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South & East Lincolnshire Councils Partnership

LGA Peer Challenge

South and East Lincolnshire Councils Partnership (SELCP)

10 – 14 October 2022

Feedback report



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1. Executive summary

Established in October 2021, the South and East Lincolnshire Councils Partnership (SELCP) has been a good thing for East Lindsey DC, Boston BC, and South Holland DC. Internally, it has raised all three councils' aspirations and brought access to shared expertise, opportunities to learn from each other, and greater capacity in certain areas. Externally it has secured greater visibility and profile on particular issues, such as its growth activities. Tangible and quantifiable evidence however demonstrating the benefits of the Partnership - beyond its growth activities - is still nascent. A strong focus on delivery and performance monitoring is needed to ensure that the Partnership's exciting ambitions translate into reality and deliver the required impact.

Whilst staff, elected members and partners are generally positive about what SELCP is seeking to achieve, the long-term vision for the Partnership is not clearly defined or widely understood. Establishing a collective understanding of its future direction and single approach for key place-based issues will provide this clarity, foster collective buy-in, and enhance the Partnership's long-term strategic place shaping influence. Communicating its defined vision widely will be important so everyone – including residents - understand the benefits of SELCP and how it complements each sovereign council. To achieve this, bolstering internal and external communications will be important so they match the scale of the Partnership's aspirations.

SELCP is ambitious about its potential to deliver bolder aspirations for its communities and place through joint working. This has created excitement and expectations. To ensure these can be delivered upon, a clearer understanding and alignment of resources, risks, and prioritisation is required to address skills and capacity gaps, and further advance financial sustainability and shared learning opportunities. This can be achieved by undertaking an organisational skills audit, closer alignment between performance, risk and financial reporting and stronger



linkages between service plans and Medium Term Financial Strategies (MTFS) of the three councils.

SELCP is founded on strong relationships between the three political Leaders, a cohesive Corporate Management Team, and cross party buy-in from across the three councils. Whether the Partnership has the trust, culture, and resilience in place to be able to withstand a 'failure' is yet to be tested. Continually reviewing each partner's 'redlines', and investing in relationships, systems, and process as the Partnership matures is good practice to help foster collective ownership and support its resilience. Focus should now turn to bringing greater consistency to structures, systems, and governance across the three councils. If achieved, this will drive efficiency, productivity, and service improvement benefits.

The Partnership is positively impacting on the financial resilience of all 3 councils due to its increased scale and resource flexibility. This new scale however inevitably brings with it increased financial risk. A stronger immediate focus on maximising financial savings, efficiencies and income generating opportunities is needed to provide longer term financial resilience to each council. Introducing a single transformation approach with a long-term rolling plan, and adopting best practice from across the three councils, and from elsewhere, will be an important step to achieve this.

A significant amount of work has taken place over the past 12 months, with the top three staffing tiers across the Partnership integrated and working well together. It is now important that clarity on future integration is provided throughout all levels of the Partnership to optimise productivity and not lose goodwill within the workforce which is wearing thin. To do so, SELCP should have a greater focus on supporting the workforce and resolve in a timely manner issues including: reviewing terms and conditions and salary structures of all staff; agreeing and communicating service and policy integration plans; developing a more holistic performance reporting framework; speeding up the introduction of a single IT system and functionality; strengthening two-way internal communications; and refining the operating relationship with Public Sector Partnership Services (PSPS) Ltd which provides support services to the Partnership.

SELCP has made good steps in laying strong foundations, which if now taken to the next level and successful, will enable it to deliver on its ambitious aspirations for South and East Lincolnshire. *"It's now time to walk the walk, as well as talk the talk".*

2. Key recommendations

There are several observations and suggestions within the main section of the report.

The following are the peer team's key recommendations to the Partnership:

- 2.1. Develop and communicate widely a collective understanding of the Partnership's purpose, future direction, and timescales for delivery.**
This will help provide clarity, foster collective buy-in, and enhance the Partnership's long-term strategic place shaping influence.
- 2.2. Invest in enhancing communications – both internal and external – to match the scale of the Partnership's aspirations.** This will foster collective ownership, drive change and further SELCP's place making influence.
- 2.3. Define long term strategic place shaping ambitions across the Partnership and consider if appropriate committing to one shared set of priorities.** This would strengthen the Partnership's place shaping influence and resource alignment around these shared priorities.
- 2.4. Embrace opportunities to join up around a single approach for key place-based risk and opportunities - such as flood risk, climate adaptation, housing delivery and economic strategy - and commit resources accordingly.** This will strengthen the Partnership's ability to address key risk and opportunities through a stronger collective voice and resource alignment.
- 2.5. Bring consistency to structures, systems, and governance, building on best practice from across the Partnership and elsewhere.** Creating a common approach to aspects such as agile working, procurement limits, levels of delegation and key decision thresholds, will drive efficiency, productivity, and service improvement benefits.
- 2.6. Develop a single Transformation team, approach and long-term rolling plan - linked to MTFS - across the Partnership and PSPS Ltd.** This will optimise productivity, efficiency, and service improvement outcomes.

