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## **Corporate Policy Committee**

**13 February 2024**

### **Peer Review/Corporate Peer Challenge**

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**Report of: David Brown, Director of Governance and Compliance**

**Report Reference No: CP/73/23-24**

**Wards affected: all Cheshire East Council Wards**

#### **Purpose of Report**

- 1 The purpose of this report is to respond to a Notice of Motion proposed at Full Council on 13 December 2023.

#### **Executive Summary**

- 2 The Notice of Motion to Council stated as follows:

“Cheshire East Council should embrace an urgent Peer Review to investigate its in year overspend of £18.7 million.”

- 3 In summary, the Notice of Motion referred to what it described as the benefits of the Local Government Association’s Peer support and proposed that the Council should engage with the Local Government Association with a view to a “Financial Peer Review or Corporate Peer Challenge” (referred-to in this report and recommendations as a “peer review”) being undertaken.

#### **RECOMMENDATIONS:**

**The Corporate Policy Committee is recommended to:**

1. Authorise the Chief Executive to make arrangements for a local government peer review to take place.
2. Delegate to the Chief Executive in consultation with the Council’s political group leaders the finalisation of the scope, terms of reference and timing of the peer review.

## **Background**

- 4 A Notice of Motion was submitted to Council on 13 December which called for an urgent peer review to investigate the Council's in year overspend. The Motion was proposed by Councillor Bailey and seconded by Councillor Chadwick.
- 5 The full text of the Notice of Motion, background information, and links to supporting documentation is set out in the Appendix to this report.
- 6 It was resolved that the Notice of Motion would be referred to the Corporate Policy Committee. The Council meeting was on the 13 December 2023, the papers for first available meeting of Corporate Policy Committee on 18 Jan 2024 were published on or about 10 January 2024. This only provided only 6 working days after the festive period for investigations to be made.
- 7 The Notice of Motion also spanned the festive interregnum and the appointment of the Council's new Chief Executive who commenced his employment with the Council in Jan 2024.
- 8 The Chief Executive took up post 3 Jan 2024. The first practicable meeting for the Committee to consider the Notice of Motion is 13 Feb 2024 (the 1 Feb meeting being extraordinary meeting for the corporate budget review).
- 9 The Chief Executive has considered the Notice of Motion and the benefit of a peer review. The Council has changed significantly both in structure and governance over the last 3 years. Changes have included a committee system, the continuation of the Joint Administration, the separation of social care into separate Adult & Health and Children & Families directorates, the conclusion of historic investigations and public interest reports, Covid working, and the improvements made by the previous Chief Executive in response to the earlier peer reviews.
- 10 The Notice of Motion focused primarily on the budget challenges facing the organisation. The changes in the Council have been much wider than the immediate budget issue. The ability of the Council to meet its fiscal challenges is a product of the whole functioning of the whole Council. It is important to review the functioning of the Council as an effective organisation and the efficacy of the Council in delivering services. The Chief Executive is recommending to the Committee that the principle behind the Notice of Motion is accepted and that a peer review is undertaken. It is further recommended that the review is not limited or restricted to a financial element.
- 11 If the Committee agree a peer review is appropriate, it will be important for the Chief Executive to determine the scope and terms of reference of

the review. The recommendations of this report seek authority for him to do so, in consultation with the Council's political group leaders. The timing and scope may be dependent on capacity and other external factors but is anticipated to be in-year. (2024)

- 12 The outcome of any peer review will assist the new Chief Executive and members in developing the Council approach in terms of culture and economy. It will require engagement and participation from members in the review and actions that arise from it.

## **Consultation and Engagement**

- 13 There are no direct consultation and engagement associated with this report. The Notice of Motion was submitted to full Council so all members would be aware. The Council Leadership Team (CLT) have been consulted and support the proposal. CLT are cognisant that a review requires resources to be made available, so timing is a relevant consideration in terms of existing planned business change, external inspections etc. Delegated powers of the Chief Executive will be exercised in consultation with the Council's political group leaders in respect of timing and scope. All elected members and staff will be briefed on progress.

## **Reasons for Recommendations**

- 14 The recommendations of this report respond to the Notice of Motion, which was referred to the Committee by Council.

## **Other Options Considered**

- 15 Other options considered are summarised in the following table.

- 16 Options appraisal:

<b>Option</b>	<b>Impact</b>	<b>Risk</b>
1) Do nothing	Council referred the Notice of Motion to the Committee, in accordance with Council Procedure Rules. Whilst the Committee could determine that no further action is taken, the Committee must still consider the matter.	That any issues which might arise from the peer review would not be know, with consequential detrimental effect.

(2) For the Committee to resolve a peer review to be undertaken, in line with the recommendations	All such matters as would be determined by the Chief Executive, in consultation with the Council's political group leaders, would be subject to the review, and relevant recommendations would be made to the Council.	No identified risk
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## Implications and Comments

### *Monitoring Officer/Legal*

- 17 Arrangements with the Local Government Association to undertake the peer review will be subject to appropriate procurement and agreements. Arrangements. The Chief Executive will be authorised to undertake these actions by the Committee and the use of existing delegated powers.
- 18 There are no other direct legal implications. This report is a response to a Notice of Motion and the relevant procedure is set out in Council Procedure Rules.

### *Section 151 Officer/Finance*

- 19 A Corporate Peer Challenge would be fully subsidised by the Local Government Association. If it is considered at some point that a challenge is required that focusses on driving improvement and improving efficiency in specific areas, there may be a charge to the Council, and if so the cost will need to be covered from an appropriate budget, with the aim of being funded by the efficiency savings identified.

### *Policy*

- 20 Whilst the scope and terms of reference of the peer review are proposed to be finalised by the Chief Executive under delegated powers, it may be that this will relate to the entire Council function. There may, therefore, be policy implications arising from the outcome of the peer review, which will need to be considered in detail at that stage.

### *Equality, Diversity, and Inclusion*

- 21 The outcome of the peer review might highlight equality implications.

### *Human Resources*

- 22 The outcome of the peer review might highlight Human Resource implications.

### *Risk Management*

- 23 The outcome of the peer review might highlight risk management implications.

### *Rural Communities*

- 24 The outcome of the peer review might highlight rural communities implications.

### *Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 25 The outcome of the peer review might highlight such implications.

### *Public Health*

- 26 At this stage, the outcome of the peer review is not known and, therefore, there are currently no direct implications in respect of Public Health:
- a positive, neutral, or negative overall impact on the health and wellbeing of Cheshire East residents
  - a greater (positive or negative) impact on some groups compared to others (e.g., rural vs urban; younger vs older; poorer vs more affluent; etc.)

### *Climate Change*

- 27 Taking into account the recommendations of this report, there are no climate change implications at this stage of the process.

<b>Access to Information</b>	
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Appendices:	The full text of the Notice of Motion, including electronic links to supporting documents, is set out in the Appendix to this report.

Background Papers:	Minutes of the meeting of Council on 13 December 2023
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