

LGA Corporate Peer Challenge

Gloucester City Council

22nd – 25th November 2022

Feedback report





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1. Executive summary

Gloucester City Council (GCC) has a good understanding of and is clearly ambitious for its place and people, and that understanding has informed the development of a well-crafted and comprehensive Council Plan. The achievements of GCC should give the political leadership confidence to drive the council's ambition for 'Building a Greener, Fairer, Better Gloucester'.

As an organisation, GCC is well led and a well-respected partner; its partners stand ready to collaborate with and support the council's political and organisational leadership in delivering the Council Plan.

Utilising the Council Plan as a base document; the council needs to evolve a SMART performance management framework that promotes timely challenge and proactive management action where needed and allows the council to better identify and celebrate its successes. For the council to be better able to communicate and celebrate those successes, an urgent review is needed of the council's current delivery arrangements for external communications and marketing.

GCC is blessed to have the quality of staff that it has, who evidence a real passion to do their very best for the city and people of Gloucester. The Council needs to carry out a review of its current strategic and transactional HR delivery arrangements with a view to optimising the ability of GCC to recruit and retain the very best staff.

Whilst the scale and nature of the ambition for the growth of the city is palpable and evident for all to see, this appetite needs to be balanced and conditioned by the current economic conditions and financial challenges being faced by the sector. If GCC is going to continue on its current trajectory, it must develop and maintain robust project governance arrangements that provide timely line of sight for the political leadership on matters of budgetary management and control, and risk and sensitivity analysis.

The priority of delivering the Forum development to time and budget is understandable, but there is a need to also maintain focus on the High Street with the opportunity for this to be fulfilled through the work of the City Commission and the development of a new vision for the future of the city centre.

The council needs to consider pulling all the strands of its growth work into one overarching Growth Strategy which should align with the Council Plan.

GCC must look to work with its willing partners to ensure that the people of Gloucester are given every opportunity to gain from the benefits of the council's ambitious growth agenda; active consideration therefore needs to be given to the development of new programmes to address worklessness and to improve the employability and skills of people within the city's most deprived communities.

GCC organisational leadership and management is at the limits of its current capacity and there is an urgent need to take stock as to the sufficiency of the council's staff resources to continue to deliver everything that the council is seeking to do through the Council Plan and at a pivotal time for the local government sector.

GCC has an enviable track record of strengths based community development work over many years as exemplified through its Asset Based Community Development (ABCD) programme; with the advent of the new Integrated Community System (ICS) this is an opportune time for the city council to take stock of its current programme of activities with the input of partners and to reset the agenda with the development of a new strategic framework and corporate resource plan for tackling inequalities.

The current political governance arrangements appear to be working well and there is evidence of political consensus between group leaders where it is in the best interests of the place and people.

GCC would however benefit from seeking external advice and support to review and address a number of current challenges including member/officer relations, member conduct, and clarity on roles and responsibilities. The recruitment of a permanent Monitoring Officer, with sufficient capacity and experience would also help inform such a review and lead on any identified improvements.

In addition to the good work that the council did to support its residents, businesses, and communities through the Covid 19 pandemic, GCC has done remarkably well to also continue to deliver its facilities and services, following the cyber incident experienced in December 2021.¹

¹ In December 2021 Gloucester City Council experienced a significant cyber incident that caused widespread disruption to all council services

The anniversary of the cyber incident could be considered an opportune time for GCC to take stock of its recovery programme; it is important that this is a whole organisation review and not just centred on the technology aspects of the recovery.

Whilst we have seen clear evidence of the quality of the council's internal communications activities, further consideration needs to be given to how best to keep staff updated on the cyber recovery and what it means for their respective service areas.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

2.1. Performance Management Framework

Utilising the Council Plan as a base document; the council needs to evolve a SMART performance management framework that promotes timely challenge and proactive management action where needed, and allows the council to better communicate and celebrate its successes

2.2. Review delivery arrangements for external communications

For the council to be better able to communicate and celebrate its successes, an urgent review is needed of the council's current delivery arrangements for external communications and marketing

2.3. Review HR delivery arrangements

The Council needs to carry out a review of its current strategic and transactional HR delivery arrangements with a view to optimising the ability of Gloucester City Council to recruit and retain the very best staff