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- 2.7. **Further align performance, risk and financial reporting and management, ensuring Assistant Directors drive service plans that contribute towards each council's MTFS budget gaps.** This will support the financial sustainability of each council by establishing relevant indicators which track key operational metrics.
 - 2.8. **Prioritise 'getting the basics' in place and working well.** This will drive greater productivity and workforce satisfaction and should include:
 - a. Speed up provision of a single IT platform for all three councils
 - b. Agree and communicate scale of service, staff and policy integration and likely timescales
 - c. Undertake an organisational skills audit
 - d. Consider how the councils can optimise their use of Section 113 agreement to facilitate further collaboration and cultural change
 - e. Undertake a timely review of the terms and conditions of all staff from across the three councils including salary structures
 - f. Increase focus on supporting staff
 - g. Consider whether the arms-length local authority trading company model (LATCo) remains the optimal vehicle to deliver SELCP's long-term ambitions
 - h. Develop a holistic performance reporting framework for the Partnership
 - i. Continuously learn and share best practice from and with elsewhere

3. Summary of the peer challenge approach

3.1. The peer team

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

- Arthur Charvonia, Chief Executive, Babergh and Mid Suffolk District Council
- Cllr Spencer Flower, Leader, Dorset Council
- Cllr Jim McKenna, Member, Cornwall Council
- Karyn Punchard, Local Government Reorganisation Adviser, Somerset County Council
- Sean Cremer, Deputy Head of Finance and Deputy S151, Torbay Council
- Helen Standen, Deputy Chief Executive, East Herts Council
- Jez Dyer, Programme Manager, One Public Estate, Cabinet Office and LGA
- Frances Marshall, Senior Regional Adviser, LGA

3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges (CPC). These areas are critical to councils' performance and improvement. For this Peer Challenge the focus was on the 'Partnership' between Boston BC, East Lindsey DC, and South Holland DC, not each individual sovereign council, and therefore the CPC themes were used through this Partnership prism.

1. **Priorities and outcomes** - How clear is the Partnership's rationale and ambition and how widely is this understood and shared? How well is this working so far?
2. **Organisational and place leadership** - Does SELCP supplement or confuse effective local leadership? Is there a clear identity and a stronger voice? Are there good relationships with partner organisations and local communities that could be developed further? How is SELCP driving this?

3. **Governance and culture** - How is the Partnership bedding in? Is it clear how the SELCP works in relation to individual council governance? Is there a culture of challenge and scrutiny? Is the culture one that brings together the shared cohort of colleagues with positive benefits?
4. **Financial planning and management** - How is the SELCP helping to bring sustainability and resilience to individual councils? What is the longer-term plan for sustainability and where is the SELCP planning to focus its efforts?
5. **Capacity for improvement** – How is the SELCP delivering local priorities? What are the opportunities for the SELCP to go further or faster, accelerate improvement across the 3 Councils by learning from each other and outside? What are the barriers, risks and mitigations to the SELCP?

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 Partnership and the challenges it is facing. The team then spent 5 days onsite across the three council locations within the Partnership, during which they:

- Gathered information and views from over 50 meetings, in addition to further research and reading.
- Spoke to almost 200 people including a range of Partnership 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

The Partnership is founded on a strong collective ambition to tackle common issues - such as deprivation, skills, economic resilience, and health inequalities - for the benefit of the South and East Lincolnshire sub-region. This ambition and broad direction of travel is welcomed by elected members, staff, and most partners. The vision for SELCP however is not clearly defined or widely understood outside of SELCP's senior leadership cohort. Within the Partnership, there is a lack of clarity on key issues such as how deep service integration should go, and how ambitions will be delivered beyond the Annual Delivery Plan. There is nevertheless genuine goodwill from staff and partners for SELCP to succeed.

