



NORWICH City Council

Committee name: Cabinet

Committee date: 08/03/2023

Report title: LGA Corporate Peer Review of Norwich City Council – review findings, council response and next steps

Portfolio: Councillor Waters, Leader of the council

Report from: Chief executive

Wards: All wards

OPEN PUBLIC ITEM

Purpose

This report presents the findings of the recent LGA Corporate Peer Review of the city council, together with the council's response to the recommendations and proposed next steps. The Peer Review feedback report is appended.

Recommendation:

It is recommended that:

1. Cabinet considers the findings of the LGA Corporate Peer Review and the council's response.
2. Agrees that actions in response to the recommendations and other key points from the review are mainstreamed into the council's work programme via the refreshed Corporate Plan and deliverables for 2023/24; the Future Shape Norwich transformation programme; and the annual budget and business planning process, with progress monitored via the senior leadership team.
3. The council welcomes members of the review team back to the council to conduct a short progress update in the autumn when the new political leadership and new CEO are in post.

Policy framework

The council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

The LGA Corporate Peer Review cuts across all of the council's corporate priorities as set out in the Corporate Plan.

Report details

Background and scope of the LGA Corporate Peer Challenge

Norwich City Council's Corporate Plan sets out a vision for the council to be an 'outward facing, learning organisation'. This will be achieved in large part by seeking to learn from other successful local authorities and parts of the public sector; being open to independent assessment and challenge; and actively engaging with external partners to identify areas of best practice.

2. A cornerstone of the Local Government Association's (LGA) offer to member authorities is peer challenge support. This involves a team of experienced officers and members spending time with another council as 'peers' to provide challenge and share learning. Participating councils receive a final report and recommendations from the peer team and identify their own actions in response.

3. Peer challenges are an established tool which support councils to drive improvements and efficiency in specific service areas as well as at a corporate level. The City Council has been embracing the importance and benefits of peer learning in recent years, with recent examples including a peer challenge of regulatory services led by Oxford City Council.

4. A core element of the LGA's support is the Corporate Peer Challenge (CPC) which is an integral element in the peer challenge offer. A CPC involves peer teams spending significant time within councils to identify and address issues and challenge progress across a range of core corporate – as opposed to service-specific - themes.

5. There are 5 standard core themes of a CPC, which are:

1. Local priorities and outcomes
2. Organisational and place leadership
3. Governance and culture
4. Financial planning and management
5. Capacity for improvement

6. It should be noted that a corporate peer challenge is only intended to be a high-level review against these key corporate themes. Although the peer team consulted with a large number of stakeholders during the review and had access to a wide range of background material, the depth of the review and its findings is limited by the fact that the review lasted 3 days – the usual duration for a CPC.

7. A CPC is intended to look at the council's corporate approach against the 5 core themes - it is not intended to go into detail about the quality of local services. Norwich City Council delivers a wide range of complex services to the city and, like most authorities, some services are performing well, while others are in the process of being improved. A CPC is not intended to focus on the delivery of specific council services, so the fact that a specific service – particularly one which is in the process of being improved - might not be reflected in the final report does not mean that the review team have missed it, it simply reflects that it is not in scope of a CPC.

The Norwich CPC peer team

8. The Norwich CPC took place in January this year, with the team on site at City Hall from 23 – 25 January. The peer challenge team was made up of:

- Michael Bracey - Chief Executive, Milton Keynes (Lead Peer)
- Cllr Darren Rodwell - Leader, London Borough of Barking and Dagenham
- Lindsay Barker - Deputy Chief Executive, Colchester City Council
- Mark Green - Director of Finance & Business Improvement, Maidstone Borough Council
- Jess Crowe - Director of Culture, Strategy and Engagement, London Borough of Haringey
- Chanelle Busby - Service Lead, Commercial and Procurement, Exeter City Council
- James Mehmed - LGA Peer Challenge Manager
- Rachel Robinson - LGA Shadow

Approach of the Norwich CPC team

9. CPCs are improvement-focussed and tailored to meet a council's needs. They are designed to complement and add value to a council's own performance and improvement focus. The peers use their experience and knowledge of local government to reflect on the information presented to them by people they meet, things they see and material that they read. The team provide feedback as critical friends, not as assessors, consultants or inspectors.

10. The Norwich peer team reviewed a range of background information relating to the council to ensure they were familiar with the council, the challenges we are facing and our plans for the future.

11. While on site at City Hall, the team gathered information and views from more than 33 meetings, in addition to further research. The team spoke to c100 people during the course of the review, including a range of council staff together with members and external stakeholders.

Findings and recommendations of the Norwich CPC

12. The CPC final report into Norwich City Council is appended to this Cabinet report. This next section summarises some of the key findings in terms of the positive outcomes as well as some of the areas which the team recommend are developed further.

13. This cover report does not cover all of the points made by the review. It is recommended that all councillors read the review final report in full.

14. The final report has also been shared with all council staff and the Chief Executive has led an all staff briefing to feed back the findings and proposed next steps. The Chief Executive has also held a similar session to which all Councillors were invited. A final copy of the report will also be sent to all partners who participated in the review.

Summary findings – the city council is ‘on a positive journey of change’

15. The findings of the CPC paint a very positive picture of where the city council is currently and the progress that has been made over the past few years.

16. The headline conclusion of the review is that the city council ‘is on a positive journey of change and is focused on achievement and delivery, with fantastically committed people, including staff, members and partners’.

