



LGA Corporate Peer Challenge

South Holland District Council

18 July 2023 – 20 July 2023

Feedback report





Contents

- 1. Executive summary..... 3
- 2. Key recommendations 4
- 3. Summary of the peer challenge approach..... 6
- 4. Feedback 8
- 5. Next steps 16

1. Executive summary

South Holland District Council (SHDC) is embarking on a new four-year electoral term with a new Leader and Cabinet. They have inevitably brought a different approach and new priorities, including a focus on “getting the basics right”. This direction of travel is becoming understood and is welcomed across the authority. Whilst SHDC aspires to be ambitious - and there are examples of innovative practice – a strong focus on ‘doing the fundamentals well’ will be necessary to ensure there are solid foundations from which to build on the Council’s ambitions.

Taking steps to strengthen aspects of SHDC’s governance – both informal and formal - will be integral to creating these foundations. As part of these building blocks, undertaking a review of SHDC’s constitution to streamline and strengthen decision making would enable the Council to operate with more agility. In 2022 SHDC opted to take part in a pilot Social Housing Management Peer Review. Priority should also be given to developing a standalone action plan to address the recommendations, including urgently improving the rigour of its approach to social landlord housing compliance data, assurance, and reporting. Currently, the actions are embedded in the Annual Delivery Plan.

The Peer Team heard that SHDC is a proactive partner and positive place to work with a committed, talented workforce who are proud of their Council and their district. There is wide recognition of the positive value which the South and East Lincolnshire Councils Partnership (SELCP or ‘the Partnership’) has brought to SHDC. There is nevertheless uncertainty within the workforce as to what the Partnership means for them. Timely communication of the future direction of the Partnership - along with development of a service-wide Target Operating Model - will be important to allay this and support transformation.

Through the SELCP, SHDC has achieved service transformation and savings delivery that would not have been possible working in isolation. There is nevertheless potential to achieve much more from transformation. Developing a Transformation Strategy and Programme would bring greater systemisation and strategic direction to unlock this. Within this, SHDC may want to consider reviewing its Waste Strategy to unlock potential efficiencies through a review of current operations and those which could arise from partnership opportunities.

Like many councils, SHDC faces medium term financial challenges with increasing demand, cost, and inflationary pressures. It has a circa £1m overspend from 2022/23 financial year, and cumulative £7,853k savings target over five-year period to 2027/28. To strengthen its ability to respond to these challenges, the Council should develop a robust plan for future Medium Term Financial Strategy (MTFS) savings, efficiencies, and income beyond 2023/24. At present SHDC's ability to ensure sound financial and risk management and drive transformation is being inhibited by the performance of its financial services arrangements. This is a cause for concern and needs to be resolved as an organisational priority.

The planned refresh of SHDC's Corporate Plan as part of SELCP's Sub-Regional Strategy is an exciting opportunity to drive the new administration's ambitions. High quality, people centred, public services is a clear priority for the Leader. It will therefore be important to bolster how data, insight and resident and community voices are used systematically to inform future strategy, policy, and service developments. Developing alongside this, a clear place narrative - with a supporting Economic Strategy – will articulate a powerful vision for SHDC which councillors, staff and partners can get behind and promote.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the Peer Team's key recommendations to the council:

2.1 Develop and communicate a clear place narrative and Vision for South Holland, aligned to an Economic Strategy and Inward Investment Plan.

This would strengthen SHDC's place shaping influence and provide a framework through which to deliver this.

2.2 Develop a robust plan for delivering the savings within the Medium-Term Financial Strategy, which is supported by a Savings Tracker with regular Senior Leadership Team and Cabinet oversight.

This will strengthen financial planning and support delivery of savings beyond 2023/24.

2.3 Urgently address the financial planning and management performance of financial service arrangements and ensure Public Sector Partnership Services Ltd (PSPSL) acts as an enabler of wider transformation for SHDC and the SELCP.

Resolving this will be key to SHDC ensuring sound financial and risk management, and its ability to drive transformation.

2.4 Develop a standalone action plan to address the recommendations of SHDC's 2022 Social Housing Management Peer Challenge, including urgently addressing SHDC's social landlord housing compliance data and assurance approach, and reporting arrangements.

This is necessary to provide assurance that SHDC is compliant with regulatory standards, as well as meeting future measures within the Charter for Social Housing Residents.

2.5 Review South Holland District Council's constitution to consider greater delegations, and where appropriate, consistency and alignment with other SELCP authorities.

This will support efficient and timely decision making enabling SHDC to act with more agility.

2.6 Working with fellow SELCP authorities, develop and clearly communicate a service-wide Target Operating Model.

This should include design principles for the SELCP to provide the strategic direction for the service review programme and address capacity to support delivery of priorities.

