

Corporate Peer Challenge

Lincolnshire County Council

16th – 19th September 2019

Feedback Report

1. Executive Summary

Lincolnshire County Council is a stable, reliable and solid organisation delivering good quality services to its residents. It is financially strong and has maintained a particular focus on children and adult services and delivers these to a very good standard – with children’s services having been judged as “Outstanding”.

The Council is transitioning from traditional departmental-based silos to the ‘One Council’ model in order to achieve even better and joined-up outcomes. This is underpinned with an emerging corporate and transformation plan for the Council. There are multiple reasons why the ‘One Council’ model is needed within Lincolnshire County Council and this is articulated across the organisation and through partner feedback.

The draft corporate plan and the emerging transformation plan represent the blue-print for creating ‘One Council’. This now needs to develop into something that can harness the engagement of partners to achieve the vision set out in the plan and for the Council’s role in the future of Lincolnshire as a place. This means the Council considering its next steps as it finalises the corporate plan, recognising the Leader’s own words of “*starting to lead on the front-foot*”. There is an opportunity for the Council to celebrate the really positive story of Lincolnshire into a strong narrative for the County. It can do more with its strategic partners, communities and residents to develop shared ambitions for the County and its people by developing a clear, bold and outward-facing vision and strategy to ‘future-proof’ Lincolnshire as a place.

There is leadership of place delivered through a visible and strong Council Leader and there are good examples of effective relationships and partnerships. The Council is well connected to local businesses, but there is a lot more it can do through a stronger skills agenda (which is recognised in the corporate plan) and a county-wide inward investment strategy. Partnership working with district councils at the strategic level is not being maximised. There are many examples of good and improving cooperation, such as waste, wellbeing, housing options and independent living, better aging, and ‘Planning for Growth’, but partnership working is held back by several areas of tension. This should be addressed.

The Council has many resources through its people and place and is ideally positioned to realise these assets in the future. There is strong political leadership and highly skilled and committed staff who are feeling positive about the future under the well regarded Head of Paid Service and the new leadership team. With strong political leadership, exercising robust challenge, there is always a need to ensure an environment where clear advice can be delivered accurately and with confidence.

There is a transparent system of governance within the Council and the peer team found the Council to be an open, friendly and a welcoming place with a fresh direction that is fuelling ambition and energy in the organisation. There is an opportunity now to set a path to on-going success. The ‘One Council’ model provides a good platform to unite and energise the Council and its partners.

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There is financial stability in the organisation and the Council has a proven track record of delivering savings while maintaining front-line services. Going forward, there is room to bring greater transparency into the financial planning process through a robust Medium Term Financial Strategy, strengthened financial management processes, and a more corporate and cross-departmental approach to delivering the strategic agenda for Lincolnshire.

The Council has a wealth of knowledge, data and experience which needs to be utilised more effectively as part of its development. There is some good engagement with residents at the service delivery level and there are further opportunities to develop a continuous and a much broader conversation with residents to enable them to articulate their needs and wants. The Council should therefore explore new and creative ways of engaging with residents.

2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the Council:

1. ***Develop a clear, bold and inclusive vision and strategy for Lincolnshire in conjunction with partners and residents.*** This will help in producing a compelling narrative to 'future-proof' Lincolnshire as a place backed up with shared ambitions among all strategic partners and communities. It will also secure buy-in and commitment to the delivery of those ambitions by bringing partners and communities together.
2. ***Review the membership of "Leaders in Lincolnshire" forum to ensure that key partners are involved and that it does what it says on the tin.*** This will help to reset relationships with partners, foster inclusivity and shared ownership of ambitions for Lincolnshire.
3. ***Finalise the corporate plan and "Lead on the front-foot" by reaching out to key partners and communities to reset and strengthen relationships.*** The development of the corporate plan provides an ideal opportunity to put in place the 'One Council' model and re-evaluate the future relationship that the Council needs, as a leader of place, with its partners, citizens and communities.
4. ***Embed the corporate plan and the 'One Council' model into the organisation through an organisational development programme.*** The corporate plan describes a journey to 'One Council' from service silos, but it is equally important to ensure that the Council's Executive and Scrutiny reflect upon behaviours that reinforce corporate thinking and distributed leadership. This also means that in exercising robust, adequate and appropriate challenge, there is always a need to

ensure an environment where clear advice can be delivered accurately and with confidence.