17. The review finds that the council’s relationships with statutory partners are ‘strong and effective’ and that ‘the council is widely regarded in a positive light across the region and country’ with partners very upbeat about their engagement with the council - some describing their experience as ‘exemplary and constructive’.

18. The review comments that ‘the senior management team and statutory partners have a strong connection with the 2040 vision and understand its strategic objectives’. Building on this, the review concludes that the opportunity is there to ensure everyone across the organisation has a clear understanding of how the Norwich 2040 vision informs the corporate plan and the relationship with directorate and service area business plans, including the contribution teams and individuals play in achieving those objectives and outcomes.

19. During the review, managers highlighted how important it is that the council’s corporate plan now includes deliverables that the workforce feel more engaged in and places customers and the community at the heart of delivery.

20. The review also finds that ‘the workforce value the investment in transformation capacity via the Future Shape Norwich programme, which has been welcomed across the organisation to assist with project management and delivery capacity’.

21. In relation to the council’s financial position and wider approach to governance, the review finds that the council has invested well in improving governance and assurance processes and comments that ‘the council is in a relatively strong financial position, with stronger financial metrics than many of its peers’. The review also notes that the council ‘is proud to have protected council services’.

22. The council has a ‘robust governance framework for managing change and financial savings projects’ which is noted by peers as positive, given the new approach has delivered detailed change proposals, whilst enabling increased cross-service challenge, with staff supporting each other throughout the process. The approach shows ‘a strong link back to corporate priorities and city-wide benefits’ which, according to the report, ‘demonstrates the council’s ability to challenge and learn whilst improving corporate governance and assurance’.

23. The review comments that ‘senior political leadership is widely respected by members and officers and that respect for political leadership extends across all political parties’, which is cited by peers as being a very positive attribute of organisational culture. Peers identified cross-party working as a strength and that relationships between members and officers were ‘positive and constructive’.

24. In relation to organisational change, the review comments that ‘the chief executive rightly identified the need to focus on the values and behaviours of the

organisation, and has been leading a two-way, inclusive process with colleagues to explore this, which been well received and has good prospects for supporting the organisation to develop’.

Areas for further focus and development

25. The review finds that the council is seen as an ‘exemplary and constructive partner’ with some of its strategic partners such as education, health and police and that there is a strong willingness from all partners to assist the delivery of the 2040 vision. The review recommends that more work is done with partners to further explore the delivery of the vision to ensure the council is maximising the available resource, skills and expertise partners have to offer. The review suggests that a more formal approach to engaging 2040 partners in delivery could help with collective ownership of the priorities and identify shared resources to deliver.

26. While understood by partners and across the council’s senior team, the CPC recommends that more work is needed to embed the vision throughout the organisation - to enable the vision to permeate throughout the organisation and be more central to each person’s role.

27. Although there are good plans in place to strengthen community engagement through the citizen participation strategy, the programme of community conversations and the new tenant and wider engagement strategy, the peer team suggests that consideration is given to accelerating the prioritising this work to delivery on the council’s stated commitment to put residents at the ‘heart of everything we do’.

28. Peers acknowledge frameworks have been developed to allow for wider community engagement to ensure the council gains a better understanding of community needs to inform delivery objectives. But the review suggests that more attention is required ‘to ensure those approaches to community engagement yield a greater input to provide the council with a well informed and diverse response to feed into policy making and local decisions’.

29. Peers heard from a range of staff that more focus should be given to internal communications, ensuring there are effective two-way channels. Positive examples shared with peers involved a well-received webinar on organisational culture and work on the new values. The council should accelerate further engagement with staff and find capacity to focus on internal communications that can actively support the senior team with engaging the workforce on a range of work areas. This is vital as further transformation takes place across the council.

30. In relation to housing, peers were pleased to understand a new resident engagement strategy is due to be launched with a focus on open conversations and building trust, which will also feed into a revised tenant’s approach. Tenant engagement and involvement needs to be improved to ensure the tenant voice is prominent. It is the council’s intention – through the recent work on the tenant strategy and other work – to improve this.

31. The peer team recognise the council’s ambitions in relation to housing and infrastructure – referencing the ambitious East Norwich regeneration programme and other sites under development. The report references the ‘numerous sites identified that make up a pipeline of future building schemes’ but believe the council could sharpen its focus on what it is trying to build, who it is for and what the best approach to take to deliver the schemes.

Review recommendations, initial council response and proposed next steps

32. The CPC has set out 7 recommendations for the city council to consider and take forward, these are set out below together with an initial response. There are also other points of further development set out in the report.

33. It is recommended that actions in response to the recommendations – and other points of suggested further exploration raised in the report - are mainstreamed into the core business of the council where possible. This would be primarily through the annual update of the Corporate Plan priorities and actions; embedded in the council's Future Shape Norwich transformation programme; reflected in the Council's Code of Corporate Governance and Annual Governance Statements; and taken forward as part of the annual budget and business planning process.

34. This will ensure that any the actions become mainstreamed into existing programmes and become part of our core work. It also means that we can track progress through our quarterly performance reports and annual review of Corporate Plan activities.

