

MIDDLESBROUGH COUNCIL

EXECUTIVE REPORT

Corporate Peer Review – Final report and draft action plan

Executive Member: Mayor

Chief Executive

12 April 2016

PURPOSE OF THE REPORT

1. To set out the findings of the Corporate Peer Review held in January by the Local Government Association (LGA) and outline the proposed next steps.

SUMMARY OF RECOMMENDATIONS

2. It is recommended that Executive:

- notes the positive comments made by the Peer Review team in relation to the town, the Council and the Council's plans;
- agrees the recommendations set out within the peer review letter;
- endorses the proposal that the recommendations of the peer review are incorporated into an overarching improvement plan for the Council;
- agrees proposed next steps for development of actions to respond to the recommendations; and
- agrees the proposed monitoring arrangements, which are set out at paragraph 12, to ensure progress against delivery of the improvement plan is effectively monitored.

IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

3. It is over the financial threshold (£150,000)
It has a significant impact on 2 or more wards
Non Key

DECISION IMPLEMENTATION DEADLINE

4. For the purposes of the scrutiny call in procedure this report is

Non-urgent
Urgent report

If urgent please give full reasons

BACKGROUND AND EXTERNAL CONSULTATION

5. In January the Council underwent a Corporate Peer Review process. The purpose of the peer review was to provide an independent assessment of the Council's current position, and identify where improvements could be made to improve governance and key outcomes for the town.
6. This peer review is an example of the Sector Led Improvement support provided by the Local Government Association (LGA). The review team comprised a group of officers and Elected Members from other parts of the country led by a Chief Executive from another Local Authority and supported by the LGA. The team spent a week on site reviewing the Council's corporate approach to a set of five questions:
 - Does the council understand its local context and has it established a clear set of priorities?
 - Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
 - Does the council have effective political and managerial leadership and is it a constructive partnership?
 - Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
 - Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?
7. In addition to the core questions of the review, the team were also asked to consider the following questions:
 - Do the Council's views on its known strength and weaknesses accord with those of the peer review team?
 - Are the Change Strategy plans realistic and achievable?
 - Does the Council have a robust approach to enabling disciplines such as Financial Management, Programme and Project Management, partnership working, performance management and risk management?
8. The results of the review are set out in detail within the letter attached to this report at Appendix A. The review team identified many positives in the Council's approach and its existing plans for improvement, including:
 - there is strong management, the Mayor and Chief Executive have good working relationships with Executive Members and with each other, and elected members and the Council's workforce overall have pride in and are committed to Middlesbrough;
 - *Middlesbrough 2020* is a clear vision and has wide engagement, '*Middlesbrough is changing*' communicates a fresh impetus for the town, and there is much to celebrate in terms of growth;
 - the 'outcome-based' management structure has been well-received by staff and is breaking down service 'silos';
 - managers are positive about innovation and change, the 'Middlesbrough Manager' programme is well-regarded, and staff are empowered;

- there are strengths in financial stewardship, a track record in delivering savings, and plans in relation to performance, programme and project management are positive developments, though at an early stage;
- local partnership working has been improving and there is a strong, positive tradition of the Tees Valley authorities working together;
- streets are clean, there is little evidence of physical deprivation and the crime profile is positive;
- there is a clear early help and prevention strategy for children, and effective work has been undertaken with young people in terms of employability and reducing the numbers of NEETs; and
- the Council is self-aware and is able to accurately articulate its strengths and areas for development.

9. The review team made nine key recommendations, as follows:

- **Recommendation 1:** Develop a strategic masterplan for the town that shapes your future investment and growth. This needs to be a medium to longer-term ambition and one that is developed and shared with key partners and stakeholders.
- **Recommendation 2:** Re-align the 2020 vision to incorporate the Mayoral aspirations around issues such as culture.
- **Recommendation 3:** Develop a Medium Term Financial Strategy that is linked to the 2020 vision timescales, that plans for opportunities and risk scenarios and that is supported by effective in-year financial reporting.
- **Recommendation 4:** Review member level council wide governance including Member Scrutiny and Audit Committee.
- **Recommendation 5:** Consider a greater ambition for Health and Social Care integration, including developing a prevention strategy for Adults and a sustainable approach to early intervention for children and families
- **Recommendation 6:** Consider a partnership forum to investigate and explore reform of public services.
- **Recommendation 7:** Further develop a consistent council wide approach to project, programme and risk management mindful of the balance between people, skills and processes.
- **Recommendation 8:** Develop a strategic HR function to incorporate development of a Workforce Strategy and an integrated Employment Strategy.
- **Recommendation 9:** Develop and implement an IT strategy to support change management incorporating agile working, improved financial and management information and channel shift of customer interactions and transactions.

10. The recommendations from the review confirm areas for improvement which the Council had already identified and which were already being taken forward in the main by the Governance Improvement Plan. In addition the report detail also recommended other areas to consider which could further improve good practice.

Developing a response

11. Following receipt of the report it is proposed that the following steps are taken to ensure the Council and its partners respond effectively to its recommendations:

- copies of the letter will be shared with members, staff and partners who participated in the review;

- there will be a series of presentations to members, staff and partners to explore the issues raised within the letter in greater detail; and
- development of actions to address the report key recommendations will be embedded within an overarching improvement plan for the organisation which captures actions from other reviews and reports to ensure a coherent approach to organisational improvement.

Monitoring delivery of improvement actions

12. It is proposed that following development of the overarching improvement plan, which will encompass those issues previously set out within the Governance Improvement Plan:

- a further report is brought to Executive to agree the improvement plan on 10 May 2016;
- the outcome of the peer review is shared with all members now and formally reported to the next normal business meeting of full Council
- quarterly progress reports are planned into the Forward Work Programme of the Corporate Affairs and Audit Committee
- six-monthly progress reports are planned into the Forward Work Programme of the Executive.

IMPACT ASSESSMENT (IA)

13. Not applicable.

OPTION APPRAISAL/RISK ASSESSMENT

14. **Option one** – do nothing.

15. **Option two** – implement a separate response and action plan to the Corporate Peer Review.

16. **Recommended Option - Option three** – embed the proposed response to the Corporate Peer Review within an overarching improvement action plan to ensure a coherent approach is taken to organisational improvement which has significant visibility to ensure that improvement plan actions are prioritised and driven forward in a timely manner.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

17. **Financial** – Not applicable at this stage, however there may be financial impacts associated within the cost of implementation of actions developed to address the recommendations within the peer review letter.

18. **Ward Implications** – Not applicable.

19. **Legal Implications** – Not applicable.

RECOMMENDATIONS

20. It is recommended that Executive:

- notes the positive comments made by the Peer Review team in relation to the town, the Council and the Council's plans;
- agrees the recommendations set out within the Peer Review letter;
- endorses the proposal that the recommendations of the peer review are incorporated into an overarching improvement plan for the Council;
- agrees proposed next steps for development of actions to respond to the recommendations; and
- agrees the proposed monitoring arrangements, which are set out at paragraph 12, to ensure progress against delivery of the improvement plan is effectively monitored.

REASONS

21. The recommendations will ensure that a coherent approach is taken to organisational improvement, within a process that has an appropriate profile within the organisation to ensure that actions are prioritised and driven forward in a timely manner.

BACKGROUND PAPERS

No background papers were used in the preparation of this report.

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