
Corporate Peer Challenge – Bromsgrove DC and Redditch BC 2023

Relevant Portfolio Holder	Councillor May
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks
Report Author	Chief Executive k.dicks@bromsgroveandredditch.gov.uk 01527 881484
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

- 1.1 It is recommended that Cabinet:
- a. discuss and note the Local Government Association (LGA) Corporate Peer Challenge (CPC) Feedback report (Appendix A) which took place in March 2023.
 - b. discuss and endorse the Councils response (Appendix B) and supporting action plans (Appendices C to G).

2. BACKGROUND

- 2.1 Since 2012 the LGA has provided, as part of its support to the sector, the facilitation of CPC reviews whereby senior members and officers from other local authorities, supported by LGA staff, visit the Councils with the objective to inform their improvement plans and how to develop corporate learning. It is designed to be forward looking, and to facilitate reflection on issues and how they may be resolved. While it can be used as an external 'health check' on the authorities corporate governance, the peer challenge is not a form of inspection.
- 2.2 On the 7th December 2022 at the Bromsgrove District Council (BDC) Full Council meeting Members discussed a report which detailed the section 24 Statutory Recommendation given by the council's External Auditors, Grant Thornton. This outlined the key reason being the non-delivery of the 2020/21 financial statements, with further detail available in the Interim Auditor's 2020/21 Annual Report issued by the

Auditors. Although an action plan to address the issues was agreed, Full Council agreed to commission a LGA CPC with a specific focus on corporate governance based on the information contained within these two reports. Redditch Borough Council (RBC) received similar reports in November 2022 and accepted the recommendation along with the action plan to address the issues identified. Due to the shared nature of the councils and the issues identified BDC and RBC agreed to jointly commission this CPC.

- 2.3 The five high-level themes adopted for all LGA CPC's provides the initial framework:
- a. 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?
 - b. Organisational and place leadership: Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
 - c. Governance and culture: Are there clear and robust governance arrangements? Is there a culture of respect, challenge and scrutiny?
 - d. Financial planning and management: Does the council have a clear understanding of its current financial position? Does the council have a strategy and a clear plan to address its financial challenges?
 - e. Capacity for improvement: Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?
- 2.4 The CPC was weighted to have a specific focus on corporate governance (within theme c of the above). In the context of the Section 24 recommendation and the associated Interim Auditor's 2020/21 Annual Report this focussed on understanding improvement requirements around governance systems and decision making. The CPC did not investigate the circumstances which led to the s24 notice, as this was part of a separate review undertaken by the Bromsgrove Audit, Standards and Governance Committee and was not requested at Redditch and sought to identify any learning and focus on areas of improvement for the future. As part of this, the wider system of checks and balances in place for local government including relevant council duties and legislation were considered in order to provide additional assurance to both BDC and RBC on their position. This included the peer team reviewing, but not being limited to the following areas:
- a. Governance and Culture:
 - Are governance arrangements effective?
 - How does the council deliver on its duty to deliver best value?
 - Are the roles of Members and officers clear?

- What are the key governance issues from a political and officer perspective?
 - E.g. clarity, transparency, speed of decision making, accountability. To what extent are they structural or cultural / behavioral?
 - Is scrutiny welcomed and supported – both formal O&S and scrutiny more generally? Do all Members have the opportunity to inform and influence?
 - Does the Annual Governance Statement cover the key issues – and is it reflective / self-critical? When and how are the governance essentials reviewed? e.g. Constitution, Scheme of Delegation, etc.
 - How effective is the Audit, Standards and Governance Committee (BDC) and the Audit, Governance & Standards Committee (RBC)?
 - How strong are audit and governance arrangements - are the officer and Member responsibilities clear? Are the terms of reference for the Audit, Standards and Governance/Audit, Governance and Standards Committee effective?
 - Are there effective governance arrangements in place e.g. Audit, risk and the delivery of corporate objectives?
 - Are the arrangements for managing and monitoring delivery fit for purpose?
 - How does the council work with its Audit, Standards and Governance/ Audit, Governance and Standards Committee and its internal and external auditors to ensure effective financial controls are in place and to address issues raised?
 - How are major audit issues addressed, especially in relation to findings in the two reports highlighted earlier in this scope?
 - How is Worcestershire Internal Audit Shared Service working for BDC and RBC?
 - How are statutory officers fulfilling their role as laid out in relevant legislation?
 - Are there clear strategic risk management arrangements?
 - Is there a positive organisational culture – e.g. respect, transparency, performance management and challenge – and how is this reflected in behaviours and practice?
- b. Financial planning and management:
- Are financial reporting and audit seen as essential management and oversight tools?
 - Are financial systems, processes and controls adequate to ensure accountability for public money and accurate information for decision makers?

