



Committee report

Committee	CABINET
Date	10 MAY 2018
Title	CORPORATE PEER CHALLENGE REPORT AND ACTION PLAN
Report to:	LEADER OF THE COUNCIL AND CABINET MEMBER FOR STRATEGIC PARTNERSHIPS

EXECUTIVE SUMMARY

1. This report sets out the outcomes and recommendations from the Isle of Wight Council's participation in the Local Government Association (LGA) corporate peer challenge process undertaken in November 2017.
2. The key message from this process is that the council has made good progress since its 2014 Corporate Peer Challenge and is in a stronger position to meet the significant challenges of delivering public services on the Island. The review team, however, identified that the council still faces some significant challenges in achieving its ambitious plans, not least of which being the need for greater financial and leadership capacity.
3. Members are asked to note the report prepared by the LGA peer challenge team and approve the action plan prepared in response its recommendations. This action plan sets out the key activities necessary for continued improvements to be made in the pursuit of the council's corporate priorities and stated outcomes.

BACKGROUND

4. The Local Government Association (LGA) is an organisation that works on behalf of councils providing a range of practical support to assist local authorities drive improvement. This includes the corporate peer challenge, a process that is commissioned by a council and involves a small team of local government officers and councillors spending time at the local authority as peers to provide challenge and share learning. Peer challenge is not an inspection but acts as a critical friend through which improvement can be secured. It is designed to be forward looking, facilitative and solution focused in its approach. The process has been subject to independent evaluation by the Centre for Local and Regional Government at Cardiff University, the summary conclusions of which demonstrate that it:

- (a) Is an effective tool at the heart of the sector led improvement programme.
 - (b) Has a positive impact for participating councils and is helpful in ensuring they are best placed to meet the challenges they face.
 - (c) Provides value for money and a good example of the sector helping itself by providing improvement support at a lower cost than is available through external consultancy and with it considerable added benefits from it being peer led.
5. The corporate peer challenge focuses on five key themes and questions:
- (a) Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
 - (b) Leadership of place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
 - (c) 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?
 - (d) 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?
 - (e) Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?
6. The Isle of Wight Council last participated in a corporate peer challenge in April 2014. Substantial transformation has been undertaken during the intervening period. Following the elections in May 2017, the new administration has set out its clear ambition to secure the longer term quality of Island life and viability of locally based public services in the refreshed corporate plan, agreed by Full Council in October 2017. As a result, it was deemed an appropriate time to participate in the corporate peer challenge programme.
7. The expected outcomes of the corporate peer challenge were to assess the success of the council's transformation since 2014; to confirm the relevance of the council's key plans and to determine the council's ability to deliver them.

8. In commissioning the review, in addition to the five core themes of the review process as set out in paragraph 5 above, the council requested that a further four areas be included:
 - (a) Achieving the best use of resources and the Island's public assets through productivity, innovation; maintaining focus on current delivery while also delivering a longer term vision and making best use of commercial opportunities.
 - (b) Stakeholder engagement and involvement; in particular engaging better with the Island's voluntary and community sector and its town and parish councils.
 - (c) Developing a 'one public sector' approach to delivery, using the coterminous boundaries it enjoys with health commissioners and providers and also engaging with the emergency services.
 - (d) Recognising that, as a small authority, sharing capacity is important to future resilience and sustainability, reviewing the effectiveness of its leadership, capability and capacity to sustain and develop its complex strategic partnerships, which include arrangements with Hampshire County Council, Portsmouth City Council and Hampshire Fire and Rescue Service.
9. The corporate peer challenge took place between Monday, 20 November and Thursday, 23 November 2017. The peer challenge team comprised of:
 - Ada Burns, Chief Executive, Darlington Borough Council
 - Councillor Roger Phillips, Herefordshire County Council
 - Caroline Adlem, Head of Traded Development, Essex County Council
 - Deborah Cohen, Director of Service Integration, Cambridge and Peterborough Foundation Trust
 - Stephen Young, Director of Place, Bolton Metropolitan Borough Council
 - Alan Finch, LGA Peer Challenge Manager
10. The outcomes of the review, received as a final feedback report in February 2018, as attached in Appendix A, identified that the council has made good progress since its last corporate peer challenge in 2014 and is considered to be in a stronger position to meet the significant challenges of delivering public services on the Isle of Wight. The report highlights the improvements being made and references in particular that the council:
 - (a) Is developing a different model and focus for local government with other public service providers which could be of national significance.