Peer review recommendation	Initial council response
<p>1. With the departure of the leader, deputy leader and chief executive over the next few months, the council needs to quickly plan how it will support the new leadership. The LGA can assist. During this time, it will be critical that other members and senior colleagues do not allow momentum to be lost and remain focused on further improvement.</p>	<p>In progress</p> <ul style="list-style-type: none"> • A member support programme is being finalised and the council will engage the LGA as part of this. • Recruitment for the new CEO is underway and a member of the senior team has stepped up to be interim CEO to ensure continuity and momentum. • The senior team will continue to take responsibility for delivering the priorities of elected members and responding to the recommendations of the peer review.
<p>2. Accelerate and prioritise plans to strengthen community and tenant engagement to deliver on the NCC stated commitment to put residents at the 'heart of everything we do'.</p>	<p>In progress</p> <ul style="list-style-type: none"> • Action to be reflected in the refreshed Corporate Plan for 2023/24. • The council's Covid 19 recovery plan sets out the need for a community participation strategy and this work is underway. • Work has progressed in recent months to develop an online engagement platform and work on tenant engagement is moving forward at pace with a new strategy recently agreed by Cabinet.
<p>3. Strengthen place leadership by involving partners more formally in the delivery of the local 2040 vision and clearly identifying officers to be the strategic leads for key</p>	<p>In progress</p> <ul style="list-style-type: none"> • Action to be reflected in the refreshed Corporate Plan for 2023/24.

<p>partnerships.</p>	<ul style="list-style-type: none"> • Work is underway to consider where we go next with the 2040 vision coordination group with a specific focus on delivery.
<p>4. Having improved governance processes, the council's focus and transformation resource should now shift rapidly to culture change, building on the work already started with a strong emphasis on staff engagement, equalities and inclusivity.</p>	<p>In progress</p> <ul style="list-style-type: none"> • Culture change is now embedded as a key workstream within the Future Shape Norwich (FSN) transformation programme. • Work is currently focused on the next phase of the culture change programme, which will pick up feedback from the peer review. • As part of this, the council will be launching refreshed organisational values in 2023 which have been developed following colleague workshops and will help frame the future direction of the programme. • Work to invest in City Hall to make it a more modern working environment – with the council using less space in the building – is also gathering pace through the FSN programme and will form a key strand of our culture change work.
<p>5. Whilst we recognise that review of the governance of the wholly owned companies has recently taken place (in 2021), we recommend further consideration of the arrangements in line with the recommended best practice (including members not sitting on boards).</p>	<p>To be considered</p> <ul style="list-style-type: none"> • The review recommendation will be looked at as part of ongoing work which looks at how to improve governance of the council and its companies.
<p>6. Identify further growth and invest to save opportunities needed to meet corporate priorities as part of 2024/25 budget planning.</p>	<p>In progress</p> <ul style="list-style-type: none"> • This will be developed as part of the budget and business planning round for setting the 2024/25 budget which will start in the spring and will build on the work already done through FSN and through plans to balance the budget over the medium-term.
<p>7. Set clear priorities and identify resources required for delivery when developing a five-year capital programme.</p>	<p>In progress</p> <ul style="list-style-type: none"> • As above, this will be developed as part of the budget and business planning round for setting the 2024/25 budget which will start in the spring and will build on the work already done through FSN and through plans to balance the budget over the medium-term.

35. As part of the CPC process, it is expected that members of the peer team return to the council after 6 months for a short progress update. Given that a new leader, deputy leader and CEO are unlikely to be in post until the summer, it is recommended that the update visit takes place later in the year.

Consultation

36. In terms of the peer team reaching their conclusions, the peer team met c100 stakeholders via 33 meetings while conducting the CPC as well as consulting a range of background documents and materials.

37. The Chief Executive has led and all staff briefing with colleagues to feed back the conclusions of the review and the council's response to the recommendations and has held a similar session to which all councillors were invited.

38. Cabinet were invited to a feedback session with the peer team on the final day of the review in January and the contents of this report have been discussed with the Leader of the Council and with the council's Corporate Leadership Team.

Implications

Financial and resources

39. There are no proposals in this report that would reduce or increase resources, with any financial implications of responding to the CPC to be funded via existing budgets and resources.

Legal

40. There are no legal implications associated with this report.

Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and diversity	No direct impact
Health, social and economic impact	No direct impact
Crime and disorder	No direct impact
Children and adults safeguarding	No direct impact
Environmental impact	No direct impact

Risk management

Risk	Consequence	Controls required
The main risk to the council is not to respond proactively to the points made in the review and the recommendation which would lead to reputational and wider risks	Largely reputational damage.	The feedback from the review has been shared with all councillors and staff. It has also been shared with participating partners. The review is published on the council's website and a press release has been issued to ensure transparency. Response to the actions will be mainstreamed into council activities and monitored by the Corporate Leadership Team.

Other options considered

41. None.

Reasons for the decision/recommendation

42. The council has been proactive in inviting an LGA Corporate Peer Challenge – it has been transparent in its approach and the findings have been shared and made public. The review sets an overall positive picture of the council's improvement at the corporate level together with areas for further development. It will only be of benefit to the council to respond positively to the recommendations of the review and it is therefore recommended that the review is welcomed and the council takes action as part of its future improvement plans.

Appendices: LGA Corporate Peer Challenge feedback report – Norwich City Council

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LGA Corporate Peer Challenge

Norwich City Council

23 – 25 January 2023

Feedback report





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1. Executive summary

Norwich is a cathedral city and district of Norfolk with a footprint covering just over 15 square miles, ranking the fourth most populated area within the East of England region. Norwich is one of the fastest growing cities in the UK and is growing younger, with the average age of almost 34 years. The city is becoming more diverse having experienced significant population growth over the last 10 years.

