

LGA Corporate Peer Challenge

Knowsley Metropolitan Borough Council

11-14 November 2025

Feedback report



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1.0 Introduction

A team of local government peers led by the Local Government Association (LGA) delivered a Corporate Peer Challenge (CPC) at Knowsley Metropolitan Borough Council (Knowsley Council) from 11-14 November 2025. This was the second full Corporate Peer Challenge which Knowsley Council has completed, with a previous CPC completed in November 2017. The report from this previous peer challenge is available on the council's website [here](#).

Peer Challenge is a well-established and evidenced improvement and assurance tool that provides robust, strategic, and credible challenge and support to councils. Further details regarding the CPC process can be found in Appendix A, including details on the scope and process undertaken through this review. Full details on this process can be found on the LGA website [here](#).


The peer team for this review (set out in section 4.0) included highly experienced and knowledgeable councillors and officer peers from across local government. The CPC considered the five core areas included in all CPCs: local priorities and outcomes, organisational and place leadership, governance and culture, financial planning and management and capacity for improvement. Additionally, Knowsley Council asked for the team to consider their relationship with the Combined Authority with the aim of ensuring that they were maximising the opportunities in the region presented through devolution.

This report provides Knowsley Council with feedback on the peer team's findings and provides a set of high-level recommendations alongside more detailed considerations under each of these key themes. As part of this process, there is an expectation that the council will publish this report and a clear action plan in response to these recommendations.

2.0 Executive summary

Knowsley Council is a well-managed organisation which has demonstrated significant achievements and accomplishments in recent years. This includes winning prominent sector awards such as the Municipal Journal's 'Local Authority of the Year' award, strongly performing adult health and social care services, and regeneration achievements such as the opening of the Shakespeare North Playhouse in Prescot. Alongside these successes, the council recognises areas for improvement, including the required work to significantly improve children's social care following an 'inadequate' OFSTED rating in November 2024.

The need to improve children's social care is placed front and centre in the new 2025-2030 Council Plan: *Supporting Knowsley Residents to Thrive* and is described as the '*biggest and most immediate priority*' in the Council Plan. This document also outlines broader themes of



maximising opportunities and addressing challenges, delivering high-quality services, and encouraging growth that benefits residents. These priorities are known and understood by staff in the organisation, and this plan includes clear milestones and outcomes for delivery and progress. Importantly, staff and councillors across the organisation were familiar with and understood these priorities.

This Council Plan is aligned with the long-term strategy for the Borough - *Knowsley 2030* which was developed with the input of residents, partners, and wider stakeholders. The approach of the council and partners to deliver this strategy is known locally as 'Knowsley Better Together' and is underpinned by principles of shared work and priorities. The peer team were provided with positive testimonies from partners regarding the work of the council, and an appetite for increased partnership work in the future. In particular, the team heard of the positive relationships that had been built with the Liverpool City Region Combined Authority and the proactive approaches that had been taken by the Council to promote regeneration and growth schemes within the borough.

The council has an almost forensic-like approach to financial monitoring which supports grip and understanding across the organisation regarding budget pressures, the delivery of savings, and responding to forecast future demands. This understanding has supported the council to address the financial challenges it has faced in recent years; this is especially relevant for Knowsley as the Council receives 42% of its funding from the Settlement Funding Assessment (statistical neighbours receive 30%) illustrating the impact of national reductions locally. The approach of the council in addressing this context has better positioned the organisation to respond to these challenges with a level of financial management which is stronger than many in the sector.

Moving forward, the opportunity exists for the council to build on this strength and recent corporate developments by integrating risk, performance, and wider, medium-term planning regarding strategic issues to support the council's longer-term planning. This will enable the organisation to plan over longer periods of time, promote shared understanding, and increase resilience. The peer team encourages the council to align this plan with three-year funding cycles as far as possible.

Similarly, alongside extending the council's financial planning parameters, the peer team encourages the council to take proactive approaches to further support their current approach to finances. This should include increasing the frequency of public financial reporting and increasing the council's levels of general fund reserves (un-earmarked), which currently sit at £9 million (compared to a mean average of £15.7 million for CIPFA near neighbours). However, the council does have a further £91.4 million in earmarked reserves. Whilst this is not an



immediate concern or risk, increasing general fund reserves will provide additional resilience to future risk.

Whilst the council's current approach to financial management and transformation has served the organisation well in recent years, the increasing complexity of challenges and pressures facing the organisation and sector may require new ways of working in the future. Currently, the council's Extended Management Team oversees the wider transformation programme as part of their core business, providing oversight, increasing alignment, and reducing siloes. However, as the scale, scope and complexity of these challenges further increases, the council should consider how corporate structures for change and potential further standardisation could protect senior officer capacity and support more consistent comparisons corporately. This has the potential to both strengthen governance, provide increased formal assurance, and support political and managerial decision making.

Additionally, the council may wish to build on current benchmarking approaches which are completed at a service level to support a more corporate approach and inform strategic planning. Undertaking value-for-money and performance benchmarking corporately would support assessment of costs and outcomes in the round and support the identification of future opportunities and the best use of capacity.