2.7 Develop a Transformation Strategy and Programme - which is clearly communicated and understood throughout the organisation - and align adequate strategic and operational resources to support.

This will enable SHDC to identify, exploit and track delivery of transformation opportunities more systematically.

2.8 Undertake a review of SHDC's Waste Strategy.

This will be important to meet future demand, respond to future legislation, and identify potential efficiency and partnership opportunities.

2.9 Strengthen how the voice of residents and communities systematically inform future service delivery and unlock the potential of the voluntary community sector.

Systematically routing in service user and community views would strengthen SHDC's intelligence on – and ability to respond to - service performance and community needs.

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:

- Claire Hamilton, Chief Executive, Dacorum Borough Council
- Cllr Spencer Flower, Leader of the Council, Dorset Council, Conservative
- Cllr Jim McKenna, Cornwall Council Member, Independent
- Richard Block, Chief Operating Officer, Colchester City Council
- Sarah Bennett, Director of Customer & Data Insight, Rochford District Council and Brentwood Borough Council
- Charlotte Maguire, Policy Adviser, Local Government Association
- Frances Marshall, Senior Regional Adviser, Local Government Association

3.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition to these questions, the council asked the peer team to provide feedback on Assets, Corporate Strategy and Cultural Change.

3.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent three days onsite at South Holland District Council, during which they:

- Gathered information and views from 38 meetings, in addition to further research and reading.
- Spoke to more than 75 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1 Local priorities and outcomes

The new Leader has a clear focus on 'getting the basics right' to deliver efficient and high quality services for residents. This priority is becoming widely understood throughout the organisation. There are some good examples of strong performance, such as securing inward investment with Home Upgrade Grant and Levelling Up Funding for Castle Sports Complex. Great pride was evident around the future improvements to Castle Sports Health Hub and local markets which offer real potential to drive regeneration for the community. Conversely, there are also areas - such as [household waste recycling rates](#) and [homelessness prevention](#) - that SHDC or external benchmarking have identified as opportunities to improve performance on.

There is a robust internal performance framework - which is continually evolving and actively being strengthened. Refining the performance framework to reflect new priorities within the emerging Sub-regional Strategy will be important. Expanding SHDC's breadth of external benchmarking would also be beneficial to give greater insight into 'what good looks like' and how SHDC's performance compares to comparable authorities. The inclusion of high-risk areas within the regular performance reports - such as Housing Revenue Account and General Fund compliance, Public Sector Partnership Services Ltd (PSPSL) performance – would enable greater understanding and transparency about performance. This would in turn support the delivery of outcomes for the council.

The Digital Strategy sets out aspirations to maximise use of intelligence through establishing an Intelligence Hub and Data Repository. This appears to be a long-term ambition, with limited evidence of data and insight currently being used to shape improvement or enhance decision making. More advanced analytical and predictive capabilities will be important to deepen and systemise how the Council uses data and insight to underpin service improvements and policy development. Taking time to reflect on whether there is sufficient capacity to deliver on this priority would be beneficial.

SHDC takes a proactive approach to partnership working to leverage collective resources to deliver on its priorities. This can be seen in forming the SELCP, as well

as through positive collaboration with Lincolnshire County Council on shared priorities from the Food Enterprise Zone (FEZ) through to devolution. SHDC is progressing projects designed to deliver on the Council's Net Zero targets, such as its activities around improving the energy efficiency of domestic properties. More however needs to be done to embed its Climate Change Strategy objectives into organisational priorities which can then be planned for and delivered. This would be achieved by developing an action plan and enhancing different services' understanding of their role in delivering its outputs. This would bring the Climate Change Strategy 'to life' and ensure it is widely understood and that progress on delivery is monitored.

The Peer Team heard that SHDC has got the interests of its place at its heart. It was less clear however how the organisation consistently seeks to understand the views of its communities, or that there is an adequate organisational awareness of Equality, Diversity and Inclusion (EDI) in its widest sense. This did not come through strongly in workforce focused activities or within service delivery plans. Adopting an overarching community engagement strategy – with the voluntary community sector (VCS) as a central tenet - could systemise and deepen SHDC's approach to community engagement. This would enable SHDC to understand the needs and aspirations of its residents more fully as well as unlock community capacity to support shared goals. Ensuring resident, community, and local stakeholder views shape the Partnership Sub-regional Strategy will also be integral to its success. Consideration should be given to whether the current timetable allows for this meaningful input. There should also be a renewed focus on EDI, led by the Senior Leadership Team with support from HR colleagues.