2.4. Develop and maintain robust project governance arrangements

If Gloucester City Council is going to continue on its current growth trajectory, it must develop and maintain robust project governance arrangements that provide timely line of sight for the political leadership on matters of budgetary management and

control, and risk and sensitivity analysis, for example, it is recommended that the Forum Business Case is subject to continuous review and refresh to consider the impact of increased borrowing costs and contract inflation on delivery and the council's medium term financial plan

2.5. Overarching Growth Strategy

The council needs to consider pulling all the strands of its growth work into one overarching Growth Strategy which should align with the Council Plan

2.6. Address worklessness and improve the skills and employability of local people

Active consideration needs to be given to the development of new programmes to address worklessness and to improve the employability and skills of people within the city's most deprived communities

2.7. Review staff resources against the Council Plan requirements

There is an urgent need to take stock as to the sufficiency of the council's senior staff resources to continue to deliver everything that the council is seeking to do through the Council Plan and at a pivotal time for the local government sector

2.8. Review the role of members

The council is recommended to seek external advice and support to review the role of members within the organisation and to help address a number of current challenges including member/officer relations, member conduct, and clarity on roles and responsibilities. The recruitment of a permanent Monitoring Officer, with sufficient capacity, would also help inform such a review and lead on any identified improvements

2.9. Whole organisation review of the cyber incident

At the anniversary of the cyber incident, it is considered an opportune time for GCC to take stock of its recovery programme; it is important that this is a whole organisation review and not just centred on the technology aspects of the recovery

2.10. Develop a strategic priority framework for tackling inequalities

It is recommended that the council develops a strategic priority framework for tackling inequalities, both internally and with its partners, to be matched by adequate resource.

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Huw Bowen – Chief Executive, Chesterfield Borough Council
- Cllr Linda Haysey – Leader, East Hertfordshire District Council
- Jon-Paul Hedge – Director, Exeter City Council
- Emma Foy – Director of Corporate Services, West Lindsey Borough Council
- David Cowan – IT Manager, Copeland Borough Council
- Helen Wilkinson – LGA Shadow Peer
- Kathryn Trant – LGA Peer Challenge Manager

3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?

4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition to these questions, the council asked the peer team to provide feedback on:

- How the council responded to the cyber incident
- Whether the work undertaken by the council to tackle inequalities is improving outcomes for residents

3.3. The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent three days onsite at Gloucester City Council, during which they:

- Gathered information and views from more than 40 meetings, in addition to further research and reading.
- Spoke to more than 50 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1. Local priorities and outcomes

GCC has a good understanding of and is clearly ambitious for its place and people, and that understanding has informed the development of a well-crafted and comprehensive Council Plan. The Plan sets the vision and priorities for the organisation with tackling inequalities and climate change identified as cross cutting themes.

GCC knows that it cannot achieve its vision alone. The council has an enviable track record of strengths based community development work over many years, as exemplified by its lead role in establishing the Gloucester Community Building Collective.

In addition to direct delivery of community based services, these past efforts resulted in local people and community groups creating their own solutions during the covid-19 pandemic. The council undertook a coordination role with the Gloucester Community Help Hub which saw thousands of individuals receive the assistance they needed to ensure the supply of essential food and medicine was delivered to those in need. Appreciation for the council's support to the business community was reflected to the peer team, for example the prompt payment of support grants to help ensure the survival of local businesses.

The city's voluntary and community sectors are equally passionate about Gloucester City and stand ready and willing to work with the council. The peer team's view is that post the pandemic GCC now needs to provide direction to those sectors to optimise and better coordinate their delivery activities towards addressing inequalities and improving the health and wellbeing of the city's residents.

The evolving Integrated Care System (ICS) also offers the opportunity for GCC and its multiple partners to take stock and reset GCC's agenda with the development of a new strategic framework and corporate resource plan for tackling inequalities.

GCC has a performance management framework and examples of performance monitoring reports were shared with the peer team. There is a data driven approach to service delivery; its headline performance can be found on the LGA's free data benchmarking tool **LG Inform**.

