February 2018, the key findings were:

- All respondents were very or fairly satisfied with the corporate peer challenge their council received.
- Almost all respondents (99 per cent) said their confidence about their council delivering its priorities had increased, having participated in the CPC
- The vast majority (96 per cent) said that the objectives they had for taking part in the CPC were largely or fully achieved, with the remaining four per cent saying their objectives were partially achieved.
- All respondents would be likely to recommend having a corporate peer challenge to other councils if asked about it.

Further, in a recent survey of the LGA's membership², 83 per cent of respondents said that peer challenges to provide an external view on performance were a very or fairly useful element of the LGA's improvement support offer for councils. In addition, 93 per cent said the LGA should continue to provide peer challenge and peer support (up from 90 per cent in 2016).

Our ambition is that every council will have received a corporate or finance peer challenge, between 2017 and March 2022 and have acted upon the resulting recommendations to improve their performance. Demand for 2018/19 is at similar levels with our aim to deliver at least 110 peer challenges, of all types (including fire and rescue), of which 70 are corporate or finance peer challenges and to reducing the number of councils that have not had a corporate peer challenge since 2012 by 50% in 2018/19.

In addition to ensuring positive take up we are planning to improve the way we share and signpost innovative practice and collect and communicate the benefits and impact of having a peer challenge. The LGA is committed to being an exemplar and will therefore aspire to have peer challenge teams that represent the sector in terms of gender, ethnicity and disability. We will continue to offer peer challenge as an effective way for personal development and to develop the sectors talent, through encouraging national graduates to shadow a peer challenge.

To continue to drive sector ownership of peer challenge we will establish a Chief Executives Sounding Board and provide member and officer peers an opportunity to share their stories through the delivery of a Member Peer Conference, regular email communication and better use of social media.

¹ An online survey was sent to the leader and chief executive in 47 councils that received a corporate peer challenge between 1 March 2017 and 5 February 2018 (a total of 96 surveys in total). As at 9 April 2018, a total of 69 responses had been received (36 leaders and 33 chief executives) – a response rate of 72 per cent.

² The survey report can be found here: [LGA Perceptions Survey](#) A total of 1,004 interviews were undertaken with a representative sample including chief executives, directors, leaders, chairs of scrutiny, portfolio holders, frontline councillors and leaders of the opposition.

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Section 1: Introduction and purpose

Peer Challenge including Corporate Peer Challenge (CPC) are tools provided by the Local Government Association (LGA) to support improvement in councils and fire & rescue. It is a key part of the Sector-Led Improvement (SLI) offer which is based on the key principles of:

- Councils are responsible for their own performance
- Stronger local accountability leads to further improvement
- Councils have a sense of collective responsibility for performance in the sector as a whole

Peer Challenge involves a small team of local government officers and councillors (and sometimes others) spending time at a council or fire & rescue service as 'peers' to provide challenge and share learning. The process involves engaging with a wide range of people and the findings are delivered immediately. It is a proven tool for improvement and is highly valued by the sector. The LGA aims to deliver 110 peer challenges a year, including corporate, finance, fire, children's, adults and other service focused challenges. The CPC programme accounts for over half of the peer challenge activity.

This report provides details of the overall peer challenge programme, in terms of peer challenge activity and peer deployment. It also details the feedback messages from councils and peer teams.

Section 2: The current Corporate Peer Challenge offer

The current Corporate Peer Challenge offer was launched in the summer of 2011. It is based on the premise that all councils receive a Corporate Peer Challenge (or Finance Peer Review), fully funded by the LGA, every 4-5 years. The key design principles and features of the offer are:

- The Peer Challenge is not an inspection, it is a tool for improvement. It is aimed at improving, not judging, councils.
- The Peer Challenge is delivered at a time determined by the council, recognising there are different drivers, challenges, and considerations in different places.
- The Peer Challenge will include a focus on leadership, governance, corporate capacity and financial resilience. These will form the core components of all Corporate Peer Challenge (see below).
- The process is proportionate and flexible. The focus of the challenge (within, or in addition to, the core components) is agreed with each individual council to reflect their local needs and requirements.
- A scoping meeting involving LGA representatives is an essential feature. The council's specific needs, the areas it wants to focus on, the make-up of the peer team and the results it wants to achieve will be discussed and agreed.
- There is an expectation that Councils will publish their final report and develop an action plan to take forward the recommendations

- All councils who have received a Corporate Peer Challenge can have a 'follow up visit' by some or all of the original peer team 1-2 years after the peer challenge. The purpose of the visit is to help assess and demonstrate progress against the areas for improvement and recommendations identified by the original peer challenge.