- Do lead Members and management receive up to date and reliable financial management information when they need it?
- Are there effective and proportionate arrangements in place for the delivery of services across Bromsgrove and Redditch councils e.g. the approach to crosscharging?
- Is the reporting of monthly, annual and quarterly figures timely enough for action to be agreed and if necessary taken before the end of the next period?
- Are external auditors listened to and regarded as key partners in ensuring effective value for money and transparent governance?
- Are good and effective systems of financial management and administration in place, in areas such as income collection, investment returns, buying and paying and fraud and audit?

2.5 The CPC team comprised of:

- Joanne Wagstaffe - Chief Executive at Three Rivers District Council
- Councillor Peter Fleming OBE - Leader at Sevenoaks District Council
- Councillor Georgina Hill – Independent Member at Northumberland County Council
- Councillor Alan Rhodes – Labour Member at Bassetlaw District Council
- Peter Stachniewski - LGA Associate on Finance
- Sanjit Sull - Assistant Director (Legal and Democratic Services) at North Northamptonshire Council
- Helen Whiting - Head of Human Resources & Organisational Development at City of York Council
- Satvinder Rana - Senior Regional Adviser at the LGA

The Process

2.6 The peer team were based at both the Bromsgrove and Redditch offices during the four day review. There was an initial 'scene setting' and 'checking the brief' discussion with the Chief Executive and Leaders of the Council.

2.7 Meetings and discussion sessions then took place with a range of officers, members and other stakeholders/partners enabling the peer team to explore the issues relevant to the purpose, scope and suggested terms of reference for the CPC.

- 2.8 At the end of the initial on-site activity (10th March) there was a feedback session and members of the Executive (Redditch), Cabinet (Bromsgrove), Group Leaders, Corporate Management Team were invited to attend and presented with the findings of the CPC.
- 2.9 This has been followed by a written feedback report (Appendix A), summarising the peer team's feedback with their recommendations for improvement.
- 2.10 Following consideration by the Corporate Management Team and Leaders of both Councils, a Council response to the CPC Feedback Report has been developed (Appendix B) along with more detailed Action Plans (Appendix C to G) to support the Councils response.
- 2.11 Members views are particularly sought as to what, if anything, else the Council should do to address Recommendations 2 and 6 (Appendix D) given the work currently ongoing, the fact that the Council is in a No Overall Control Situation and that the Council has agreed to investigate moving to a Committee system.

Six month Check-In

- 2.12 Six months after the CPC, the LGA will organise a CPC Check-In. This will be a short-facilitated session which creates space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps. Following this, the LGA will produce a short note which reflects the council's progress and provides examples of any good or innovative practice. The estimate dates for the Check-In at both councils would be around December 2023.

3. FINANCIAL IMPLICATIONS

- 3.1 The cost of the CPC is included within the authorities' annual subscription to the LGA. Other costs are internal ones related to officer time. The cost of implementing the CPC action plan will be met from current budgets (unless separate specific reports are required).
- 3.2 There are no direct financial implications arising from this report.

4. LEGAL IMPLICATIONS

- 4.1 None arising directly from this report.

5. STRATEGIC PURPOSES – IMPLICATIONS

5.1 All Strategic Purposes.

Climate Change Implications

5.2 None directly associated with this report.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

6.1 None directly associated with this report.

Operational Implications

6.2 Addressed within the action plans.

7. RISK MANAGEMENT

7.1 No risks have been identified arising directly from this report.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Local Government Association (LGA) Corporate Peer Challenge (CPC) Feedback Report

Appendix B – Council response to CPC Feedback Report

Appendix C – Recommendation 1 Action Plan – Council Plan

Appendix D – Recommendation 2 and 6 – Governance and Engagement

Appendix E – Recommendation 3 – Workforce Strategy Action Plan

Appendix F – Recommendation 4 – Agile Working Action Plan

Appendix G – Recommendation 5 – Finance Recovery Action Plan

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Karen May, Leader	June 2023
Lead Director / Head of Service	N/A Report author	N/A

BROMSGROVE DISTRICT COUNCIL

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2023**

12th July

Financial Services	Pete Carpenter	June 2023
Legal Services	Claire Felton	June 2023

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Policy Team (if equalities implications apply)	N/A	N/A
Climate Change Officer (if climate change implications apply)	N/A	N/A