

Meeting: Extraordinary Council

Date: 19 January 2017

Wards Affected: All

Report Title: Local Government Association Corporate Peer Challenge Follow Up Visit and Finance Review, plus CIPFA Financial Resilience Review – Progress Report and Revised Action Plan

Is the decision a key decision? No

When does the decision need to be implemented? Ongoing implementation of action plan

Executive Lead: Councillor Derek Mills, Deputy Mayor and Executive Lead for Governance and Public Health

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1. Proposal and Introduction

1.1 The Council approved the final Local Government Association's (LGA) Corporate Peer Challenge action plan at its meeting on 7 April 2016. This report provides an update on the progress made since the action plan was implemented and presents a revised and prioritised action plan which encompasses further reports received from the LGA (follow up visit and finance review) plus the CIPFA Financial Resilience Review feedback. The LGA Corporate Peer team undertook a follow up visit to Torbay on 27 September 2016 and a review of the Council's finances on 9 and 10 November 2016. CIPFA also undertook a financial resilience review in November 2016.

2. Reason for Proposal

2.1 To enable the Council to respond to the LGA and CIPFA's feedback reports and continue to make improvements.

3. Recommendation(s) / Proposed Decision

3.1 That the LGA Corporate Peer Challenge Follow up day Summary Report and Efficiency Plan Review (Appendices 1 and 2), the LGA Finance Review of Torbay Council (Appendix 3) and CIPFA Financial Resilience Review (Appendix 4), be noted;

- 3.2 That the progress made on the original Local Government Association (LGA) Corporate Peer Challenge Feedback Action Plan (as set out at Appendix 5 to the submitted report) be noted; and
- 3.3 That the revised and re-prioritised LGA Corporate Peer Challenge/Finance Review and CIPFA Financial Resilience Review action plan as set out at Appendix 6 be approved.

4. Background

- 4.1 The LGA undertook a Corporate Peer Challenge review of the Council during an on-site visit (30 November to 3 December 2015). The Peer Challenge Team considered the following questions which form the core components looked at by all corporate peer challenges:
1. 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?
 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. 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?
 4. 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?
 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?
- 4.2 At the end of their review, the Peer Challenge Team made a number of recommendations and provided feedback. A key component of the review was the Council's financial position, in respect of which the Team advised 'The financial challenges facing the council are clear and pressing now and this will continue into the medium term. They will therefore require prioritised attention and pace to address and then drive to deliver the changes needed,' they also advised that the Council needed to 'invest in...appropriate capacity to deliver organisational and business transformation at pace.'
- 4.3 A detailed action plan to respond to the LGA's recommendations was developed. A follow up visit took place on 27 September 2016 to review our progress. Their report following that visit is attached at Appendix 1. The report demonstrates that there has been some real progress with the issues identified from the original peer challenge, with the report stating that the Council "has shown real intent and progress has been made against all 27 of our recommendations." However it is recognised that some have progressed further than others and this needs to be addressed going forward.

- 4.4 The LGA also undertook a Financial Review of the Council on 9 and 10 November 2016 which was undertaken as a result of one of their original recommendations. This report is attached at Appendix 3.
- 4.5 To complement the LGA Finance Review the Council commissioned CIPFA to undertake an in depth financial resilience review – their report is attached at Appendix 4.
- 4.6 As a result of these financial reviews and LGA follow up visit, the original action plan has been revised, reprioritised and updated to incorporate the new recommendations arising from the three reports. The new action plan also includes completed sections and operational actions at an officer level as is set out at Appendix 6.
- 4.7 For completeness and to provide an audit trail, the original action plan has been updated with progress made and incorporated in the new action plan – Appendix 5.

5. Outline of significant key risks

- 5.1 The main risk associated with the report is the failure to continue to respond to the recommendations of the LGA Peer Challenge Team and CIPFA. This may result in the Council not responding adequately to the challenges it faces. The new action plan addresses the recommendations by the LGA and CIPFA.

6. Other options

- 6.1 To stop implementing the action plan – this is not recommended as the action plan is mitigating the risks outlined above.

7. Summary of resource implications

- 7.1 The action plan is being delivered within identified resources and any additional resources will be incorporated in the budget setting process for 2017/2018.

8. Consultation

- 8.1 Key partners, stakeholders, elected members, and officers contributed towards the development of the original LGA Corporate Peer Challenge action plan. All members have received the summary report of the LGA Corporate Peer Challenge follow up visit and the CIPFA Report. The Mayor, Group Leaders and Overview and Scrutiny Co-ordinator have provided an input in preparing the revised action plan. The revised action plan continues to assist the Council in making improvements which will ultimately lead to better outcomes for the community.

Appendices

Appendix 1: LGA Corporate Peer Challenge Follow up day – Summary Report

Appendix 2: LGA Corporate Peer Challenge Follow up day – Efficiency Plan Review

Appendix 3: LGA Finance Review Torbay Council – Summary Feedback Report

Appendix 4: CIPFA Financial Resilience Review

Appendix 5: Original LGA Corporate Peer Challenge Action Plan Progress Update and position statement for new revised action plan

Appendix 6: LGA Corporate Peer Challenge/Finance Review and CIPFA Financial Resilience Review Action Plan

Background Documents

Local Government Association Corporate Peer Challenge Torbay Council Feedback Report

Local Government Association Corporate Peer Challenge Finance Review Torbay Council Summary Feedback Report

CIPFA Financial Resilience Review Torbay Council November 2016