

London Borough of Hammersmith and Fulham

Feedback from the peer challenge team

23 – 25 April 2025

25 April 2025



The peer challenge team

- Cllr Nazia Rehman, Labour Member Peer and Portfolio Holder for Finance, Resources and Transformation at Wigan Council
- Cllr Jason Cummings, Conservative Member Peer and Cabinet Member for Finance at LB Croydon
- Paul Thorogood, Chief Executive at LB Bexley and former Section 151 Officer
- Leanne McKnight, Director of Finance Improvement at Liverpool City Council
- Daniel Omisore, Director of Finance at LB Camden
- Kevin Kewin, LGA Peer Challenge Manager
- Olivia Saunders, LGA Impact Graduate



The purpose of peer challenge

Peer challenges are improvement focused and tailored to meet a council's needs. They are designed to complement and add value to the council's own performance and improvement activity. The peers 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 team provide feedback as critical friends – not as assessors, consultants or inspectors.



The process of peer challenge

Peers reviewed a range of information to ensure we were familiar with the council, the challenges it is facing and its plans for the future

The peer team gathered information and views from more than 40 meetings, in addition to further research

We spoke to more than 70 people including a range of council staff together with members and external stakeholders



Scope and brief for the peer challenge

We have considered the core components looked at by all finance peer challenges, namely:

1. Financial leadership
2. Financial strategy, planning & forecasting
3. Decision-making
4. Financial outcomes
5. Partnership & innovation

In addition, the council asked for a focus on transformation and commissioning decisions



Overall messages and observations

The council has highly visible and effective political and officer leadership

The council is very ambitious and financially well-run

The organisation's financial track-record has enabled investment in clear political priorities

The strong focus on VfM and 'ruthless financial efficiency' is led and supported by very capable members and officers

The council is self-aware and recognises its future financial challenge will require a different response and is continuing to plan for this change



Overall messages and observations

The council has a strong track-record in both commissioning and contract managing external services – demonstrating its commitment to service improvements and social value

There are some differing perceptions and understandings of the council's transformation approach and activity across the organisation – there is value from the council articulating its overall approach

The council's leadership and effective working with public and private sector partners, including on economic growth, has important learning for the wider sector



Financial leadership

The council has a strong financial track-record which has enabled investment in ambitious political priorities

The organisation benefits from very capable members and officers with a strong focus on value for money

The finance function is well-led and services value its work; it also provides a high-level of 'corporate grip' on finance

The development of the annual budget and MTFS is a well-established, corporately owned process conducted over a full-year



Financial leadership

Financial leadership – including from the Chief Executive – has supported the council to address some of its recent financial and service challenges e.g. HRA issues

The council is moving towards a much more challenging financial environment e.g. a projected savings gap of £44m by 2028/29

The organisation's leadership recognises that this requires a different response with transformation featuring more significantly in future years

It is also acknowledged that budget decisions may become more difficult, and this may mean a need for greater public engagement and consultation



Financial strategy, planning & forecasting

Financial plans are developed in the context of a clear corporate plan and wider vision for economic growth in the borough

The current MTFS reduces significantly budget provision for demand and demographic growth in 2027/28 and 28/29 – this is due to planned service change and transformation work

These are ambitious targets to achieve: progress in delivery will need to be closely monitored with risks managed



Financial strategy, planning & forecasting

The council has a strong financial planning framework

The corporate plan is being refreshed for 2026/27 – there is an opportunity to align the current 3-year MTFS and 4-year capital programme

The council recognises the need to step up its approach to transformation to meet its future financial and service needs



Financial strategy, planning & forecasting

There is progress to date both within departments and an emerging corporate transformation programme focused on Workforce, Property, Digital and Commercialisation

There are some differing perceptions and understandings of the council's transformation approach and activity across the organisation

There are potential opportunities for a more corporate approach to transformation in some areas, including the customer journey

There is value from the council articulating its overall approach to transformation, including its scope and scale, as well as the respective roles of the corporate centre and departments



Financial strategy, planning & forecasting

The council's transformation work will take time and require enhanced capacity and capability to support the organisational change needed

There is value in a dedicated officer lead for the council's transformation activity to ensure a coordinated approach across the council as this activity scales up



Decision making

The council has appropriate member and officer governance arrangements for finance

There is regular financial reporting, including to Finance SLT and Cabinet

There is member involvement in the budget, including at Policy and Oversight Board and Policy and Accountability Committees

There is potential to enhance the council's scrutiny and audit functions with regular training and support to members



Decision making

There is robust governance for commercial decision making and ongoing monitoring of market decisions

The council is working towards the appointment of an independent member for Audit Committee following an external auditor recommendation in 2023

The council is using data well to inform financial decision making

There is potential for further embedding arrangements for assurance, treasury and pension functions



Financial outcomes

The organisation understands the direct link between financial performance and better outcomes for residents

The council's 'entrepreneurial municipal government' approach directly supports financial outcomes

The council has a good track-record of delivering savings set out within its annual budget

As in other councils, demand led services are presenting significant budget pressures – these have been managed well in LBHF to date, including from contingencies and unbudgeted income



Financial outcomes

The council has good prudential indicators and strong treasury management

Financial outcomes are good with balanced General Fund outturns and annual budgets set to date protecting in-year contingencies / reserves

The council has a strong track-record in both commissioning and contract managing external services – demonstrating its commitment to service improvements and social value



Financial outcomes

The council should feel confident in its internal expertise to maintain and build on its approach further in adult social care

The organisation has been effective in securing external funding, including S106 and CIL



Partnership and Innovation

The council's leadership and effective working with public and private sector partners, including to develop the Innovation District, is impressive

It demonstrates both innovation and partnership working, and provides considerable learning for the sector

The council's work means its benefits from significant direct investment in the borough and maximises the value from the area's economic assets. This work reflects a very strong and successful politically-led approach



Partnership and Innovation

The council is partnering with Aston University to assess the broader impacts (including financial) of the council's free homecare policy - this will be of wider interest

Extensive engagement of schools (Schools Forum) and tenants (HRA) on the development of budget proposals is appreciated

The relationship between adult social care and the ICB has strengthened over the last 12 months and is vital for further transformation

It is evident that the council is a well regarded and trusted partner, delivering strong place leadership, to deliver the best for residents and the borough



Recommendations

1. Articulate the council's overall approach and strategy for transformation, including its scope and scale, as well as the respective roles of the corporate centre and departments
2. Identify the capacity and capability needed to support the council's transformation agenda, including whether there should be a dedicated officer and member lead
3. Extend the MTFS scenario planning analysis to include optimistic and pessimistic forecasts of future demand pressures
4. Progress work to appoint an independent member to the Audit Committee



Recommendations

5. Enhance the council's scrutiny and audit functions with regular training and support to members
6. Consider the shared services arrangements for assurance, treasury and pension functions to ensure they are embedded and meet the needs of the organisation
7. Share the learning with the sector from the council's leading-edge work on economic growth 'Upstream London'