- (b) Has been bold in using and examining different methods of service delivery and is looking at being more commercially minded.
 - (c) Has ambitious plans for regeneration and economic growth that offer potential to grow the tax base and address housing need and deprivation.
 - (d) Has become a more credible public sector partner, a view expressed by partner organisations and assertion that they wish to see the council taking a broader leadership role on the Island.
 - (e) Can point to results, including at the time of the review, the creation of new jobs in a business centre; the renewed future for the Sandown Bay Academy; reduction in delayed transfers out of hospital and the winning of a place on the south east Transport Board.
 - (f) Has an ambitious corporate plan and medium term financial strategy that is affording space and capacity to transform services in pursuit of sustainability for Island services
11. However, the overarching theme of the report was that for the council to realise the goals outline in the its corporate plan and secure a sustainable financial business model; bring partners and the public along that shared endeavour, then it would be necessary to identify a shorter set of priorities and greater financial and senior leadership capacity would be required.
12. As part of the review process, the peer challenge team identified eleven key recommendations for the council to consider as potential and practical actions that could be taken to build on the findings of the review. These are as follows:
- R1: As an enabling council form an Island partnership that brings together all of the partners who can help you deliver success.
 - R2: Consider sharing the leadership within your partnerships to secure support for your vision.
 - R3: Use that partnership to create an agreed and owned vision and set of priorities for the Island to 2030.
 - R4: Use that partnership to set and manage what you want to say about where the Island is going and avoid raising expectations you may not be able to deliver.
 - R5: Use your corporate plan and medium term financial plan to set and stick to deliverable priorities. Remain focussed on these priorities and ensure they are delivered before adopting new projects.
 - R6: Maintain credibility by taking the tough decisions your medium term financial plan requires.

- R7: Urgently review the capacity you need to land the opportunities within one public service regeneration and to build a sustainable business model for the council.
- R8: Develop an open and honest relationship with health partners and test this by sharing financial and savings assumptions and plans.
- R9: Ensure all councillors are trained and developed to fulfil their roles and make a positive contribution.
- R10: As a new and dynamic Cabinet, develop your collective strengths and your working relationships with the corporate management team, including clarity about respective roles.
- R11: Celebrate and shout out about the Island's strengths and the opportunities you offer and develop a more robust and strategic approach to corporate communications.
13. In response to these recommendations, an action plan has now been prepared for consideration, as set out in Appendix B. The action plan has been constructed against the eleven recommendations made by the corporate challenge team but also responds to other observations and suggestions made by the team throughout the report.
14. Members may wish to note from the action plan that, many of the activities proposed in response to the review team's recommendations are reliant on the council finding additional capacity in the corporate centre of the organisation. This is perhaps the key observation of the review team and in its view is critical in leading the transformational activities the council has identified it needs to undertake in order to be a financially balanced and sustainable organisation.
15. A significant amount of work is being undertaken to identify how this additional capacity should be provided and what it might achieve for the council. Work has also started on many of the actions in the plan to enable the momentum afforded by the corporate peer challenge to be maintained.

STRATEGIC CONTEXT

16. The council's corporate plan agreed at Full Council on 18 October 2017 sets out the vision and ambitions for the Island and the key corporate priorities for the council in delivering its intended outcomes. Its primary challenge is to be in a place where it is financially balanced and sustainable.
17. The Local Government Association's corporate peer challenge process is a means by which to provide an independent view as to the progress being made, the ability and capacity to deliver stated plans and to highlight opportunities that can be used to make improvements.

CONSULTATION

18. The corporate peer challenge team as part of their review elicited the views of a wide range of people, including elected members, a cross section of the council's workforce and partner organisations. This consultation was conducted through focus groups and individual meetings and is referred to in the final report.