The council demonstrates strong governance arrangements underpinned by a robust assurance framework, including well-established scrutiny, an effective Governance and Audit Committee, and updated risk management processes. Whilst these structures are effective, the peer team has provided sub-recommendations in the body of this report to help the council to further reflect wider sector norms and practice in some of these areas. Furthermore, increased visibility and communication regarding issues of risk, service performance, and financial reporting will enable council forums to further engage on these topics.

Throughout this review the peer team was repeatedly told (and witnessed first-hand) a positive and proactive working culture which includes high levels of trust across councillors, officers, and partner organisations. These strengths were often attributed to the council's size, including a sense that the council *'is small enough to deliver, but big enough to have impact'* and the belief that this contributes towards joined up working and the minimisation of silos. The peer team encourages the council to consider the causes and contributing factors towards this positive culture, recognising that this asset has been built and developed over a number of years. This challenge was best summarised as *'needing to make the council's unintentional culture, intentional'* and how this culture is supported by current systems and processes. These positives are also reflected in the council's 2025 staff survey results which illustrate a healthy

culture, with 83% of respondents being proud to work for the council.

3.0 Recommendations

The following are the peer team's key recommendations which have been prioritised on the grounds of urgency and importance. Further specific recommendations are included in the body of the report (section 5.0), and the Council will wish to consider the relationship between the strategic and specific proposals.

- **Recommendation One: Develop a more consistent approach towards corporate change:** The council should consider the benefits of increased standardisation regarding corporate change initiatives. This will support consistent comparison and prioritisation within the council's wider approach towards transformation, including potential alignment of the change progress with the council's medium-term financial strategy.
- **Recommendation Two: Undertake value-for-money benchmarking at a corporate level:** Building on work completed within services, a corporate approach to value-for-money comparisons will support the council to consider issues of performance and value in the round.
- **Recommendation Three: Strengthen medium-term planning:** The opportunity exists for the council to build on its renewed approach to risk, performance, and financial planning by bringing together complementary data to support medium-term planning and horizon scanning.
- **Recommendation Four: Be 'intentional' in defining and embedding the culture of the council:** The council has a healthy working culture. The development of a new Workforce Strategy, as well as wider governance policies, will require this culture to be articulated and a conscious effort by the organisation to further embed these principles.
- **Recommendation Five: Increase financial reserves and reporting:** Consider the levels of General Fund Reserves (un-earmarked) and the need for refinements in the Council's communication and reporting of financial issues moving forward.
- **Recommendation Six: Continue to champion the needs and opportunities of the borough within the Combined Authority:** The council has benefited from a proactive relationship with the Combined Authority in recent years, moving forward there is a need to continue to champion and forward plan a pipeline of both the priorities and opportunities of the borough, and ensure that these are emulated within the City Region's growth priorities to support mutual recognition and benefits.
- **Recommendation Seven: Continue to prioritise corporately the improvement of Children's Social Services:** There is a need for the council to continue the investment of

time, effort, and corporate sponsorship to support this area, especially in the context of the transition to a new Director of Children's Services.

- **Recommendation Eight: Develop the council's narrative:** The council's communications need to include an overarching narrative that captures achievements, progress, and ongoing challenges, as well as consideration of who is best placed to tell this story to partners and residents.
- **Recommendation Nine: Prioritise an external focus:** Building on the recent 'reset' of partnership working, the council should consider the emerging opportunities for joint approaches on priority issues, recognising the emerging opportunities for transformation and improvement across organisational boundaries.

4.0 Peer Challenge Team

Peer challenges are conducted by experienced LGA peers, including elected councillors and senior officers. The composition of the peer team was shaped by the specific focus of the challenge, with the LGA selecting peers based on their relevant expertise. The peers for this CPC were:

- **Lead Peer:** Dale Owens (Chief Executive, Gateshead Council)
- **Lead Political Peer:** Cllr David Molyneux MBE (Leader, Wigan Council)
- **Opposition Political Peer:** Cllr Natalie McVey (Green Party, Worcestershire County Council).
- **Senior Officer Peer:** Hannah Doney (Director of Finance, Southampton Council)
- **Senior Officer Peer:** John Searle (Executive Director of Place, Salford Council)
- **Shadow Officer Peer:** Alex Howell (Policy Advisor, LGA)
- **Peer Challenge Manager:** Matt Dodd (Senior Regional Advisor, LGA)

5.0 Detailed Feedback and Recommended Actions

5.1 Local priorities and outcomes

Knowsley Council has clearly articulated local priorities which are well informed by existing performance, social needs, and the wider operating context. There is a clear alignment regarding the content of strategy documents at both a Borough level through Knowsley 2030, and organisational level through the recently developed Council Plan for 2025-2030. Moving forward, and outlined in recommendation eight, there is a benefit to the council in developing a clearer overarching narrative that reconciles the challenges facing the organisation and the

achievements of recent years and enables ongoing communication regarding progress. This narrative will support the council's communications with residents, staff, partners, and potential investors and illustrating the complexity of these issues within the borough.

The Borough of Knowsley

Created in 1974, the borough of Knowsley has approximately 162,000 residents spread across 15 electoral wards and 33 square miles. This population has increased significantly in recent years, rising by over 17,000 residents over the past 10 years and reflecting the Council's proactive approach to housing development and growth in this time. The borough is part of the Liverpool City Region and shares borders with Liverpool, Halton, St Helens and Sefton. The main conurbations of the borough are Kirkby, Huyton, Halewood, and Prescott. The borough is bisected by the M62 and M57 motorways which provide good transport links to the region.