5. **Improve transparency of the financial reports.** This includes having in place a robust Medium Term Financial Strategy (MTFS) to ensure elected Members and the public understand the Council's challenges, risks and opportunities. Ensure the budget is aligned to the corporate plan to evidence that resources are delivering the required outcomes; and strengthen the financial management processes to ensure that budget holders are held accountable and enabling scrutiny of the budget.
6. **Develop and implement a climate strategy for Lincolnshire.** The Council has many of the ingredients in place for a good response to climate change and it should grasp this agenda and move from "carbon planning" to "climate leadership".

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with the Council. The peers who delivered the peer challenge at Lincolnshire County Council were:

- **Pete Bungard** (Chief Executive, Gloucestershire County Council)
- **Cllr Izzi Seccombe** (Leader, Warwickshire County Council)
- **Katharine Eberhart** (Director of Finance, Procurement and Performance (and S151), West Sussex County Council)
- **Gail Quinton** (Deputy Chief Executive, Coventry City Council)
- **Caroline Adlem** (Head of Traded and Commercial Development, Essex County Council)
- **Martin Havenhand** (Chair, The Rotherham NHS Foundation Trust (Hospital and Community Health))
- **Carl Hewson** (Programme Manager, Cabinet Office)
- **Satvinder Rana** (Programme Manager, LGA)

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. These are the areas the peer challenge process believe are critical to councils' performance and improvement:

1. *Understanding of the local place and priority setting*: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. *Leadership of Place*: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. *Organisational leadership and governance*: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. *Financial planning and viability*: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. *Capacity to deliver*: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, the Council asked the peer team to specifically provide feedback on partnership working, the Council's organisational culture and the Council's transformation plans. These issues are covered within the main body of this report.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. 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 for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 4 days onsite at Lincolnshire County Council, during which they:

- Spoke to well over 100 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 50 meetings, visits to key sites in the area and additional research and reading.

- Collectively spent more than 320 hours to determine their findings – the equivalent of one person spending more than 9 weeks in Lincolnshire County Council.

This report provides a summary of the peer team’s findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (16th – 19th September 2019). In presenting feedback to the Council, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. The peer team appreciate that some of the feedback may be about things the Council is already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

Lincolnshire County Council has sound knowledge of the local place and context generally and a deeper understanding of service needs within individual departments, albeit with a silo view of localities. Elected Members provide community leadership at the local levels and are embedded within their communities. They bring valuable knowledge and insights about the place and its people.

The Council is yet to articulate and set out its vision and strategic plan for Lincolnshire as a place, beyond the Administration’s manifesto pledges and the emerging corporate plan. The draft corporate plan designed to create ‘One Council’ should be further developed into something that also sets the shared vision and strategy for Lincolnshire as a place. This should help to establish and firm up the Council’s role as convener of place.

Therefore, the next iteration of the corporate plan should be about helping to set the destination for Lincolnshire, while engaging, involving and inspiring staff, partners and communities to be part of that journey. For example, 2050 vision exercises and community engagement are recognised to have left a legacy of stronger two-tier working and trust in other county areas. Several districts have already indicated an interest in such a facilitated project, and it has also been identified as an obvious next step from ‘Planning for Growth’. The purpose of such an exercise would be to create a ‘future-proof’ vision for Lincolnshire.

There is evidence that the Council gathers information by use of surveys and individual service departments carry out a number of customer/user surveys, but there is little evidence that services are driven by customer needs beyond children and adults, or how this data is used to inform policy or service developments generally. The Council therefore needs to move into a place where it is using that knowledge, understanding, insights and data corporately to inform Council priorities and plan for the future of the County; as well as to ensure that all departments are delivering services based on coherent information on needs.