4.2 Organisational and place leadership

SHDC has experienced many years of stable political leadership. This has ably steered the Council through many changes, challenges and allowed it to seize opportunities. Embarking on - and smooth transition to - the SELCP is a notable example of this. Since May 2023, the introduction of a new Leader and Cabinet has inevitably brought with it a new direction and approach. By its very nature, change brings with it opportunities for innovation as well as fresh perspectives which can be harnessed as the Council builds its ambition. The new administration's priorities and

approach are being understood and welcomed across the organisation and now would be a good time to articulate this more widely. Communicating a concise number of commitments reflecting the new Cabinet's key priorities to all levels of the organisation and external partners would help galvanise them behind this vision.

There is a stable Senior Leadership Team (SLT) and Corporate Management Team (CMT) which operate across all three SELCP sovereign authorities. This collective officer leadership team work closely and are supportive of each other. There are effective staff engagement mechanisms with regular communications from CEO and SLT which are well received, and effective staff networks in place. Identifying individual sponsors from this leadership cohort to champion key cross cutting priorities would help drive delivery across corporate imperatives such as transformation, assets, EDI and climate change.

SHDC has a track record of partnership working, with the SELCP and former joint arrangement with Breckland Council examples of this. There is a strong sense that SHDC has benefitted through the SELCP and is seeing results through different local, regional, and national priorities gaining traction. Examples of this include sharing of skills across the three authorities and attracting significant external investment from UKSPF to Rural England Prosperity funding. SHDC may wish to consider how it engages with wider systems partners to achieve outcomes for its residents through other partnerships as well as the SELCP.

External partners describe SHDC as a proactive, approachable, and enabling partner, with high calibre and approachable staff. Some partners did express concerns about the Council having reduced capacity and how this was impacting on them. If ambitions are to be realised, taking some time now to reflect on the Council's capacity to deliver would be a good investment, especially for its place agenda and capital projects.

SHDC's growth activities were widely commended, with the economic development and planning teams highlighted as 'go-to' enablers. The Council is seeking to be innovative around skills and energy, with the Food Enterprise Zone an impressive example of this. With a new administration and development of Sub-regional Strategy, now is an opportune time to clearly sets out the Council's narrative, vision, and priorities for its places through an overarching Place Strategy. This should be

done in tandem with developing an Economic Growth Strategy based on local and sub-regional economic data and insight. Engaging and communicating this compelling vision with stakeholders and communities at every opportunity will help garner buy-in and support the collective delivery of shared ambitions.

4.3 Assets

Alongside SELCP partners, the Council has developed a clear and concise Asset Management Strategy to enable informed and joined up decisions to be made about its assets. The Strategy sets out clear strategic objectives which will assist with the Strategic Asset Review that is underway. There is real ambition around the potential to maximise the use of assets, and a future-proofing approach is being taken. As part of this, a clear focus on the decarbonisation agenda within the programme going forward will be critical. The outcomes of the strategic asset review will be an essential contribution to the efficiencies and transformation required to support the MTFS. It will be important for SLT to have oversight and monitor asset compliance through regular reports and scrutiny as part of assurance processes.

The Peer Team heard that automation of reporting across SHDC's assets is currently inhibited by different IT systems. The plans that are underway to introduce a single property management system will be important to address this and enable greater efficiency and effectiveness. In order to ensure the Partnership can meet its ambitions, and get the best out of its asset base, it will be necessary to consider the resilience of the service to ensure there is the requisite technical capacity to support these priorities and projects.

4.4 Governance and culture

Staff, with whom the Peer Team spoke, talked about a positive organisational culture at SHDC. The role of the new Leader in actively fostering an open approach was one that was widely recognised and welcomed by councillors and officers. Similarly, councillor - officer relationships were reported as being in a healthy place following a reset at the local elections. Investing time now – with a new administration - in embedding these positive relationships and behaviours will support political and organisational leaders to actively champion the highest standards. The strength of

these member – officer relationships will also enable the Council to recognise and embrace its challenges and opportunities going forward.

The Council conducts scrutiny in its sovereign capacity, as well as having a joint SELCP approach to scrutiny on key issues. Joint scrutiny of public transport and the Digital Strategy were reported to have been particularly valuable. With the emerging Sub-regional Partnership Strategy, there will be an opportunity to refresh SHDC's scrutiny programme to reflect new areas of work. Cabinet Members expressed a desire to involve the wider councillor base earlier in the policy development process, and this is already underway. Reintroducing the Annual Scrutiny Report, which was last produced in 2018, will also further strengthen effective scrutiny.

An open and honest relationship between SHDC and its externally provided Internal Auditor was reported. SHDC should nevertheless consider bolstering the efficacy of its Audit and Governance Committee by having it chaired by an independent person.