FINANCIAL / BUDGET IMPLICATIONS

19. Full Council agreed the budget for 2018/19 at its meeting on 28 February 2018. The budget paper highlights that the financial challenge the council faces, remains the single biggest risk to the future of public services on the Island. The council's medium term financial strategy is designed to respond to that challenge by the "smoothing out" of the required savings to enable the council to maximise its operational capacity to implement initiatives at pace and which are aimed at increasing income and funding as well as reducing costs.
20. In the main, many of the activities in the proposed action plan can be undertaken within current budgets. There are no specific budget implications other than the necessary requirement for officer time to implement the agreed actions and ensure that there is adequate staffing resource to secure successful delivery.
21. However, recommendation 7, which highlights the urgent need to review the capacity required to land the opportunities within the one public service, regeneration and building of a sustainable business model for the council will require further investment if the opportunities available are to be realised. This will be the subject of a separate report which will consider the business case for providing additional capacity and the use of the transformation budget as a source of funding for securing this capacity.

LEGAL IMPLICATIONS

22. There are no specific legal implications arising from engaging in the corporate peer challenge process and the resulting proposed action plan. Although some activities in the plan may need specific consideration of the legal implications before they are implemented. This will need to be done on a case by case basis.

EQUALITY AND DIVERSITY

23. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

24. Under the Equality Act 2010 we are required to have due regard to our equality duties when making decisions, reviewing services, undertaking projects, developing and reviewing policies. It is not considered that participation in the corporate peer challenge and development of the resulting action plan has any impact on protected characteristics. Should any actions arising from the action plan require impact assessment, these will be undertaken as a key consideration in their development.

OPTIONS

25. Option 1: To consider and note the report of the corporate peer challenge team.
- Option 2: To agree the proposed action plan set out at Appendix B in response to the recommendations made by the corporate peer challenge team.
- Option 3: To agree the proposed action plan set out at Appendix B, in response to the recommendations made by the corporate peer challenge team but with revisions as agreed by the Cabinet.
- Option 4 To consider and reject the recommendations made by the corporate peer challenge team

RISK MANAGEMENT

26. The council has an agreed corporate plan that sets out the vision for the Island together with the key priorities and outcomes to be achieved. The single biggest risk for the council is the financial challenge that it continues to face in reaching a position where its planned expenditure is no greater than expected income. At that point it will have achieved a financially balanced and sustainable position.
27. The council has developed a significant programme of strategic and operational plans, designed to deliver a future financially stable business model for the council for the continued delivery of the Island's public services. The corporate peer challenge process is designed to assist councils in their improvement journey by providing an independent view of progress being made and offering recommendations that can assist with making the most of opportunities that are available. Given the considerable challenges that continue to be faced, it would be unwise to ignore the feedback received and to do nothing in response
28. The action plan at appendix B, proposed in response to the recommendations of the corporate peer challenge team, takes on board the key issues highlighted by the team and affords a set of activities in response. Members are invited to consider whether the proposed action sufficiently covers all of the points made by the challenge team. If so, then options 1 and 2 as recommended can be agreed. However, if members wish to make

amendments to the action plan in line with option 3, due consideration will need to be given to any potential financial implications that may arise from them.

EVALUATION

29. The council, as a member of the Local Government Association has taken the opportunity to participate in the corporate peer review process. As a sector led initiative, it draws from a range of expertise from other local authorities to act as critical friends in order to provide an independent view of the council's progress against its corporate plan and make recommendations as to how improvements might be made to gain maximum benefit from any opportunities available to the council.
30. It is considered that this is a valuable process upon which it is possible to take stock and consider what else might be required in order to deliver the council's stated priorities and outcomes for the Island's community. The consideration of the action plan at the start of a new council year allows a good opportunity for the organisation to ensure that its key plans and strategies are all aligned with the corporate plan and medium term financial plan and to identify what more the council needs to do in order to deliver its aspirations. The proposed action plan will provide the 'glue' that holds together these aspirations and improve the council's chances of success in achieving its goals.

RECOMMENDATION

31. Option 1: To consider and note the report of the corporate peer challenge team.
- Option 2: To agree the proposed action plan set out at Appendix B in response to the recommendations made by the corporate peer challenge team.

APPENDICES ATTACHED

24. [Appendix A](#): Corporate Peer Challenge Final Feedback Report
[Appendix B](#): Proposed Action Plan

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