The city of Norwich is home to an estimated 177,000 jobs and more than 8000 businesses. Norwich contributes more than £3b per annum to the national economy and is part of the Fast Growth Cities group. The council experienced a strong recovery from the pandemic with high street footfall reported at higher levels than in 2019.

Norwich and the council have a lot to be proud of including a vibrant city centre, thriving economy and culture scene. Norwich boasts more arts and culture than cities twice its size; people in Norwich spend more per capita on culture than anywhere in the UK. Norwich has established itself as a place of innovation and technological excellence with projects such as the '[Digi-Tech Factory](#)' to grow the skills and expertise in the Digi-Tech sector given the Cambridgeshire – Norwich tech corridor which builds on the two universities, creative sector and [research park](#).

It's no surprise given the diversity in place that Norwich has been voted recently over three consecutive years of one of the best places to live.

There is a hugely ambitious plan for land in the east of Norwich to become the biggest regeneration project in the East of England and deliver a new urban quarter for Norwich, offering 3600 new homes and 4000 new jobs. The council are cognisant to the climatic and environmental challenges of growth and have been recognised in 2020 by the [Global Good Awards](#) through the achievement of a gold award for climate action of the year.

The 2040 vision developed with partners aspires to deliver a creative city, a fair city, a liveable city, a connected city and a dynamic city. The council aims to (i) support people living well and independently in a diverse and safe city (ii) ensure Norwich is a sustainable and healthy city (iii) deliver infrastructure and housing it needs to be a successful city (iv) deliver an inclusive economy in which residents have equal

opportunity to flourish and (v) NCC is in good shape to serve the city.

The council has benefited from stable and strong political leadership with notable good practice relating to cross-party working. It was clear during the corporate peer challenge that NCC is on a positive journey of change and is focused on achievement and delivery, with fantastically committed people, including staff, members and partners.

The timing of the corporate peer challenge is critical given the current chief executive will be leaving the organisation at the end of March 2023 to undertake a new role and both the leader and deputy leader will not be standing for re-election in May 2023. The leader of the council is recognised as an important figure in the leadership of Norwich as a place.

Given this challenging dynamic, there is naturally some organisational anxiety whilst the transitional arrangements are being considered. There is however a commitment from the current leadership to ensuring the council is prepared for change and arrangements are being put in place.

The council now needs to plan how it will provide support to the new political leadership. The LGA can readily assist and provide advice and guidance in line with the council's requirements. A large part of the council's capacity to improve will be dependent on making the right appointment to replace the outgoing chief executive.

Despite the transitional arrangements there is a strong desire to progress with the council's ambitious plans, driving forward the 2040 vision but cognisant to the point new leadership will need to pick up the mantle and continue to embed new ways of working, drive the council forward with its strategic plans and next phase of organisational development.

The relationship with statutory partners is strong and effective, although non-statutory partners want to support the council more actively with delivering the 2040 vision. The council should seek to involve partners more formally and harness their energy and enthusiasm through identifying distinct strategic leads for key partnerships. A more distributed model of partnership leadership will enable a larger cohort of managers to be involved and deliver more external engagement.

The council will need to accelerate and prioritise plans to strengthen community and

tenant engagement to deliver the commitment to put residents at the '*heart of everything we do*', a key objective within the council's transformation plan 'Future Shape Norwich'. As the region's largest landlord, this provides even more emphasis to ensure tenant engagement is meaningful and effective in developing and informing housing policy, performance and investment.

The council has invested well in improving governance and assurance processes, providing the organisation and staff with a framework to operate within. As these processes further embed, peers strongly advise moving attention onto culture change with a strong focus on staff engagement, equalities and inclusivity.

The workforce is ready to take on more responsibility and a higher level of autonomy. Following new governance, structure and frameworks being implemented, the timing is now right to support the workforce by ceding some controls and increasing further flexibility, whilst not eroding the benefits of new ways of working.

NCC has two wholly owned companies, Norwich Regeneration Ltd (NRL) and Norwich City Services Ltd (NCSL). The companies are governed by individual boards who meet each quarter with a shareholder panel of members and officers to review performance and outcomes. Peers recognise a review of the governance of the wholly owned companies has recently taken place and recommend further consideration of the arrangements in line with recommended best practice, for example not including members sitting on the company board and instead exercising supervision through a shareholder panel.

The council is in a relatively strong financial position. Whilst the local government sector generally has been subject to severe financial constraints and pressures over the past ten years, and Norwich has not been immune from this, the council has stronger financial metrics than many of its peers.

Core spending power per head of population for 2023/24 (£137) puts NCC in the top quartile of all districts in England. This has allowed the council to deliver service expenditure per head (£186 according to its revenue outturn return) which is amongst the highest of its peer group and to forego substantial council tax income by offering 100% council tax reduction support, unlike many other authorities. The council is also proud to have protected council services.

Financial savings are being made alongside increased income, however there is likely to be further savings which can be driven out through service transformation. While the council's relatively strong financial position means that this may not be absolutely imperative from a financial viewpoint, it might allow resources to be redeployed to areas of higher priority. Peers recommend the council identifies growth and invest to save opportunities to meet corporate priorities as part of 2024/25 budget planning as well as setting clear priorities and identification of resources required for delivery when developing a 5-year capital programme.

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.

With the departure of the leader, deputy leader and chief executive over the next few months, the council needs to quickly plan how it will support the new leadership. The LGA can assist. During this time, it will be critical that other members and senior colleagues do not allow momentum to be lost and remain focused on further improvement.