The growth of the borough in recent years was shaped by the council's current Local Plan, which was approved in 2016. The delivery of continued housing growth, and the new homes sought under the National Planning Policy Framework will require careful planning, sequencing, and clear political support locally. These challenges have been made more difficult by the council's growth in recent years with many of the 'easier' sites already completed, and there now being additional complexity to future developments. In this context, the development and approval of a new Local Plan provides a clear vehicle for this work. The council recognises this and is giving prioritisation and capacity to this area of work, which is important going forward.

Are the council's priorities clear and informed by the local context?

The recently developed new Council Plan: *Supporting Knowsley Residents to Thrive* was approved at Full Council in March 2025 and focuses on supporting residents to overcome inequality. This commitment to equality reflects the organisational awareness of the borough's evolving landscape. In recent years, the council has had success in enabling economic growth and housing development. This includes, for example, the creation of 4,000 new homes in the borough which creates additional challenges linked to inward migration to the borough, and reconciling the changing needs of communities. This challenge was well-described to the peer team as '*there is a risk that instead of addressing poverty, we could just dilute it*'. It is positive that the Council is mindful of this issue, and the peer team's suggestion to develop the Council's narrative is designed to provide clear communications regarding the council's commitment to inclusive growth rather than just growth.

The Council Plan has been informed through ongoing engagement with residents and business which was structured through the approach of the 'Knowsley Offer' considering support needs both now and in the future. A dedicated website has been developed to provide additional

information on a range of services through this approach and is intended to support residents in navigating this information. The opportunity exists for the council to build on this good work to gather more information and insight from residents to support the future shape and approach to service provision.

Moreover, this Council Plan is clearly linked to local evidence and performance information. This includes recognising the increasing diversity of the borough with an 80% increase in Black, Asian, and Minority Ethnic residents from 2011-2021 and includes activity designed to address this increasing diversity. The plan also provides clarity regarding objectives, actions, and 'focus' for the first year. As the first year of this plan ends, the council needs to consider the required work to 'refresh' this document, including reporting progress to date and providing clarity on areas of focus for the coming 12 months. It may be beneficial to consider extending this focus beyond 12 months to provide increased clarity on proposals for future years.

- **Sub Recommendation:** The council will need to refresh appendices and the action plan attached to the Council Plan to reflect progress in year one and provide more clarity regarding the 'areas of focus' for year two onwards.

Aligned to this, the council has an up-to-date Equality, Diversity and Inclusion Policy which sets out the organisation's responsibilities as an employer, provider of services, and decision-maker. This document is due to expire in 2025, and the council should ensure that it is refreshed in-line with this deadline and reflects good practice in the sector.

- **Sub Recommendation:** The council should review the content of the council's Equality, Diversity and Inclusion Policy which is due to expire in 2025 to ensure it reflects best practice in the sector.

Delivery against priorities and comparative performance

Across key inspection areas the council has seen mixed results over the past 12 months. This includes the Care Quality Commission report which rated the council's health and social care services as "Good" with this rating being achieved in all nine domains of the inspection. Conversely, children's social care services were assessed by OFSTED as "Inadequate" overall, reflecting inadequate ratings in three of four domains. Whilst the council has responded swiftly to these findings, including the appointment of an interim Director of Children's Services and the development of an improvement plan, the improvement of Children's Services will remain a clear organisational priority until improvement has been externally validated. To support this work, the peer team has included key recommendation seven to promote the continued prioritisation of this agenda.

Throughout the CPC process the peer team considered LGInform benchmarking data which illustrates how the council compares to CIPFA statistical neighbours in a range of service areas. This report ([available here](#)) illustrated areas of strength including the delivery of 500 affordable homes last year. The report also illustrated a number of the outcome areas which the council is working to address, this includes an Attainment 8 score of 34% (national average of 43%). Beyond performance information, the peer team recognises that elected members are well engaged with their communities, and that this information, alongside partner insights, supports the organisation's understanding of the needs of the borough.

One area which the peer team would encourage the council to give attention to is the measure 'non-collection of Council Tax' with the council not collecting 10.2% compared to a 5% average for statistical neighbours. This performance is in the context of the council being an outlier in spending significantly less than others (£8.52 per head of population compared to £13.40) on Council Tax collection. For every one percent increase in the rate of Council Tax collection that the council achieves, it will support the council budget by approximately £930,000 in additional income. This potentially represents an investable proposition with additional capacity in this area generating more than it costs.

- **Sub Recommendation:** The Council should consider developing a business case for investment in the capacity required to address underperformance in the collection of local Council Tax.

The council has recently refreshed its approach to performance management, including the development and launch of performance management handbooks (launched September 2025). This framework supports the alignment of the Council Plan with department, service, and team plans to support the 'golden thread' and alignment of priorities and reporting. This work is still very recent, and it is therefore natural that it requires further time to be embedded within the organisation. To this end, the peer team encourages the council to gather feedback from across members and officers to support the iterative improvement of this work (including formal performance reporting across political governance). These iterations should include the integration of performance reporting into both the assurance framework of the council more formally, and alignment with the council's risk register as well as bringing together financial and performance information. There is also the potential to include increased public interaction on issues of performance, such as the creation of public facing updates, communications, and/or dashboards.