Whilst the council understands the importance of using data and evidence to drive improvement, the performance management framework is not currently optimised to support GCC to evidence the outcomes of its actions against the vision and priorities of the Council Plan. Utilising the Council Plan as a base document, the council needs to evolve a SMART performance management framework that will promote timely challenge and proactive management action where needed and allow the council to better communicate and celebrate its successes.

4.2. Organisational and place leadership

GCC is a council with an impressive track record of organisational and place leadership as exemplified by its city centre regeneration programme, strong commitment to culture and the Commission on Race Relations which, along with its achievements, should give the political leadership and the council the confidence to deliver on its vision and priorities and continue to make bold decisions in the best interests of the city and its residents, businesses, and communities.

The council takes its role and responsibility for place leadership seriously. It has an appetite to be creative and to take risks, but it is the view of the peer team that these risks need to be balanced and conditioned by the current economic conditions and financial challenges being faced by the sector, for example, the increased costs of borrowing to fund development and the significant hikes in pay, contract, and utility inflation.

The growth agenda is hugely ambitious. The council has already delivered at scale to regenerate areas of the city centre and should be proud of what it has achieved, not just in terms of physical expression for example, Gloucester Quays, but the aligned evidence showing strong business growth, high economic activity rates and an increasingly young and technically skilled workforce. Improving the physical environment and making culture and leisure facilities available to all will deliver better outcomes and opportunities for residents. The council has already supported the recent delivery of 640 affordable homes in Gloucester to encourage more people to live in the city centre.

The peer team recommend that the council considers the development of an overarching Growth Strategy that aligns with the Council Plan, and with an associated focus on project governance and resource planning.

If GCC is going to continue on its current growth trajectory, it will need to develop and maintain robust project and programme governance arrangements that will provide timely line of sight for the political leadership on matters of budgetary management and control, and risk and sensitivity analysis. The resource planning element will also ensure sufficient resources are allocated to deliver the growth priorities that align with the Council Plan. The priority of delivering The Forum development to time and budget is understandable, but GCC must also maintain focus on the rest of the City centre. There is opportunity for this to be fulfilled through the work of the City Commission and the development of a new vision for the future of the city centre.

An overarching Growth Strategy will help the council to be conscious of ensuring that delivery of the bigger growth projects doesn't result in detriment to other parts of the city, a concern expressed by some members and partners, and that every resident of the city has equality of opportunity to benefit from the new jobs that will be created.

It is the view of the peer team that active consideration needs to be given to the development of new programmes to address worklessness and to improve the employability and skills of people within the city's most deprived communities. There are still too many people of working age claiming unemployment benefits with no or low levels of qualifications, high levels of deprivation in several of the city's communities and around 20% of children living in poverty. If the better jobs go to people travelling into the city, then the value of GCC's growth agenda to the city's residents will be lost.

As an organisation, GCC is recognised as well led and a well-respected partner; its partners stand ready to collaborate with and support the council's political and organisational leadership in delivering the Council Plan, but to deliver on the growth agenda, the peer team feel that priority will need to be given to strengthening the working relationships between Gloucester City Council and Gloucestershire County Council. None of GCC's big growth projects can be achieved without the co-operation of the upper-tier authority in the timely delivery of its highways, education, public health, and social care functions. There is also an evolving county devolution context through which the present Government seems increasingly likely to route local growth funds.

4.3. Governance and culture

There is a collective desire within GCC for consensus working across the council. The leaders of all three groups meet regularly, and the current political governance arrangements appear to be working well. There is evidence of political consensus between group leaders where it is in the best interests of the place and the people of Gloucester city and evidence of a good relationship between the political leadership and SMT.

Council committees work well, they are seemingly well chaired and focused on their roles and areas of responsibility. It is positive that Overview and Scrutiny is opposition led, and there is a mutually respectful relationship between Cabinet and Overview and Scrutiny Committee. In the view of the peer team however, the council should consider an annual work programming session to develop a work programme for the Overview and Scrutiny Committee. This will offer the opportunity for more members to undertake policy development roles in support of the council and encourage the selection of topics that will add value for the residents and businesses of Gloucester.