Time should now be taken to develop a collective understanding of the Partnership's purpose, future direction, and timescales for delivering this vision. This will provide clarity, foster collective buy-in, and enhance long-term strategic place shaping ambitions across the Partnership. Clearly articulating and communicating this vision to staff, partners and all elected members will be important to promote an understanding of the value and benefits of SELCP, and how it complements each sovereign council. With an ever changing local and national environment, it will be important to regularly review what each council's 'red lines' are, to constantly reflect on different partners' priorities.

The sharing of expertise, opportunities to learn from each council, and investment of savings into greater capacity has had impact in certain areas, particularly around securing investment for growth and regeneration. The Partnership has helped to drive bids, investment, and projects, with the Peer Team consistently told the scale of ambition for three Town Deals for Boston, Skegness and Mablethorpe, and Levelling Up bids would not have been possible without joint working. It has also raised the aspirations for all three Councils and given the sub-region more visibility within Lincolnshire, nationally and a stronger voice on certain issues. (Place leadership paragraph refers). The Partnership is understandably proud of this. Tangible and quantifiable evidence demonstrating the benefits of the Partnership beyond this however are still nascent. A strong focus on delivery and performance monitoring is needed to ensure that the Partnership's ambitions translate into impact. *"It's now time to walk the walk, as well as talk the talk".*

4.2. Place leadership

The establishment of SELCP was welcomed by most partners the Peer Team spoke to; however, in a significant number of cases, this was coupled with a sense of not being well informed about its future direction. Good relationships were nevertheless evident across the health, community and voluntary sector, business, and higher education sectors. In some instances, relationships have been strengthened with partners reporting a greater willingness and capacity to engage from the three councils. The Partnership's growth activities were widely recognised as having greater visibility, profile, and scale, but also bringing increased risk, expectations and capacity demands which will need to be managed.

The Partnership is building a reputation for speaking with a stronger collective voice for South and East Lincolnshire on certain issues. This can be seen through the increasing accessibility of national partners such as the Department for Environment, Food and Rural Affairs (DEFRA) and Highways England. There is however scope to leverage its collective voice further. SELCP could seek to lead nationally on some of its priority issues, such as the impact of the Drainage Boards Levy and future policy development relating to static caravans. Given the collective flood risk across SELCP's geography, a stronger focus on planning strategically on climate adaption across its shared footprint will be important. Building this into SELCP's growth and corporate ambitions would maximise its place shaping influence. Similarly, SELCP could consider how its collective voice could be used as a positive influence within Lincolnshire on issues of commonality for the benefit of the wider region.

There are examples of positive working between Lincolnshire County Council (LCC) and SELCP, such as around supported housing, care leavers, culture, leisure and tourism. This constructive relationship is not however reflected across all work areas. It will be important to ensure that tensions within the system do not become detrimental to delivery around shared interests such as economic and infrastructure aspirations, and risk impacting on outcomes for residents.

Enhancing the Partnership's approach to internal and external communications will be necessary to ensure SELCP can realise its ambitions for place and communities. There is a clear appetite from staff, elected members, and partners to better understand the Partnership's activities and future plans. Similarly, there is value to be gained from communicating the benefits and rationale of the Partnership to residents, which is not currently being realised. Clearly articulating SELCP's defined ambition and achievements will help ensure everyone understands how SELCP

complements each sovereign council, and their role within this. Internally this will be important in supporting effective scrutiny, fostering broader ownership of SELCP across all three authorities and mitigate backbenchers, staff and Town and Parish councils feeling disenfranchised. Externally, this would create opportunities for greater strategic alignment, collaboration and enable SELCP to leverage greater place shaping influence.

4.3. Organisational leadership

The Partnership is founded on strong relationships between the political Leaders of the three councils, and a shared Senior Management (SMT) and Corporate Management (CMT) Team who are well regarded and working well together alongside the three Cabinets. There is a desire from the staff for the SMT to be more visible and accessible. Recognising the challenges that their new scale and geography pose, consideration should be given to how to promote greater connectivity between the SMT and staff core across all three councils.

There is cross party-political buy-in across the three councils as to what the Partnership is seeking to achieve which reduces the risk of future potential political changes destabilising SELCP. Continually working to foster collective ownership of all elected members will be important to maintain and broaden support as the Partnership, and the external environment it operates within, continues to evolve.