- **Sub Recommendation:** The Council should build on their recently developed performance management handbooks, including the incorporation of risk and increased 'public' communication on issues of performance.

Is there an organisation-wide approach to continuous improvement?

The development of the council's performance framework, including regular reports to Cabinet, is a positive, if recent step in providing improved transparency and clarity regarding the performance of the council. This will be an important juncture in driving forward the performance culture of the council and will require the organisation to become more comfortable with tension and challenge based on performance information. The peer team appreciates that this is the stated ambition of the council's new Chief Executive (since February 2025) who is keen to promote this culture. This has been illustrated by the Chief Executive welcoming the external challenge of a CPC in his first year in the role.

Furthermore, in this time, the council has demonstrated a willingness to respond to new information to support improvement or take alternative approaches, such as standing down and reconstituting the local Corporate Parenting Board in 2025. The ambitions of continuous improvement are also present in the council's Transformation Plan for Health and Social Care (2024-2027) which demonstrate this commitment and the vision to support people to live independently and to promote preventative practice.

5.2 Organisational and place leadership

Knowsley Council has benefited from stable political leadership over several years. The council has recently appointed a new chief executive. Through this CPC the peer team were told that this transition in managerial leadership had been well-managed, maintaining the existing strengths of the organisation whilst also introducing new efforts into partnership working, and promoting an increasingly collaborative culture internally (including engagement with staff forums). To this end, the peer team has already included a key recommendation to encourage the council to continue this journey and progress. It will also be beneficial to the council to consider the narrative and approach to communicating progress (and challenges) as outlined in recommendation eight.

Does the council provide effective local leadership?

During this CPC, the peer team heard consistent praise for the political and managerial leadership of the council. Politically this included recognition for the response of councillors to the council's OFSTED inspection, with the peer team being told that the organisation responded to staff in the directorate with "*open arms rather than clenched fists*".

The peer team appreciates that the new chief executive has deliberately built on the strengths and assets inherited and introduced gradual reforms and changes rather than significant or

immediate variation. This approach has supported stability and the embedding of many of the council's strengths. Moreover, the peer team were told that the new approaches to partnership working, including the use of an 'agenda free' meeting to hear from voluntary and community sector groups, as well as the personal investment of time to engage with parents of children with Special Educational Needs and Disabilities (SEND) had been particularly well received. These approaches, alongside reviewing and revisiting the Knowsley Better Together Partnership Board have supported recent progress in this area.

This refresh of partnership governance also needs to remain live to the relationship with the formal Health and Wellbeing Board including the alignment of work programmes and distinctions of roles between forums. Ensuring that the work of these forums is aligned, distinguishing between statutory duties of the Health and Wellbeing Board and wider public service reform agenda of the Knowsley Better Together Board.

The peer team was told of positive relationships across the council's senior leadership team and Cabinet Members, including regular one-to-one briefings as well as joint engagement in the round. However, there are a number of new additions to the council's Senior Leadership Team, including a new executive director (resources), interim director of children's services, and following this peer challenge the council's executive directors of health and social care, and communities and neighbourhoods were appointed as chief executives of other authorities. The peer team recognises that over the coming months, the council will find itself in a position whereby of the seven members of the council's Senior Leadership Team, six will be in their first year in those roles with the Council. In this context, the peer team encourages the council to consider dedicating some time to consider the ways of working across the council's political and managerial leadership to support those who are new in post and support the development and embedding of relationships.

- **Sub-recommendation:** The council should invest in structured team development sessions to support new appointments to Senior Leadership Team and support collaboration and the delivery of the council's priorities.

Whilst there is a line management relationship between statutory corporate officers, including the monitoring officer being managed by the Executive Director of Resources, the peer team was assured that they met regularly as a 'golden triangle' to support the management and that the monitoring officer attended SLT to have sight of issues in real time. Given the suggestion to build on the council's refreshed risk register, there may also be benefits to the council in also including the Head of Internal Audit in these meetings.

The leadership of the organisation is supported by extensive use of staff networks. The council has supported nine staff network groups ranging from issues of neurodiversity support, LGBT, multi-faith, as well as a carer's forum. These groups have developed organically and been created by staff and supported by the organisation and have been used to support policy development within the council.

Are there good relationships with partners and local communities?

The council provided examples of place leadership, which were particularly illustrated through the tour of the borough which was provided to the peer team as part of the CPC. These examples include the opening of the Shakespeare North Playhouse which opened in Prescot in 2022. This venue has won a number of awards including Theatre Building of the Year (2023) and includes a 420-seat auditorium in the round, studio space, performance garden, and visitor centre. This example illustrates a high-level of ambition from the council for the borough and an effective approach to place shaping that has benefited the area and involved working across public sector partners (including the Liverpool City Region) as well as private investors and national government. This was a brave programme which the council has delivered well and has resulted in a significant asset for the borough.

Further examples of place leadership were provided including town centre regeneration in Kirkby, and the borough's wider approach to supporting growth through housing and regeneration. Similarly, the council has significant ambitions for the regeneration of Huyton town centre, with plans submitted the week prior to this review. These proposals include a mixture of new homes, commercial space, public realm improvements, and a 130-bed hotel to support long-term social and economic benefits for residents. There are key stages that need to be worked through in delivering this next bold vision, and whilst the council should have confidence based on its success to-date, the peer team encourages close attention to the capacity required for delivery, and importance of partner contributions in supporting the deliverability, and replicating the partnership approach which has worked previously.