2.2.

Accelerate and prioritise plans to strengthen community and tenant engagement to deliver on the NCC stated commitment to put residents at the 'heart of everything we do'.

2.3.

Strengthen place leadership by involving partners more formally in the delivery of the local 2040 vision and clearly identifying officers to be the strategic leads for key partnerships.

2.4.

Having improved governance processes, the council's focus and transformation resource should now shift rapidly to culture change, building on the work already started with a strong emphasis on staff engagement, equalities and inclusivity.

2.5.

Whilst we recognise that review of the governance of the wholly owned companies has recently taken place, we recommend further consideration of the arrangements in line with the recommended best practice (including members not sitting on boards).

2.6.

Identify further growth and invest to save opportunities needed to meet corporate priorities as part of 2024/25 budget planning.

2.7.

Set clear priorities and identify resources required for delivery when developing five year capital programme.

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced 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:

- Michael Bracey - Chief Executive, Milton Keynes City Council
- Cllr Darren Rodwell – Leader, London Borough of Barking and Dagenham
- Lindsay Barker – Deputy Chief Executive, Colchester City Council
- Mark Green – Director of Finance & Business Improvement, Maidstone Borough Council

- Jess Crowe – Director of Culture, Strategy and Engagement, London Borough of Haringey
- Chanelle Busby – Service Lead, Commercial and Procurement, Exeter City Council
- James Mehmed – LGA Peer Challenge Manager
- Rachel Robinson – LGA Shadow

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?

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 Norwich City Council, during which they:

- Gathered information and views from more than 33 meetings, in addition to further research and reading.
- Spoke to around 100 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

Norwich and the council have a lot to be proud of including a vibrant city centre, thriving economy and culture scene. Norwich boasts more arts and culture than cities twice its size; people in Norwich spend more per capita on culture than anywhere in the UK. Norwich has established itself as a place of innovation and technological excellence with projects such as the 'Digi-Tech Factory' to grow the skills and expertise in the Digi-Tech sector given the Cambridgeshire – Norwich tech corridor which builds on the two universities, creative sector and research park.

It's no surprise given the diversity in place that Norwich has been voted recently over three consecutive years of one of the best places to live.

There is a hugely ambitious plan for land in the east of Norwich to become the biggest regeneration project in the East of England and deliver a new urban quarter for Norwich and offering 3600 new homes and 4000 new jobs. The cabinet approved stage two of the master plan during summer 2022. Norfolk is currently working through the detail of a devolution deal; peers were surprised that the opportunity did not present itself more prominently during the peer challenge process.

The council are cognisant to the climatic and environmental challenges of growth and have been recognised in 2020 by the Global Good Awards through the achievement of gold award for climate action of the year. A large art installation depicting climate change through the years installed in the council chamber is a firm reminder that all council decisions have a climate impact.

The council has a vision for the city; '[Norwich 2040 City Vision](#)' was developed in collaboration with the community and a range of local partners during 2018 and sets the context for the corporate plan and related strategic plans. The approach allowed the community and partners to express what they valued in Norwich whilst identifying the future challenges.

The councils 2040 vision aspires to deliver a creative city, a fair city, a liveable city, a connected city and a dynamic city. The council aims to (i) support people living well and independently in a diverse and safe city (ii) ensure Norwich is a sustainable and healthy city (iii) deliver infrastructure and housing it needs to be a successful city (iv) deliver an inclusive economy in which residents have equal opportunity to flourish and (v) NCC is in good shape to serve the city.

The senior management team and statutory partners have a strong connection with the 2040 vision and understand its strategic objectives and how this interrelates with other strategic plans and outcomes. There is further work needed to embed the vision throughout the organisation, to enable the vision to permeate throughout the organisation and be more central to each person's role. More work needs to be done with partners to further explore the delivery of the vision to ensure the council is maximising the available resource, skills and expertise partners have to offer. The relationships with statutory partners were described as positive, although some of the non-statutory partners and the voluntary and community sector would appreciate more structure to the relationship. Peers strongly advise identifying specific officer leads to start building more sustainable relationships with partners and harnessing the contribution all partners can make to the 2040 vision.

More broadly, the council is widely regarded in a positive light across the region and country. Partners were very upbeat about their engagement with NCC, some describing their experience as exemplary and constructive.

Peers acknowledged the positive cross party working which is well embedded

providing the council with a sound basis for further joined up working.

The council benefits from a track record in successful delivery of regional and government opportunities such as the Community Infrastructure Levy and a [Town Deal](#).

Peers acknowledge frameworks have been developed to allow for wider community engagement to ensure the council gains a better understanding of community needs to inform delivery objectives. More attention is required to ensure those approaches to community engagement yield a greater input to provide the council with a well informed and diverse response to feed into policy making and local decisions.

Despite the frameworks being in place, peers did not see consistent inclusion of the community voice. This needs to be addressed to ensure communities are actively shaping and informing policy making, enabling a more direct influence over how local decisions are made whilst informing the 2040 vision to ensure this adapts and evolves with local need. As one of the region's largest landlords with housing stock circa 14,000 units the level of tenant engagement and involvement was seen as low and needs to be improved to ensure the tenant voice is prominent and enables housing provision and future strategic planning and investment to be shaped by tenant feedback and future needs. Peers were pleased to understand a new resident engagement strategy is due to be launched with a focus on open conversations and building trust, this will also feed into a revised tenant's approach.