The certainty that exists for the top three staffing tiers, is not reflected throughout other levels of the Partnership, with a lack of clarity on future service integration plans. Staff reported different experiences depending upon whether they work across the Partnership or not. Some were unclear where their accountability sat between the Partnership and sovereign councils, and those working for only one authority reported feeling out of touch. This uncertainty is compounded by a lack of progress on key issues of importance to the workforce which is impacting on goodwill. There, nevertheless, remains a palpable energy, openness, and enthusiasm for the Partnership within the workforce. It is now imperative to resolve at pace issues including: reviewing terms and conditions and salary structures of all staff; agreeing and communicating service and policy integration plans; speeding up introduction of single IT system and functionality; strengthening two-way communication ensuring staff know who they work for. This will be critical to maintaining staff morale and maximising the productivity and efficiency benefits of the Partnerships. (Capacity for Improvement paragraph refers).

4.4. Governance and culture

Partnership-wide governance structures have been established at pace. The strategic decision-making structures are well established and have helped build trust and confidence between councillors and officers. These foundations could now be built on to enable the Partnership to consider taking collective decisions, with all three authorities making decisions publicly together. This would give an even stronger sense of speaking with a single voice.

Joint Scrutiny arrangements are at an early stage, requiring development and a clear work programme. It will be important that these are supported and resourced adequately so they can add value. Encouraging the development of an internal culture of challenge within the Cabinets and CMT is also important, so everyone understands their dual role in constructively challenging, as well as cheerleading, for the Partnership.

The Partnership's Annual Delivery Plan is welcomed and utilised by senior officers and Cabinet Members. Evolving this into a tool that helps all services better understand the significant milestones on the Partnership's journey, and how it effects and drives their work should now be a priority. Alongside this, a more sophisticated, but more easily understood approach to performance management is needed. A more holistic, joined up approach linking key finance, risk and performance indicators will ensure the Partnership's ambitions can be monitored, measures and translated into impact.

Officers working across the Partnership have adapted well to the different cultures and practices across the three councils. There are inevitable "growing pains" as a new Partnership, with differing perspectives, experiences and cultures depending on where people sit across the Partnership. For some there was a sense that Boston has been 'bolted' onto the East Lindsey, South Holland and PSPS Ltd agreement. For others that South Holland has been 'bolted' onto the former Alliance, and for many that PSPS Ltd is the fourth organisation within the Partnership. The Partnership's values and behaviours framework will be an important tool in addressing this by seeking to create a common sense of purpose and culture. For it to be successful it will be important that it is something that is 'lived', 'breathed' and collectively owned.

There are productivity, efficiency, and outcome gains to be made from bringing greater consistency to structures, systems, and governance across the three

councils, through for example, although not limited to, creating a common approach to agile working, procurement limits, levels of delegation and key decision thresholds. In doing so SELCP should systemically seek to build on best practice from across the three councils and elsewhere.

4.5. Financial planning and management

A consistent approach to financial management across the Partnership is emerging with the introduction of standard budgeting and quarterly reporting. Access to greater resources, skills, expertise, and ability to flex resources to meet service needs has improved the financial resilience of each council. For example ‘cross pollination’ of practice has contributed to improved use of resources and improvement, with building control and housing being two examples. However, quantifiable examples of improvements to each council’s finances beyond the £331,000 savings from the shared management structure are minimal. Clearer evidence of tangible finance, resilience and service improvements resulting from SELCP will help solidify its value and strengthen relationships across it.

The Partnership has enabled SELCP to realise opportunities on a larger scale than possible individually. Inevitably the financial risk carried by SELCP is higher than anything it has previously delivered on, and exposes it to greater commercial risk. For example, £14.5m of Boston BC’s £15m 2023/2024 Capital Plan is committed to its Towns Fund, whilst £13.4m of East Lindsey DC’s £15.9m 2023/2024 Capital Plan is for its Towns Fund. The Partnership will however be able to adapt to the new scale of financial operations and better mitigate financial risk through greater resource flexibility.

Each council’s MTFS could be balanced without the need for service reductions in the short term, with the main opportunities a result of external events or overdue decisions. The Partnership’s £42m savings target over 10 years is however vital for the longer-term financial sustainability of all three councils and ability to deliver the scale of their ambitions. The delivery mechanisms, pipeline, and collective ownership that will underpin this savings plan are developing, but as yet are not sufficiently clear. A stronger emphasis on developing service-led savings is therefore imperative to realise these planned savings. Ensuring Assistant Directors take an active role in developing service plans which set out the future direction of the service will further contribute towards the MTFS budget gaps.

The absence of immediate ‘burning platforms’ provides SELCP with the headspace to focus on delivering financial savings, efficiencies, and income generation opportunities that will support their longer-term financial resilience. SELCP should capitalise on this now. The Partnership’s approach to redundancies will also have an impact on how transformation and improvement is prioritised, therefore it will be important to clarify the Partnership’s position on this.