The peer team heard positive examples of the council's approach to locality working, including the alignment of community funding proposals with private sector corporate social responsibility (CSR) commitments through the Knowsley Grant Programme. This work is aligned to the Council Plan and supported by a single bidding process. In total this work has seen the council support 116 organisations with approximately £670,000 during 2026-2027. Recognising that this fund was oversubscribed with more than 160 applications requesting more than £1 million, the leveraging of private sector input from CSR represents an innovative approach to maximise input and helping to 'stitch-together' organisations at a locality level.

5.3 Combined Authority and sub regional relations

As part of this CPC, the council asked for the peer team to give a specific focus to its relationship with the Liverpool City Region Combined Authority (LCR CA). This combined authority was established in 2014 and comprises the six local authorities of Merseyside.

The peer team was able to observe recognition and mutual trust on both sides of this relationship with the LCR CA. This was illustrated by the Combined Authority appreciating the contributions of the council in delivering sub-regional priorities. In this context, the contributions of the Leader as Cabinet Member for Regeneration and Housing across the City Region were specifically praised, including the description of being '*an exemplary portfolio holder*'. Similarly, there was respect within the region for the contribution of the chief executive, with specific reference to the leadership he has brought to supporting robust financial understanding across the sub-region.

In recent years the council's relationship with the Combined Authority has benefited from previous decisions in terms of creating future opportunities and scope for joint working. For example, the council's approach towards town centre ownership has been beneficial in enabling the Combined Authority to act swiftly when opportunities and calls for initiatives have been brought forward. Moving forward, there will be a continued need for the council to continue to ensure that this 'pipeline' of programmes continues to be well developed, which will require ongoing capacity and promotion to ensure that the Combined Authority and wider partners are aware of the future opportunities which exist in the borough.

As neighbouring councils within the city region develop their own proposals and pipelines, the peer team reflected that there may be a requirement for Knowsley to 'run faster in order to stand still'. This will require ongoing and repeated communication regarding the needs, opportunities, and progress of Knowsley to support the council's dialogue in an increasingly competitive environment. This has been reflected in recommendation six of this report. Similarly, the recommendation regarding developing a single narrative to support a storytelling approach from the council regarding challenges, progress, and achievements will be helpful. This will support communication both with the Combined Authority, but also with wider partners, providing a framework for to support discussions across politics, priorities, and outcomes.

During this CPC the Combined Authority was described to the peer team as a valuable asset,

and there was recognition of the current alignment across national, regional, and local geographies given that all are Labour led. Furthermore, the council is aware that the practice and approach of the Combined Authority have a significant impact on a number of local employment markets. To this end, the peer team encourages the council to explore opportunities for shared appointments, secondments, or wider staff flexibilities that could offer relief to this challenge, particularly with regards to graduate roles, planning, and procurement functions.

- **Sub-recommendation:** The council should consider the opportunities for secondments and shared appointments to jointly manage challenging employment markets alongside the Combined Authority.

5.4 Governance and Culture

One of the biggest strengths of Knowsley Council is the positive culture which exists within the organisation, and the relationships that have been built across members and officers. The council's assurance framework supports decision making at the organisation, including effective Scrutiny committees, a well-functioning Governance and Audit Committee, alongside internal mechanisms of risk management. As mentioned elsewhere in this report, the increased use and visibility of performance information within this framework will offer further improvement and robustness. Building from this, the council should consider the sub-recommendations set out below which will help to bring some areas of practice in line with sector norms.

Governance at Knowsley Council

Knowsley Council is led by a Labour majority administration and has been since the council was founded in 1974. The distribution of seats across political parties is Labour 31, Greens seven, Liberal Democrat three, and four Independent Councillors. The council operates on the basis of elections every third year, and is scheduled to hold local elections in May 2026, 2027, and 2028.

The council operates on a Leader Cabinet Model; the Leader has held this role since 2018 and is supported by a further six Cabinet Members. Additionally, the council operates with five Scrutiny committees, covering Children's, Climate, Health and Social Care, Inclusive Growth, and Stronger Communities.

External audit and Annual Governance Statement

The council has up to date reports and audits completed by its external auditor, including

closure certificates for 2023-2024 and final finding reports: it has also met the June deadline associated with providing information for the production of reports for 2024-2025.

The auditor's report for 2023-2024 provided a 'qualified opinion' of the council's accounts. This opinion was based specifically on two instances of non-compliance with the CIPFA code of practice regarding asset valuation, with both issues described as 'non-pervasive'. The external auditor has also highlighted within the value for money statement the impact of the council's inadequate OFSTED judgment, flagging this as a significant weakness. The peer team understands that the auditor considers that the council is responding to this qualification and wider findings constructively and this has been reflected in OFSTED's monitoring visit in September.

The relationship between the council and external auditor was described as 'improving', and there is recognition from the auditor for recent progress made on recommendations (such as the move towards a more focused risk register). However, the peer team was told of the frustration caused by the external auditor only being made aware of the council's OFSTED judgement through local press coverage and would encourage the council to move towards a more proactive approach to maximise the benefits of this relationship. Additionally, the council should extend the internal checks and reviews used regarding statements before they are submitted to auditors to support increased and wider dialogue on issues.