Although the council uses data and insight to inform areas of concern, peers identified there was no consistent approach. The council should strengthen the way it uses data and insights in particular in its transformation work. The council should consider using [LG Inform](#) to benchmark its performance against other councils in and out of the region. This over time could provide a basis for identifying areas of concern and deploying early intervention strategies.

The council wants to build. There are numerous sites identified that make up a pipeline of future building schemes. However peers believe the council could sharpen its focus on what it is trying to build, who it is for and what the best approach to take to deliver the schemes. An offer for a site visit was made by the leader of Barking and Dagenham to discuss their local approach to housing delivery and this was well received by the leader of NCC and note taken to action.


Peers heard how local river water contamination has recently put a hold on approving any building planning applications. Despite this very serious environmental constraint, the council has found a way of off-setting water contamination to give the areas some further bandwidth in building new homes.

NCC has two wholly owned companies, Norwich Regeneration Ltd (NRL) and Norwich City Services Ltd (NCSL). The council is clearly on a journey on changing its approach with its wholly owned companies. The companies are governed by individual boards who meet each quarter with a shareholder panel of members and officers to review performance and outcomes. Peers recognise a review of the governance of the wholly owned companies has recently taken place and recommend further consideration of the arrangements in line with recommended best practice, for example not including members sitting on the company board.

4.2. Organisational and place leadership

The leader of the council is recognised internally and externally as a key figure in the leadership of Norwich as a place. In the context of the leader not standing in the May 2023 elections, this provides a risk that will need a plan to manage the transition before and beyond May 2023. To ensure Norwich 2040 and the corporate plan maintain momentum, the new leader will quickly need to identify the priority areas to provide continuity. The next chief executive will need to skilfully balance support to the newly elected leader whilst working closely to provide effective place leadership to accelerate the councils work to develop its culture and the next phase of organisational development. This will require leadership at all levels to respond to staff feedback and model the emergent new organisational values and behaviours.

Staff and partners were generally positive about the council's leadership. The chief executive, leader and deputy leader were held in high regard. Many external stakeholders cited their positive working relationship with the chief executive, leader and deputy leader, however most struggled to identify and name any other senior leader. Leadership of place needs to be broadened to ensure a wider cohort of senior



managers can engage with partners to provide more decentralised leadership whilst enabling more strategic capacity for the chief executive and executive directors. Peers heard that not all managers are clear on their specific expectations and some staff were also confused about how the council is transforming ‘from’ and ‘to’. The advent of new leadership provides the opportunity to ensure everyone across the organisation has a clear understanding of how the Norwich 2040 vision informs the corporate plan and the relationship with directorate and service area business plans, including the contribution teams and individuals play in achieving those objectives and outcomes. Managers highlighted how important it is that the corporate plan now includes deliverables that the workforce feel more engaged in and places customers and the community at the heart of delivery. The workforce valued the directly led investment in transformation capacity from the chief executive in the Future Shape Norwich programme, this direct approach of leadership was welcomed across the organisation to assist with project management and delivery capacity.

The council is seen as an exemplary and constructive partner with some of its strategic partners such as education, health and police. There is a strong willingness from all partners to assist in the delivery of the 2040 vision. A more formal approach to engaging 2040 partners in delivery could help with collective ownership of the priorities and identify shared resources to deliver. Partners have asked for council wide strategic leadership engagement beyond the leader and chief executive to maintain some of the key external partnerships and relationships that will enable the council to focus on investment and deliver on key priority areas such as arts, culture and heritage, inclusive economic growth and the community voluntary sector. Senior officers need to prioritise engaging with partners to build connections and formal structures with key agencies to avoid the risk of missing out on opportunities that support the councils desired outcomes.

Progress has clearly been made with internal governance and processes in recent years. From this platform resource should now be realigned to the delivery of

corporate plan priorities, which will allow the council to fill the gaps in leadership felt by some partners and enable the council to become outward looking again.

Although there are good plans in place to strengthen community engagement through the citizen participation strategy, the programme of community conversations and the new tenant and wider engagement strategy, consideration should be given to accelerating the prioritising this work to delivery on the NCC stated commitment to put resident at the 'heart of everything we do'.

The council is on a journey with its organisational development and should consider accelerating this work and focussing more strongly on culture change. The recent investment in structure and frameworks to provide the organisation with more rigour have for example directly influenced increased accountability for budget setting, provided more discipline in agreeing projects and programmes of work, however the feedback to peers has indicated a strong desire for staff to be given more independence and empowerment. Staff valued being able to respond directly with management through a recent webinar and would like more opportunities to directly influence the delivery of outcomes opposed to just receiving messages and updates. The council should conduct more staff engagement activities like this quickly and more frequently.

4.3. Governance and culture

Senior political leadership is widely respected within the organisation by members and officers. Externally partners made positive references about political leadership and value the strong relationship with the leader and deputy leader. The respect for political leadership extends across all political parties and was cited by peers as being a very positive attribute of organisational culture. Peers identified cross party working as a clear strength.

The relationships between members and officers were seen as positive and constructive. The opposition plays a key role at the council by competently chairing

both audit and scrutiny committees. Group leaders meet regularly with the chief executive and are able to raise questions at cabinet. The opposition leader also attends the shareholder panel meetings to scrutinise the performance and decision making of the council's two wholly owned companies.

Member oversight has been strengthened through the provision of a new combined budget and performance report which the leader and portfolio holders receive each quarter and then further discuss at cabinet. Corporate risks are taken to cabinet as part of an improved approach to performance and budget monitoring. The audit committee also scrutinise the risk register.