4.6. Capacity for improvement

The Partnership has realised efficiency savings, with £331,000 secured from the creation of a shared management structure. SELCP has reinvested these savings into resource capacity to be able to deliver greater impact across its ambitions. SELCP is not yet exploiting the full potential for transformation across the Partnership, either to enhance delivery through service redesign, or realise savings with ‘quick wins’ available. (Financial Planning and Management Paragraph refers). To optimise delivery of the £42m savings plans, SELCP should develop a common approach to transformation, under a single team working together across all services, with a long-term rolling plan linked to the MTFS. To capitalise fully on the potential for productivity and efficiency gains, SELCP’s transformation activities should systematically review working practices as well as structures, and adopt best practice across all levels of the Partnership and elsewhere.

The benefits of access to greater shared resources and expertise have been felt across the Partnership, particularly around the finance, economic development teams, and in operationalising Operation London Bridge. However, a lack of a systematic approach to identifying the existing skills base, means opportunities for shared learning exchanges across the Partnership are not being realised to their full potential. Undertaking an organisational skills audit would help ‘unlock’ this potential, support transformation through identifying training needs and skills gaps, and better align capacity to priorities.

To facilitate further collaboration, consideration could be given to how the councils can optimise their use of S.113 Agreements in advance of shared teams being formed. Combining workforces however does not equate to unlimited capacity, with some services reporting significant stretch. There needs to be greater recognition of this across the Partnership. Balancing SELCP’s bold ambitions, with effective prioritisation will be important to ensure it can deliver on its priorities and support staff wellbeing and resilience. Consideration should be given to focusing on a few key

priorities to demonstrate delivery and do them well.

The emerging Digital Strategy and ICT Roadmap will be important to ensure the Partnership has modern information and digital technologies to support its ambitions. However, immediate action is needed to unblock obstacles around technology, with Information Technology (IT) provision currently a barrier to progress. Engaging more resource to speed up the provision of a single domain where all partners can collaborate should be a key priority. This will unblock barriers to more efficient ways of working and accelerate delivery across the entirety of the Partnership's activities.

As the provider of delivery critical services such as IT and Human Resources (HR), PSPS Ltd have a significant enabling role in the Partnership realising its ambitions. SELCP's success will be dependent on this. It is timely that SELCP are undertaking a strategic review of its relationship with PSPS Ltd to ensure continued alignment as the Partnership evolves. To ensure that service provision meets current, and future demand, it is imperative that operational staff perspectives also shape this future relationship. There was a strong view from the Partnership's workforce that a more enabling and client focused approach from PSPS Ltd would improve SELCP's operational effectiveness, with processes often slowing down delivery and stifling innovation. The difference in employment conditions of PSPS staff, and the risk this potentially poses to recruitment and retention, was also a live issue with staff. It will be important for SELCP to be alive to these risks, which could impact on the Partnership. As part of the strategic review SELCP should consider if the LATCo model remains the most appropriate vehicle to deliver the Partnership's long-term ambitions and whether aspects of PSPS Ltd should be brought back in house permanently or temporarily.

Internal communications mechanisms are in place consisting of, for example, a weekly bulletin to staff across all three councils, a Partnership Facebook page, Partnership Staff Forums, and 'coffee with the Chief Executive' opportunities. Communication however is not tailored to different audiences and tends to be 'one way'. Investing in more tailored internal communication, with more contact between staff groups, channels through which staff voices can be heard further up the organisation, and a return to regular staff briefings from senior leaders would be welcomed by staff. Specific suggestions from staff included reviewing the weekly bulletin being circulated on a Friday afternoon, and varying the order that each council's news is listed in. A greater focus on supporting staff and ensuring reasons for change are clearly communicated will also be important to ensure everyone feels

part of the Partnership. As part of this, staff survey results should be shared transparently, and the Partnership should demonstrate that they have been acted upon.

Undertaking a Corporate Peer Challenge (CPC) of each sovereign council every five years is a useful tool to provide critical friend challenge that would support and drive performance across the Partnership. Whilst Boston BC's and East Lindsey DC's most recent CPC were in 2019, South Holland DC's most recent was in 2016 so it is now timely to consider this as part of the Partnership's continuous improvement journey.

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 Peer Challenge process includes an optional six-month Progress Review session, which provides space for the Partnership's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Mark Edgell, Principal Adviser for East Midlands, Yorkshire & Humber and North East, is the main contact between your authorities and the Local Government Association. Mark is available to discuss any further support the Partnership requires: mark.edgell@local.gov.uk.