The council's Annual Governance Statement for 2024-2025 was shared with the peer team in draft, ahead of being submitted to Governance and Audit Committee in December. This document provides a fair and accurate reflection of the council's Controls and governance and includes clear activity regarding ongoing improvement. This document is structured against the seven principles of effective governance outlined in the CIPFA and SOLACE framework. This document also included clear evidence and hyperlinks to evidence aligned to these themes.

Are there clear and robust governance arrangements?

The council has completed recent work to update its strategic risk register. This work has been led by the council's new executive director (finance) and has included an increased focus and analysis on a smaller number of risks, with this approach being appreciated by the Chair of the Governance and Audit Committee as well as external audit. This updated register includes the pertinent issues facing the council (and sector), including demand for special education needs, sufficiency challenges in adult social care, as well as cyber risks. However, the issue of potential historic equal pay claims was not included in the most recent register provided to the team and should be added given the potential implications for the organisation.

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18 Smith Square, London, SW1P 3HZ www.local.gov.uk Telephone 020 7664 3000 Email info@local.gov.uk

Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

Chair: Councillor Louise Gittins

Chief Executive: Joanna Killian

President: Baroness Grey-Thompson

- **Sub-recommendation:** The council should add the issue of historic equal pay claims to the council's risk register to provide more public information on this issue.

This work has been accompanied by updated Risk Management Handbooks and Risk Management Policies being presented to the committee in November 2025. The risk register was last reported to Cabinet in December 2024, and the peer team would encourage increased reporting regarding issues of risk, as well as the internal audit plan to provide more visibility to these issues.

- **Sub-recommendation:** The council should increase the reporting frequency of the council's risk register and internal audit plan to provide more visibility on these issues in public forums. This should include increased transparency regarding the council's risk strategy in a wider sense.

The Council's Governance and Audit Committee meet on a regular basis (six meetings in 2025). The committee is chaired by an independent person who brings value and expertise to this role. The work programme of the committee includes engagement with issues of risk, external audit, and internal audit as appropriate, and includes agenda items on the training needs of the committee. There are also positive examples of the committee proactively seeking assurance on subject areas, including issues of service improvement. Moving forward, there may be benefit to the council considering the addition of a further independent member to the committee to further support their work and provide additional resilience.

- **Sub-recommendation:** The council should consider the addition of a further independent member to the council's Governance and Audit Committee.

Is there a culture of scrutiny and challenge?

The council's scrutiny and audit arrangements are well resourced, embedded, and supported. This has contributed towards the council's proactive use of scrutiny to support policy development ahead of proposals being put to Cabinet, with recent examples including the Council's response to the climate emergency, waste strategy and homelessness strategy which were all shaped by the prior engagement of scrutiny. The council also produces an annual

scrutiny report and completes regular surveys of councillors involved in this work to support continuous improvement.

The peer team recognises that these committees are chaired by the same party as the administration which will require ongoing consideration in respect of independence. Additionally, with five committees, each with 11 councillors on their membership, the peer team was struck by the time and member capacity, which is invested in this model, with many members supporting more than one committee.

- **Sub recommendation:** The council should remain live to the benefits of political challenge and discourse and ensure that its governance practice and culture best enable this. This should include consideration of issues of perception alongside decision making, considering the potential of supplementary questions and opposition Chairs.

Similarly, the council's Planning Committee has a membership of 20 councillors, nearly half of all members of the council, making it significantly larger than many other similar councils in the sector. This membership also includes the Leader, as well as an additional five Cabinet members. Whilst this is legally permissible, it leaves the council at risk of perceptions of predetermination as well as potential conflicts of interest. To this end, the peer team encourages the council to explore these issues at its next AGM.

- **Sub recommendation:** The council should revisit the membership and practice of the Planning Committee to ensure that it is in line with sector norms and reflects best practice.

Member, officer, and organisational culture

Recognising that the recommendations above could further enhance this, it is recognised that the strengths of the council's organisational culture are a clear and strong asset to the organisation, including a willingness to work across Directorate boundaries, regular communication, and an impressive amount of grip and oversight of progress. The peer team encourages the council to be intentional in defining and protecting this asset. This culture has been supported by the strong and unique staff induction process which focuses on the local history of the borough and is designed to promote joint working across the organisation.

An important element of this culture is the informal governance arrangements of the council. As

a small organisation, the peer team was struck at the intensity and rhythm of these meetings with regular CMT meetings, informal Cabinet meetings, and 'sit rep' meetings. The council believes that this model works well for it and supports both grip and alignment of capacity. Whilst it is not for the peer team to unwind what works, the team believes the council should consider the structures and 'scaffolding' which supports these meetings in order to protect time and capacity and provide processes for work to be delegated, when required.