Frontline services for children and adults are delivered to a high standard and priorities of individual services such as Highways are visible. However, the Council has been operating within service silos and, in common with many other councils, has focused the bulk of its resources in children's and adult services.

There is noise within the Council that this is at the risk of being detrimental to other services and back office functions; the Council believes it is tackling this issue in the current year by carrying out deep dives as part of the budget setting exercise. Furthermore, silo working has not only had an effect on the Council's ability to set a long-term shared vision and strategy for the County as a whole, but has also led to inconsistent messages and responses to external partners and stakeholders. The draft corporate plan is a good tool to move from silo behaviour to a 'One Council' culture.

The Council has managed through austerity well and now needs to move to a culture of future-proofing and becoming more ambitious for the future – *"don't limit your horizons"*. It can take the next step to widening its horizons by collating quality intelligence on its citizens, customers/service users and then convening the debate with citizens and strategic partners on a future for Lincolnshire, beyond just the Growth Strategy.

Climate change has had and will continue to have a significant impact in Lincolnshire. Parts of the County are susceptible to flooding and the local Flood Risk Partnership has been nationally recognised for its planning and response to the 2013/14 coastal surge. The Council also has a positive story to tell in relation to its own carbon reduction activity and many other initiatives which recognise the importance of climate change. These could be better presented as an example of climate leadership.

4.2 Leadership of Place

There is leadership of place delivered through a visible and strong Council Leader in Lincolnshire. This is demonstrated through several fora, including 'Leaders in Lincolnshire', working arrangements across district councils and across the greater Lincolnshire geography. Partners the peer team met showed a strong pride and commitment to Lincolnshire and there are good examples of effective relationships and partnerships, particularly with schools, the Royal Air Force (RAF), University of Lincoln, Police and the Police and Crime Commissioner, the Local Enterprise Partnership (LEP), and the northern unitary councils of North East Lincolnshire and North Lincolnshire.

There are good plans for integrated locality working primarily with NHS partners, albeit in silos at present, which are currently held back by issues around Information Technology (IT), information sharing and resourcing. This area of the Council's work would benefit from investment so that together with NHS partners the Council can deliver greater integrated care in the future. The Council is well connected to local businesses e.g. Siemens, Co-op, etc. and the peer team heard how businesses would welcome a stronger skills agenda and could benefit from a clear inward investment strategy. The 'One Public Estate' programme is an effective and inclusive partnership with a flagship example of 'Blue Light' cooperation which is impressive.

However, partnership working with districts at the strategic level is not being maximised. There are many examples of good and improving cooperation, such as waste through the Lincolnshire Waste Partnership, wellbeing, housing services, better aging, community safety, and 'Planning for Growth', but partnership working is held back by several areas of tension. This should be addressed if the Council is to maximise all the resources within the County to future-proof its development and prosperity.

The Council with NHS partners are creating leverage to address current NHS challenges, with good relationships and trust emerging. However, the negative narrative about local NHS performance and the financial challenges that they face is unhelpful and will hinder the implementation of their plan. This is something that should be addressed so that all partners within the system are able to move forward with their ambitions for putting in place joined-up and seamless services to help improve the health and wellbeing of local residents.

4.3 Organisational leadership and governance

Lincolnshire County Council has strong political leadership provided by the Leader, Deputy Leader and supported by the Cabinet, which has served the Council and Lincolnshire well. As the Council embarks on the next stage of its development, the time is right for the Cabinet to lead by example in playing a stronger corporate role and by leading partnerships. Cabinet Members have the opportunity to own and drive forward the Council's ambition and priorities with clarity, authority and more strategic focus.

Generally, there are good Member and officer relationships which are usually seen as both constructive and challenging. In the vast majority of situations Members and officers feel supported in their respective roles. With strong political leadership, exercising robust challenge, there is always a need to ensure an environment where clear advice can be delivered accurately and with confidence.