Of the members that the peer team spoke to, there were a range of experiences when engaging with officers to support residents case work. The peer team felt that the Member Development Programme should be reviewed, and an ongoing learning and development programme maintained. Such a programme would ensure that new and existing members have the knowledge they need to know how the council works, who to contact about specific constituency matters, and the standards of behaviour expected of them when fulfilling their roles and responsibilities in line with the Members Code of Conduct and Member Officer protocol.

Furthermore, the peer review team felt that the council would benefit from seeking external advice and support to review the role of members within the organisation and help address a number of challenges including member/officer relations, member conduct, and clarity on roles and responsibilities. It was also felt that urgent consideration should be given to the appointment of a permanent Monitoring Officer to help inform such a review and lead on any identified improvements. Whilst there is trust and confidence in the senior leadership team, the appointment of a permanent Monitoring Officer with sufficient capacity and experience to strengthen governance arrangements is recommended.

4.4. Financial planning and management

At the time of the peer team visit, a draft money plan and budget report had been produced for the Overview and Scrutiny Committee's budget meeting on 5th December. These documents were shared with the peer team. The figures were subject to review and receipt of the December local government finance settlement, however, the budget report showed that at that time, a balanced budget was achievable for 2023/24.

Clearly, the cyber incident is still having an impact on available data. The peer team therefore felt that the council would benefit from carrying out a self-assessment of compliance with the CIPFA Code of Financial Management to help identify key areas to focus on in the recovery from the cyber incident.

Consideration should be given as to whether resources in the Finance Team are sufficient to deliver the Quarter 3 and Quarter 4 budget monitoring reports to time. Accountability for and governance of the project for the delivery of the recovery of financial data is not clear, for example there are no risk registers or monitoring of costs. To complete the work, the Finance Team may need additional capacity. There is an opportunity for the council to use critical friends such as Internal and External Audit to support the team and provide additional assurance. Internal Audit would be happy to provide support and assurance over the recovery of core financial systems and would move resources to do so. The peer team would also encourage an early conversation with External Audit following the cyber incident about their approach, timings and fees going forwards.

The peer team view is that the council needs to give serious consideration to continuing to strengthen its financial resilience; whilst there is evidence that the council's political and organisational leadership are cognisant of the current risks arising from the state of the economy and the financial challenges faced by the sector, potential legacy risks from the cyber incident and current construction delivery and borrowing risks in relation to the Forum development, the council would benefit from being in a healthier position in relation to the level of its Reserves and provisions.

As previously noted, if GCC is going to continue on its current growth trajectory, it is recommended to develop and maintain robust project and programme governance arrangements that will provide timely line of sight for the political leadership on matters of budgetary management and control, and risk and sensitivity analysis. It is therefore specifically recommended that the Forum Business Case is subject to continuous review and refresh to consider the impact of increased borrowing costs and contract inflation on delivery and the council's medium term financial plan.

4.5. Capacity for improvement

GCC is blessed to have the quality of staff that it has, who reflected a sense of pride and a real passion to do their very best for the city and people of Gloucester.

However, the peer team found GCC's organisational leadership and management to be at the limits of their current capacity. There is an urgent need to take stock as to the sufficiency of the council's management and staff resources to continue to deliver everything that the council is seeking to do through the Council Plan and at a pivotal time for the local government sector. The council needs to be cognisant that if it was to lose some of its key leadership and service management personnel, there would currently be insufficient depth within the organisation to sustain the current levels of performance against the Council Plan.

GCC is a council that achieves success. In addition to the success of the regeneration projects, it has successfully applied for funding for the Museum of Gloucester to carry out repairs and improvements, the Guildhall has been chosen to join the prestigious Arts Council England's National Portfolio which will result in additional funding over the next three years, it has once again been awarded the Purple Flag national safety award which celebrates places that provide a diverse, safe and welcoming night out, it has enjoyed Green Flag success with three of its parks receiving accreditation and Visit Gloucester won a silver award in the Visit England Awards for Excellence 2022.

For the council to be better able to communicate and celebrate its successes, the peer team view is that an urgent review is needed of the council's current delivery arrangements for external communications and marketing. The council's external communications work appears largely reactive, and any proactive communications and marketing activity is dependent on the availability of personnel under the current resourcing arrangements through Gloucestershire County Council.