Recent governance changes were felt to have made the organisation more positively receptive to challenge and are making checks and balances more effective for example the audit committee, new performance reporting to management teams and the corporate leadership team assurance (CLT) which focuses on a range of themes e.g. budget, performance, risks and workforce. The leader and portfolio holders receive a combined performance report and then further debated at cabinet.

There is a desire from some members for scrutiny to focus more on operational work areas. This view was also shared by officers who proactively want more scrutiny of their projects. Peers understand the scrutiny forward plan is developed through voting for subject and topic areas. Changing how the scrutiny forward plan is developed would need to be reviewed to influence a more joined up approach with officers.

Peers strongly suggest exploring if more formal officer support should be invested to support and raise the profile of scrutiny within the organisation, as well as provide timely support to members for requests for information.

The imminent departure of the respected leader and deputy leader present a risk to the recent changes to governance (a comprehensive governance review was completed during 2021) that have been implemented by the chief executive as these are not yet sufficiently embedded and his departure in March 2023 creates additional risk to this work area. The interim chief executive and wider senior leadership team will need to ensure the governance framework is further embedded and new ways of working become second nature and part of the organisational culture.

The council has recently implemented a robust governance framework for managing

change and financial savings projects. The council tested this approach in earnest when working through the detail and planning of the 2023/24 budget. The process was noted by peers as positive given the new approach has delivered detailed proposals, whilst enabling increased cross organisational challenge with staff supporting each other throughout the process. Peers heard of more rigour in developing business cases with a strong link back to corporate priorities and city-wide benefits. The new approach demonstrates the council's ability to challenge and learn whilst improving corporate governance and assurance. New approaches have landed well with staff, despite the timescales being challenging. The council is on a learning curve and expect refinement will come from further practice.

Peers heard from a range of staff that more focus should be given to internal communications, ensuring there are effective two-way channels. Positive examples shared with peers involved a well-received webinar and work on the new values. The council should accelerate further engagement with staff and find capacity to focus on internal communications that can actively support the CLT with engaging the workforce on a range of work areas. This is vital as further transformation takes place across the council.

There are no staff equalities networks or other formal mechanisms to hear the views of different groups of staff and peers heard reference to concerning behaviours that the council has taken intervention to address. As part of the council's journey to greater staff engagement, discussing future networks with the workforce may help identify specific support needs of distinct staff groups.

Poor performance with for example housing repairs and a community engagement approach that is still in development suggests the culture is not fully focused in putting residents at the 'heart of all council activity'.

Governance of wholly owned companies

Both wholly owned companies NRL (Norwich Regeneration Ltd) and NCSL (Norwich City Services Ltd) have clearly defined business plans with a vision and direction of travel over the next 2 – 3 years.

Managing directors of the companies also sit on the senior leadership team and

therefore more actively engage in the wider leadership approach of the council. This was flagged by peers as a potential conflict of interest and some examples were shared where these arrangements make some business difficult and conflicting. The council should review if these arrangements are providing any risk to governance and mitigate as appropriate.

Whilst it is recognised that some areas of performance have been poor, there is an ongoing journey with planned mitigations to rectify. The last three-months of housing repairs performance data indicate an upward trend of improved performance which peers found encouraging.

With specific respect to the NCSL contract, there are three managers within the council that undertake aspects of the client role which is leading to an inconsistent approach to contract management. This needs to be resolved urgently as part of the improvement plan.

The council and political leadership need to undertake more urgent work to provide clarity around NRL's core purpose. During the peer challenge process there was some discussion concerning the overall objectives of NRL and an openness to explore alternative models of delivery whilst ensuring political objectives for regeneration and housing are delivered. The member peer, leader of Barking and Dagenham has offered to host a visit to discuss the model of housing delivery in the borough. This offer was positively received and is in the pipeline for actioning as part of the post corporate peer challenge actions.

Further work is required to align a communication strategy across the council and the wholly owned companies. This could be further addressed with investment in internal communications resource.

4.4. Financial planning and management

The council is in a relatively strong financial position. Whilst the local government sector generally has been subject to severe financial constraints and pressures over the past ten years, and Norwich has not been immune from this with stronger financial metrics than many of its peers. Core spending power per head of

population for 2023/24 (£137) puts NCC in the top quartile of all districts in England. This has allowed the council to deliver service expenditure per head (£186 according to its revenue outturn return) which is amongst the highest of its peer group and to forego substantial council tax income by offering 100% council tax reduction support, unlike many other authorities.

Briefing for members through the medium-term financial strategy and budget development process has been thorough and has clearly identified where there remains a budget gap but may not have brought out clearly enough the opportunities offered by the council's relatively strong financial position.

The budget process for 2023/24 has been thorough, incorporating detailed review of individual budgets with the relevant service managers. This has allowed an identified budget gap of £5.7 million to be closed. The savings include £3.4 million of savings from treasury and debt management which have no direct service impact. The process is clearly more ambitious and focused than that followed in the previous year when it was necessary to draw on reserves in order to balance the budget.

Financial savings are being made alongside increased income, however there is likely to be further savings which can be driven out through service transformation. While the council's relatively strong financial position means that this may not be absolutely imperative from a financial viewpoint, it might allow resources to be redeployed to areas of higher priority.