All Corporate Peer Challenges focus on five core components. These reflect what we consider to be the critical issues effecting council performance and ability to improve. The current core components are:

1. Understanding of the local context and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

Section 3: Programme delivery in 2017/18

During 2017/18 we engaged with 64 councils (nearly a fifth of the sector) via the Corporate Peer

Challenge programme:

- 35 councils received a Corporate Peer Challenge
- 18 councils received a second Corporate Peer Challenge
- 6 councils received a Corporate Peer Challenge Follow Up Visit
- 4 councils received a Finance Peer Review
- 1 council received a Finance Peer Review Follow Up Visit

We delivered peer challenges across the range of council types:

- 2 county councils
- 34 district/borough councils
- 7 metropolitan councils
- 16 unitary councils
- 5 London Borough Councils

Overall we have engaged with 113 councils, fire & rescue services and two other public sector organisations through our service peer challenge programme:

- 64 councils received a corporate, finance or follow up visit
- 9 councils received an Adults Services Peer Challenge
- 14 councils received a Children's Services Peer Challenge
- 6 councils received a Communications Peer Challenge
- 4 councils received an Equalities Peer Challenge
- 4 councils received a Health & Wellbeing Peer Challenge
- 4 fire & rescue services received a Fire Peer Challenge
- 8 councils received a bespoke, planning, building control or highways peer challenge
- The Broads Authority National Park and the West Midlands Combined Authority also received a bespoke peer challenge

Peer deployment

Peer Challenge is delivered by the sector for the sector. It is a peer-led process. During 2017/18 we have deployed more than 475 officer and member peers who have delivered 2300 days of challenge and support to councils through the Corporate Peer Challenge programme. 122 of those peers were elected members. 24 peers were from non-local government organisations. Peer teams have been made up of average of 4 peers plus an LGA peer challenge manager. We have continued to recruit and train peers during 2017/18. Ten peer training/briefing events were delivered during the year resulting in 120 new peers attending. Of the peers deployed during 2017/18 approximately a third were doing a Corporate Peer Challenge for the first time.

Section 4: Feedback and evaluation

Feedback from councils

Feedback is sought from councils that have received a Corporate Peer Challenge. This is collated through two surveys sent to Chief Executives and Leaders:

- Feedback survey: survey sent to the Chief Executive and Leader on completion of the Peer Challenge to ascertain initial feedback about the process and peer team.
- Impact survey: sent to the Chief Executive and Leader 12 months after the Peer Challenge to ascertain measures and perceptions of impact in the longer term.

In terms of the impact survey, as at March 2018 a total of 35 responses had been received from authorities that had received a Peer Challenge a year previously (i.e. between April 2016 and February 2017) – a response rate of 54 per cent. Headline findings include:

- 94% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the council's performance
- 94% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the delivery of council priorities

- 86% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the council's external reputation
- 91% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the culture and behaviours within the council
- 94% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on relationships and partnerships with external stakeholders
- 89% said that the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the way that services are delivered
- 71% of respondents said the corporate peer challenge (including any further improvement support it triggered) had a positive impact on the financial sustainability of the council.

In 2018, the LGA is also introducing a new survey to understand the benefits and impact of peer challenge on the people delivering it, the peers.

Section 5: Future Plans

The LGA will support delivery of a resilient and self-aware local government sector that is receptive to challenge and support from peers and committed to the collective ownership of performance and improvement. We will achieve this by:

1. **Engaging Councils** through

- Delivery of high quality Corporate Peer Challenge, Finance Peer Challenge or a Follow Up Peer Challenge to at least 70 Councils
- Delivery of a range of high quality service specific Peer Challenges to at least 40 Councils
- Reducing the number councils that are yet to have a Corporate Peer Challenge or have not had a peer challenge since 2012 by 50% in 2018/19 – improving our understanding and addressing the barriers to engagement
- Maximising our peers by providing regional information to enable better utilisation of peers across a range of SLI deliverables and to support the delivery and demonstrate the value of SLI with:
 - 90% of Chief Executives of authorities that had received a peer challenge saying their confidence about their council delivering its priorities had increased as a result

- 80% of respondents from councils receiving a corporate peer challenge a year earlier report it had a positive impact on their council's performance and delivery of their priorities
- 50% of councils receiving peer challenge provide a member or officer peer as a result to support another council by 2020

2. **Demonstrating the outcomes, benefits and value** of peer challenge through

- Aspiring for our peer teams to reflect the gender, ethnicity and disability breakdown of the sector, with no team made up solely of all white males
- Offering peer challenge as an effective way for personal development and to develop the sectors talent
- Improving the way we capture and share the impacts and benefits of a peer challenge
- Improving the way we capture and share practice and innovation identified through having a peer challenge
- Better understanding the focus of Councils peer challenges, beyond the 5 core elements, to inform other SLI programmes
- Building sector accountability and ownership of peer challenge and SLI

3. **Communicating success and sharing best practice** through

- Establishing a Chief Executives Sounding Board to continue to ensure peer challenge is developed in consultation with local authorities and build a cohort of ambassadors to promote and market peer challenge
- Drafting a 2017/18 annual report which will capture and share the 'impact stories' of Corporate Peer Challenge and share best practice.
- Ensuring our member and officer peers understand the impact they make to SLI and have an opportunity to share their stories through the delivery of a Member Peer Conference, regular email communication and better use of social media
- Supporting regional colleagues to communicate via regional networks and connections

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