5.5 Financial planning and management

Knowsley Council is in a relatively stable financial position compared to many of its most similar other authorities in the sector. This is not as a result of circumstance but is instead a direct consequence of the proactive approach that the council has taken to managing reductions in resources over the last 14 years, including a willingness to implement difficult decisions. As the challenges facing the sector continue to become more acute, there will be a continued need for the council to remain confident in addressing financial challenges 'head-on'. One of the strategic recommendations in this report includes a recognition of the council's relatively low levels of non-earmarked reserves. Whilst this is not as immediate a concern to the peer team as it would be in other authorities, given the council's strengths in financial management, there is recognition that increasing these reserves will provide more resilience in future years. Furthermore, the peer team appreciates that more regular financial reporting on the council's budget will support improved communication and understanding with councillors, staff, partners, and residents. This will help to link the financial context and performance of the council to a wider narrative for the organisation and support an improved understanding of the financial context beyond those currently involved.

Financial Position of Knowsley:

Knowsley Council has set a balanced budget for 2025-2026 at £256.5 million. The council's medium-term financial strategy has included a small surplus of £100,000 in 2025-2026, with deficits of £1.7 million and £3.85 million for 2026-2027, and 2027-2028 respectively. The peer team is confident in the Council's ability to address these gaps based on the detail of their plans and their track record for delivery. The council has general fund reserves of approximately £9 million, which at 3.8% is lower than many statistical neighbours. However, the Council does hold total reserves (including earmarked reserves) of £91.4 million, which have not been meaningfully drawn upon in recent years (a reduction of £2.6 million last year).

The council has a capital programme worth approximately £97 million from 2025-2028, of which £67.8 million is planned for delivery in 2025-2026. The most significant initiative included in the

council's capital ambitions is the Huyton Village Centre Development. The first phase of this programme was reported to Cabinet in November 2024. A programme of this scale will have an impact on the council's minimum revenue position of the council (minimum debt repayments) and will become an additional pressure on net revenue expenditure which will be hopefully counteracted with increased income. It is also important that the council's approach to this opportunity replicates their engagement with external funding sources (as in Prescot and Kirkby) working alongside partners such as Homes England and the Combined Authority again.

Similar to others, the council is facing increasing costs linked to special educational needs (SEND) and the Dedicated Schools Grant. It was reported in the council's draft statement of accounts that there is £26.1 million deficit linked to these services at the end of 2024-2025 (which has increased from £13.2 million in 2023-2024). The peer team appreciates that this is a wider national issue, and that the 2025 Budget which took place the month of this CPC outlines emerging policy information linked to this area. Positively, the council has an agreed deficit management plan for these services linked to increasing capacity and reducing placements in non-maintained schools.

A central theme of the council's approach to financial management has been the contribution of economic growth and housing development in supporting the council's finances through council tax and business rates. Alongside this, the council has been willing to use maximum council tax increases (including 4.99% in 2025-2026) to support its finances. This approach has enabled the council to develop an approach to savings based on prioritising 'white' and 'green' savings (savings which do not impact on service standards or delivery) over the last five years, mitigating the impact on service standards and staffing levels. This approach has served the council well; however, external factors and challenges may require difficult decisions in the future as a consequence of increased complexity and reduced opportunities to continue historic approaches.

Does the council have a clear view of its financial position?

There is a strong culture of financial management and grip within the council. This is built on the organisation's focus, attention, and achievements in addressing previous financial challenges. The council has impressive levels of detail regarding both the current spending information of services and future forecast demand. This supports effective monitoring and management of issues in close to 'real time'.

The council uses benchmarking information at a service level and there is potential benefit to considering these issues at a Corporate Management Team level. The development and use of value for money benchmarking in this way would support the council to better compare opportunities and proposals across corporate boundaries.

Financial reporting and visibility

The council would benefit from more frequent and detailed external communication on its financial position, as current formal reporting to Cabinet occurs only three times a year with limited detail. This additionality will enable members to have oversight of the financial position and corrective actions and to ensure that ongoing decisions are informed by a full understanding of the council's financial position. This is particularly important given the challenging context across the sector and the significant risk factors the council faces, such as an equal pay claim and SEND pressures. These risks are compounded by low un-earmarked general fund reserves (3.8%) compared to statistical neighbours, which heightens vulnerability.

The recent refresh of the strategic risk register is a positive step, providing a new approach and baseline welcomed by external audit. The next opportunity lies in embedding this work (and wider risk strategy) across the organisation to strengthen its ability to respond to concurrent, multiple, or interrelated risks effectively. Improved financial transparency and robust risk management will be critical in ensuring resilience and confidence during this period of sector-wide uncertainty.

5.6 Capacity for Improvement

The council has clear plans and proposals to support improvement within the organisation and a culture of continuous improvement to support these ambitions. The council has a track record in delivering significant programmes and initiatives (including service improvement) and a clear planning structure and framework to support improvement, including the Council Plan, department plans, and service plans. The peer team has already provided key recommendations to the council, including the potential contributions of a central corporate narrative that can provide a framework to enable story telling approaches to this work.

The council's approach to transformation and improvement is spread across the organisation with strong links at a directorate and service level. In conversation this was described as an asset of the organisation, ensuring that this work is owned across services (rather than centrally led) and supporting join-up. It was put to the peer team that this approach had developed organically and was a consequence of the size of the organisation as a relatively small council which supports this 'join-up'. This work is supported corporately by a Business Improvement Team to support oversight which is currently working effectively.

Is the council able to bring about improvement in priority areas?