The balance sheet position of the council is also strong, with £838 million of net assets, £164 million of short-term investments and cash and £10 million of unallocated reserves as at 31 March 2022. This should provide confidence that the capital programme can be funded without excessive reliance on external finance. The general fund capital programme shows expenditure falling from £28

million in 2023/24 to £3 million in 2027/28, indicating that there is scope for more ambitious forward planning.

The process of savings identification has covered the years 24/25 to 26/27 and whilst the budget gap for these years has not been closed the process gives a measure of confidence that, if repeated annually, it could yield further savings if necessary.

Financial Risk

From a management and operational viewpoint, finance is currently the responsibility of an experienced interim section 151 officer but a permanent solution will be required as soon as possible. The delivery of a new ERP system (Agresso) looks set to slip from the scheduled date of 31 March. Both these issues pose a potential risk to effective financial management.

Risk management generally is the responsibility of the section 151 officer. A corporate risk register is maintained but there is scope for more rigorous identification and analysis of risks.

The external audit for 21/22 has been delayed, although this does not appear to be through any fault of the council itself.

Financial Governance

The audit committee approaches its role diligently and there is a willingness to undergo training and development. It recognises the value of independent input and has recruited an 'independent person' for this purpose. There is scope for pursuing this approach further and considering one or two independent members of the audit committee. Care would need to be taken to ensure that they had the breadth of skills and experience to make a positive contribution.

Internal audit has recently (April 2022) become the responsibility of a shared service. It appears to be too early to form a judgement as to the effectiveness of the new service. A number of audits have had to be deferred until 2023/24. The head of internal audit did not attend a scheduled meeting with the peer challenge team.


4.5. Capacity for improvement

The council are clearly on an improvement journey. There are plans and programmes underway that have enabled the council to reflect on how they undertake a range of functions with new thinking, investment and plans to improve. For example the new approach to budget setting, a more rigorous approach to project management and refreshed policy and plans on community and tenant engagement.

There is some recognition that the implementation of new frameworks and structures now need to be further supported by a programme of organisational development, ensuring all staff at all levels are fully onboard with the councils next phase of development. There is organisational awareness for the need to increase staff engagement.

The chief executive rightly identified the need to focus on the values and behaviours of the organisation, and has been leading a two-way, inclusive process with colleagues to explore this. This work has been well received and is has good prospects for supporting organisation develop. The council has engaged external support to run a culture diagnostic tool, supporting the organisation with understanding a baseline for improvement and to identify a narrative for future culture that staff can understand and work towards.

The council rightly recognises the need to provide support for organisational transformation. A corporate change programme, Future Shape Norwich, has been created and the council has sensibly appointed a director of transformation and invested in areas like project management. Many members of staff peers engaged with wanted to see change, to be more empowered and work in a cross-council way




and the Future Shape Norwich programme has the potential to deliver this and much more but needs further embedding into the organisation.

Peers were encouraged to hear how the council is building new skills and capabilities that support transformation and serve as a strong foundation for driving change and improving service delivery. There is a strong awareness of ensuring there is a clear knowledge transfer to staff from interim expertise brought in by the council to ensure skills are developed and retained. As practices evolve and application of new approaches are deployed, the council will be in a much stronger position to effectively manage transformation.

The chief executive has completed a restructure of the senior team and this has led to a sense of confidence by senior managers (directors and heads of service) in the capability of the team. However, like many councils, there are challenges recruiting to key roles, for example the director of housing role, and as a result there have had to be several interim appointments. A clear plan to make further permanent appointments to key strategic and operational roles is needed. Peers were informed that there is no specialist recruitment capacity within the HR team as a HR generalist model is in place. This may need to be reviewed given the national challenges with recruitment and retention combined with feedback indicating recruitment processes are not always aligned to operational needs.

In terms of improving the day-to-day work of the council, there is a busy change programme underway. Major computer systems are in the process of being upgraded (finance, HR and customer contact) which, although important and good to see, are placing a strain on the organisation. Similarly, restructures are taking place across the council, which need careful planning and an organisational wide approach to make sure capacity is not stretched too far.

Some staff raised concerns that HR policies on employee performance do not go far enough and would welcome a more robust approach to tackling poor performance



and inappropriate behaviours. There was a strong message from a range of staff concerning the need for more investment in learning and development to support upskilling and professional development. There was a consistent view that corporate training budgets and local management training budgets were not in line with the council's ambition and future direction of travel.

Some of the necessary organisational change has unsurprisingly caused quite a lot of turbulence. This has been recognised by the senior team and measures are in place to stabilise and improve things are being prioritised, for example by setting up an improvement board focusing on the repairs and maintenance service.

The council has recognised the need to do more to change the workforce profile so it better reflects the community, especially in relation to the numbers of staff from a black and ethnic minority background. The council is taking advantage of schemes like the LGA NGDP programme and there are local opportunities to explore, including with the local college, to use routes like apprenticeships to increase the diversity of the workforce as well as tackle some of the recruitment challenges the organisation faces. The council has an important role in influencing course delivery at the higher education establishments to ensure there is a pipeline of future skills being developed for the business community who cite this as a current risk.

Capacity to improve will be dependent on sustaining the momentum of improvements currently under way pending the appointment of a chief executive and to embed the new political leadership after May 2022.

Peers are keen to see the impact and organisational feedback regarding the progress being made with Future Shape Norwich when returning to the council to facilitate the six-month progress review.

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 meeting. 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.

In the meantime, Rachel Litherland, Principal Adviser for the East of England Region, is the main contact between your authority and the Local Government Association. Rachel is available to discuss any further support the council requires.

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