The Council also needs to carry out a review of its current strategic and transactional HR delivery arrangements with a view to optimising the ability of GCC to recruit and retain the very best staff and to provide managers with an appropriate standard of support and advice on HR matters.

4.6. Response to cyber incident

In December 2021, GCC experienced a significant cyber incident that caused widespread disruption to all council services.

The council worked with national cyber agencies and expert cyber incident investigators and incident response to access immediate incident response and recovery advice. The impact of systems loss has been deep and has presented a real challenge to many service areas within the council, these challenges continue to impact the council at the current time.

GCC has done remarkably well to continue to deliver its facilities and services, post the cyber incident experienced; senior leadership and service managers should be commended for their creativity in developing work arounds and solutions to maintain effective service delivery for residents and businesses.

The council adopted a recovery plan to fully restore lost systems and data back to a pre-incident functional level in a measured approach and also embraced a move to cloud solutions to help improve future cyber resilience.

The adopted recovery plan appears to have been run as a predominantly IT focused recovery plan and we would recommend that a wider organisational wide recovery plan would be beneficial to adopt. This organisational wide recovery plan needs to encompass all aspects of IT application restoration, data restoration, re-entry of the data from the last 12 months into the recovered applications and monitoring the impacted services back to a pre-cyber incident level of operation and performance.

The cyber incident revealed some issues in service area business continuity plans in respect of reliance on ICT to respond, which is not possible when ICT is impacted at a major level. Since the incident response the council has taken positive steps to address this with all service areas doing full business impact analysis including ICT loss and revised service areas business continuity plans. As a result, there is now a better understanding of the impact on service delivery in case of ICT loss.

Communications concerning the cyber recovery to the wider council appear to have had mixed effectiveness, it is therefore suggested that a new organisational wide recovery plan should review an associated communications plan. Whilst we have seen clear evidence of the quality of the council's internal communications activities, further consideration needs to be given to how best to keep staff updated on the cyber recovery and what it means for their respective service areas, for example budgetary information and service demand which is critical for service planning.

As the council is now approaching the first anniversary of the cyber incident it may also be worth considering undertaking a deep review of the council's response and recovery activity to date for any possible valuable lessons learned and to help inform and ensure a wider organisational recovery plan can fully address the council's full recovery needs; it is important that this is a whole organisation review and not just centred on the technology aspects of the recovery.

4.7. Tackling inequalities

Tackling inequalities, along with acting on climate change, are the two key cross cutting themes that run through each area of the Council Plan. GCC values diversity and is committed to meeting the evolving needs of residents. It has an aspiration to tackle inequalities through everyday operational practice.

There are brilliant individual examples of work to tackle inequalities in the city supported by a positive approach to collaboration and partnership working across the board. Examples include social value work through procurement, delivering city centre focused community safety and the leisure and culture team apprentice programme offering social mobility. Tentative agreements have been established with community VCS organisations to help facilitate the four Calls to Action arising from the Commission to Review Race Relations. GCC understands that community buy in is fundamental to change and this process is designed as community led.

The cabinet member for Communities and Neighbourhoods has been able to introduce a number of initiatives for tackling health inequalities through his role working for the NHS.

The peer team feel that the council's approach would benefit from a strategically focused methodology that draws together the golden thread of opportunities across the council and ranks them against capacity and impact. Ongoing impact should then be reviewed and shared to assess if outcomes for residents are being improved.

It is further recommended that with the advent of the new ICS arrangements this is an opportune time for the city council to take stock of its current work on tackling inequalities with the input of partners and to reset the agenda through the development of a new strategic priority framework and corporate resource plan for tackling inequalities and improving the health and wellbeing of the city's residents and communities.

As has been previously referenced, GCC must also look to work with its willing partners to ensure that the people of Gloucester are given every opportunity to benefit from the council's ambitious growth agenda; active consideration therefore needs to be given to the development of new programmes to address worklessness and to improve the employability and skills of people within the city's most deprived communities.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss, and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Paul Clarke, Principal Adviser for the South West, is the main contact between your authority and the Local Government Association. Paul is available to discuss any further support the council requires.

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