The council does not have a central corporate transformation plan or vision and has less corporate transformation capacity than many comparable organisations. However, the council has clear plans and structures with regards to its priority areas of improvement, including programme management, capacity, resources and oversight, the Children's Social Care Improvement Plan, Adult Social Care Transformation Programme, Artificial Intelligence Programme, as well as Huyton regeneration. This approach, alongside the council's track record for delivery means that the organisation is confident in its capacity to deliver against these priorities. To support oversight of this, work the council's senior officers act as the council's transformation board through their management team meetings. This approach has served the authority well, but the council should remain alert to the challenge of transformation capacity being stretched due to competing or compounding external challenges.

The council engages its staff and workforce on these issues (as well as other areas) through internal communications. As mentioned elsewhere in this report there is a regular rhythm of internal meetings, including weekly planning, Corporate Management Team meetings, and end of week sit reps. This approach has served the council well and supported the organisation in coordinating its response to challenges and improvement. With the council's Management Team also acting as the council's transformation board, the council should consider if more systematic approaches to support, oversight, and management of interdependencies will support this existing rhythm and maximise the use of senior officers' time.

Member and officer contribution to improvement

The council has a clear approach to member development, with offers promoted to all councillors including a mixture of internal and external provision. There is clear evidence of take up of these offers, both at individual and committee levels. The council actively promotes opportunities for training and development on a regular basis and has a programme of training planned for 2025-2026. This programme includes new member sessions, essential training for all members (ethics, GDPR, equality and diversity, and emergency planning), as well as role specific training, with capacity reserved for needs identified by councillors.

The council also has clear approaches to maximise the contribution of officers, and the peer team were told of specific examples whereby officers had benefited from training opportunities. Furthermore, the use of appraisals helps to support structured conversations to ensure that roles are aligned to corporate priorities (known locally as 'my time'). The council is in the process of developing a new Workforce and Organisational Strategy which will include

reviewing supporting processes and policies including the appraisal process. The peer team encourages the council to view this update of Workforce strategy in the widest sense and ensure that supporting processes (grievance policy and appraisals) best support this strategic intent.

- **Sub-recommendation:** Ensure that the council's updated Workforce and Organisational Development Strategy is supported by wider policies, procedures, and strategy documentation.

The positive impact of these communication approaches is reflected in the council's 2025 staff survey which compares favorably with many authorities with 77% of staff saying that internal communications are regular, clear and timely, and 86% saying that managers are always open and honest with them. This has contributed to wider positive outcomes outlined in the councils' staff survey results with 83% of respondents saying they are proud to work for the council, 79% would recommend working at the council to others, and 74% of staff saying they plan to stay at the council for more than two years. The council has agreed a range of actions in response to the survey which are scheduled for implementation by spring 2026.

Finally, the council has a staff turnover rate of 11% with 310 of 2,892 total staff leaving in the last 12 months. It is often considered healthy for organisations to have turnover rates of 10-15% to support new ideas and ways of working. It is a positive that there is a broad consistency to this level of change across all Directorates (range of 7% to 14%), which illustrates there is consistency across the organisation.


6.0 Action plan and progress review

The senior political and managerial leadership of the council should review and reflect on the findings and recommendations from this CPC.

To promote the principle of transparency, it is a requirement of the CPC process that the final report of the peer team is published in-full within three months of the review being completed. In this instance, this requires the report to be published no later than 14 February 2026.

There is a requirement for Knowsley Council to develop and publish an action plan within five-months of the peer team being onsite, no later than 14 April 2026. This action plan should provide clarity on the activity, milestones, and timelines that the council will work to in responding to the team's findings.

The action plan will also be central to the peer team's re-engagement with Knowsley Council



through a progress review which is due to be completed by October 2026

The Ministry for Housing, Communities and Local Government (MHCLG) has published the Best Value Standards for Local Authorities. These standards expect every council to engage in a Corporate or Finance Peer Challenge at least every five-years. It is expected that Knowsley Council would commission their next Corporate Peer Challenge no later than November 2030.

7.0 Contact details

Dan Archer is the regional lead for the North West and, is the main contact between your council and the Local Government Association. As outlined above, Dan is available to discuss any further support the council requires, his email address is Daniel.archer@local.gov.uk.

Appendix A – What is CPC?

CPC is a valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officer peers undertaking a comprehensive review of key information and spending three days at the council to provide robust, strategic, and credible challenge and support.


CPC forms a key part of the [improvement and assurance framework](#) for local government. It is underpinned by the principles of [Sector-led Improvement](#) (SLI) put in place by councils and the LGA to support continuous improvement and assurance across the sector. These principles state that councils are responsible for their own performance; accountable locally, not nationally; share a collective responsibility for the performance of the sector; and rely on the LGA to provide the tools to support them. CPC is also key to councils in meeting their [Best Value duty](#). UK Government expect all councils to have a CPC at least every five years.

Scope and focus

The peer team considered the following five areas which form the core components of all CPCs. These 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? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
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? What is the relative financial resilience of the council?
5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core areas outlined above, every CPC has a strong focus on financial sustainability, performance, governance, and assurance. In addition to these themes, Knowsley



Council also asked for the Peer Team to consider maximising their relationship with the Liverpool City Region Combined Authority.

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 to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided information on the local context at the council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team spent four days onsite at the municipal offices of Knowsley Council in Huyton, during which they gathered evidence, information, and views from more than 40 one-to-one meetings and focus groups and spoke to over 91 representatives including a mixture of councillors, council staff, and external partners.