Whilst there is good governance and decision-making arrangements in place within the Council, in practice however, decisions are often made in silos leading to a lack of transparency and consistency. Scrutiny arrangements are extensive and in some areas, such as health, are effective in holding decision-makers to account. Nevertheless, it is difficult to find examples within the Council where significant change or improvement originates from scrutiny activity. Furthermore, Scrutiny is weakened by a belief that *"the Exec will do what it wants anyway"*. Scrutiny could be developed so that it is able to dig deeper to analyse trends and patterns.

The Head of Paid Service has had a huge positive impact over the last 10 months and is held in high regard internally and externally. There are examples of good communication across the organisation through the Leader's Briefings and the Corporate Leadership Team Briefings and this is helping to get out the key messages around the 'One Council' approach into the organisation. In addition, the draft corporate plan sets a good agenda for a new 'One Council' behaviour which is essential to

address a number of weaknesses and risk – *“the departments are too strong at the expense of corporate - we allow people to opt out of the corporate way”* – and centralising performance management is already seen as a strength. Going forward, the Council should invest more in its corporate centre so that it is bolder and better resourced to ensure that its ambition can permeate right through the organisation and into local communities; and to drive change across the Council and across Lincolnshire for the benefit of residents.

The Council has well defined core values that are understood by both Members and staff and these values influence the culture of the organisation. The organisational culture within the Council is positive with Members and staff motivated by a desire to provide the best services possible. However, there are also examples of a risk averse culture and behaviours due to fear of failure and this is stifling innovation and creativity. Furthermore, the Council has also been held back by IT and digital weaknesses, in addition to silo working and an absence of a corporate strategic agenda.

The Council has a motivated and skilled workforce who love working for the Council. However, staff tend to celebrate success in silos and they need to move to sharing learning and celebrating success as ‘One Council’. Going forward, the Council can make even better use of its staff cadre to help promote the Council and Lincolnshire as good ‘place ambassadors’. The last employee survey which showed 88% felt pride in working for the Council reinforces this conclusion.

4.4 Financial planning and viability

Lincolnshire County Council is financially viable and has evaluated the potential use and impact of reserves. Whilst general reserves are modest, the council holds substantial earmarked reserves many of which are flexible. Tough and innovative decisions taken in the past have enabled today’s strong financial standing. For example, the Council will spend £461m on service delivery this year, invest £119m in capital projects and limit its use of Reserves to £3m. The Council’s estimated budget deficit of £10m within three years is manageable against its current positive financial position.

The budget process for 2020/21 is strong with good engagement of Members and the Corporate Leadership Team (CLT) carrying out deep dives - *“not just about saving our way out of trouble but look at opportunities”*. The Council does not have a published Medium Term Financial Strategy in place at the moment. Whilst there are currently many uncertainties around government funding and wider events, most other authorities have made two to three year projections based on a set of reasonable assumptions. Lincolnshire County Council should consider whether a similar exercise would assist wider corporate planning and ensure that risks are identified and mitigated.

The peer team was assured that there are also plans to review and strengthen the financial management processes to ensure that budget holders are held accountable and enable effective and appropriate scrutiny so as to ensure that opportunities across the council can be realised.

At present a huge proportion of the Council's budget is held in a single Cabinet portfolio, reflecting the political priorities of the Council around safeguarding both Children and Adults. Adults and Children's Services spend is under control, leading to a perceived need to maintain the current operating model so that they retain their good performance.

The current deep dive activity as part of the 2020/21 budget development should be an opportunity to test the impact of this protection and consider a more distributed approach to Cabinet financial accountability.

The development and delivery of the Capital programme would benefit from corporate oversight and control as part of the 'One Council' approach.

4.5 Capacity to deliver

The Council exhibits stability, good staff morale and there is a widely owned commitment to Lincolnshire. People the peer team met were committed to Lincolnshire and they demonstrated loyalty and a sense of place and identity. Council staff are dedicated and committed and are at the heart of everything the Council does and achieves. Going forward, they would benefit from consistent, energetic, high-level leadership and robust Information and Communication Technologies (ICT) and organisational development to support them.

The Council is currently very strong within departments and each department is delivering some very good services within their areas of responsibility. Nevertheless, there is room to join this up across departments to not just foster a more joined up approach to dealing with some of the strategic challenges, but also to facilitate learning and sharing of best practice across the organisation. For example, the Public Health function is becoming more effective and the value of having Public Health within the Council is at last being realised. This is evidenced through positive relationships emerging within the Council (adult and children's services), externally with NHS partners and through the work on housing with district councils.

The Council is achieving success in leveraging external funding and there are opportunities to increase capacity and deliver better outcomes for residents by working even more closely with strategic partners. For example, there is huge potential for the Council to work with partners to expand on its 'One Public Estate Programme' to transform local communities and public services across the County. This will help to maximise assets across the County and release efficiencies through co-location and more integrated ways of working on the ground. There are also opportunities to better utilise the capacity within the Community and Voluntary Sector (CVS), especially to help manage demand for services, though this will require more investments through a formal network of community and voluntary organisations to help them organise themselves better.

The Council communicates with citizens and the consultation it conducts with them on service change or projects is well run and is supported by a good corporate resource.

For example in 2018/19 there were 9 consultations, 31 engagement activities and 59 surveys carried out on behalf of service departments. The Council is therefore rich in information and data but is not fully using it to develop policy and service improvements. Engagement with citizens is understood and carried out but it too is not driven as a corporate activity. The limited and siloed collation of views expressed through many consultations hinders the development of a coherent engagement approach. The peer team would therefore encourage the Council to be clear on the kind of relationship it wants with its citizens and work out how best it needs to engage with them – *“Bit of a faceless institution at the moment, I don’t think it is as transparent or engaging as it could be”*. *“This Council doesn’t really do customer engagement”*.

Commissioning activity within the Council can be improved. It is currently confused with multiple approaches and risks duplication. This is because whilst corporate procurement support exists, service design decisions rests with service directors without a corporate context or provision for corporate challenge, and this undermines the ‘One Council’ behaviour.

Information Technology (IT) is currently a barrier to transformation. After a difficult period with the SERCO contract, confidence is emerging to suggest that IT implementation will succeed and support service improvement, for example, Office 365 being seen as essential for other change to follow. Further introduction of new mobile technology to frontline staff and improved computing tools to office-based staff should enable office space to be maximised through ‘hot-desking’ and foster innovative ways of delivering services. The Council’s digital strategy should therefore aim to facilitate collaborative ways of working, and enhance customer and staff experiences by reducing response times, joining up access to services and improving productivity.

Whilst the Council has clearly adapted to and survived austerity well, it is well behind in terms of having ongoing major transformation programmes. The transformation programme within the Council is in its infancy. It needs a consistent narrative which will aid corporate understanding of its purpose, and it should be backed up with delivery plans to deliver measurable benefits. It will also need to be properly resourced with identifiable benefits to track its implementation.

Commercial activity within the Council is also in its infancy because other councils around the Country are pursuing much wider opportunities under the banner of ‘commercial’ and are achieving a range of new income streams. The peer team would therefore encourage the Council to cast the learning net widely and continue learning and sharing knowledge and experience around this area of activity from across the sector.

5. Next steps

Immediate next steps

The peer team appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Mark Edgell, Principal Adviser is the main contact between Lincolnshire County Council and the Local Government Association (LGA). His contact details are: Tel: 07747 636 910 and email: mark.edgell@local.gov.uk

In the meantime the peer team is keen to continue the relationship it has formed with the Council throughout the peer challenge. It will endeavour to provide signposting to examples of practice and further information and guidance about the issues they have raised in this report to help inform ongoing consideration.

Follow up visit

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. The LGA's expectation is that it will occur within the next 2 years.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission their next Peer Challenge before 2025.



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Programme Manager

(On behalf of the peer challenge team)