Like all councils, SHDC's governance operates through both informal and formal governance mechanisms. As part of this there are weekly SLT meetings, which include a monthly session with a specific governance focus. These were highlighted as having helped strengthen working relationships between senior officers and the Cabinet. With the Council's governance structure largely unchanged since 2015, it would be timely to undertake a review of SHDC's overarching approach to decision making. Whilst steps have been taken to align elements within the Partnership's three Constitutions - such as procurement - there would be benefits from going further. Taking steps to streamline and strengthen safeguards on decision-making would address inconsistencies that exist and speed up decisions. This could include further alignment with SHDC's constitution and those of SELCP partners, as well as reviewing Cabinet's decision-making powers. Considering the balance between items submitted to Full Council and those delegated to Cabinet and Head of Paid Service, as well as the number of times reports are taken through the Partnership's decision-making processes, would similarly strengthen organisational governance and help to improve efficacy.

Urgent action is required to strengthen governance around SHDC's social landlord and statutory responsibilities. At present the Council's current approach to compliance data, assurance, and reporting does not provide robust enough

assurance that it is fully and effectively meeting its obligations on tenant safety. This is not to make a judgement either way that it is or is not – rather that additional rigor is needed to provide this robust assurance. The following steps will be important so that SHDC can assure itself of this, and that its social landlord responsibilities are corporately owned through effective political and SLT oversight.

- Develop a standalone action plan in response to the 2022 Social Housing Management Peer Challenge will provide a framework through which to ensure action against the report's recommendations are delivered. Regular SLT and Scrutiny oversight will be important in monitoring delivery against these.
- Introduce as an urgent priority more comprehensive monthly compliance reporting and assurance, including regular review by SLT and Scrutiny.
- Undertake a data assurance exercise on compliance measures. This will provide assurance on the robustness of this compliance data.
- In addition to this it will be important to keep under review the new 2023/24 housing Key Performance Indicators (KPIs) to ensure they reflect all aspects of service delivery to tenants and leaseholders and the risks associated with managing a Housing Revenue Account (HRA).
- Lastly, developing a Housing Strategy in partnership with stakeholders and residents will help align housing service plans to wider aspirations for SHDC's people and places and the future measures within the Charter for Social Housing Residents.

4.5 Financial planning and management

The SELCP has brought SHDC financial savings through the restructuring of senior management. Further savings from planned service reviews are forecast as 6.5% of controllable expenditure. The Council has also had notable success in securing additional funding from national government due to successful lobbying by the SELCP relating to Internal Drainage Board (IDB) funding.

Nevertheless, like many authorities, SHDC faces financial challenges. With increasing demand, cost, and inflationary pressures, the Council has a savings target of £885k in 2023/24 and £1.5m for 2024/25. This is against the backdrop of a circa

£1m deficit in the 2022/23 Revenue Outturn report. The fact that this was un-forecast – due to issues with reliability of financial data provided by PSPSL - is a concern.

SHDC's financial challenges are well understood by the Section 151 Officer who is leading on the organisational response. As part of this, an Innovation, Transformation and Efficiency Board has been established to oversee the organisation's response. It was not apparent to the Peer Team how widely understood SHDC's financial position is across the organisation. Developing a shared corporate understanding of the cause of the deficit and fostering wider ownership of the budget at the strategic level will be critical to managing and achieving a balanced budget in 2023/24 and beyond.

SHDC's MTFS sets out clear assumptions over five years. Savings plans beyond 2023/24 - including what needs to be done to tackle the budget gap of £7.85m by 2027/28 - are yet to be articulated clearly. Articulating a robust plan for future MTFS savings, efficiencies, and income plan beyond 2023/24 is needed. The planned review of fees and charges will also provide an opportunity to support financial resilience by maximising income and considering how technology can support this. The Capital Programme Management resources also need to be agreed upon and put in place.

SHDC's financial operational and reporting arrangements are a cause for concern. The Peer Team consistently heard that the performance of financial services arrangements - which are a joint endeavour between the Council and its financial service provider PSPSL - are impacting SHDC's ability to ensure sound financial and risk management and drive transformation. This included concerns around: governance, the reliability of financial data provided by PSPSL, implementation of finance systems, provision of support and timely information, and local government finance skills and expertise within PSPSL. Addressing these performance issues needs to be resolved as an organisational priority. Proactive measures have been taken by SHDC and PSPSL in response, including PSPSL commissioning a Chartered Institute of Public Finance and Accountancy (CIPFA) Review. PSPSL and SHDC need to work collectively on the outcomes of this review which will be critical to driving performance improvement. A major contributor to the issues faced has been recruitment and retention challenges within the finance service. The Council

needs to be satisfied that the required improvements are being made so it has confidence in being able to provide sound financial and risk management.

4.6 Capacity for improvement

It was apparent that SHDC have committed, loyal, and motivated staff who are recognised internally and by external partners as an asset. The Partnership's focus on recruitment, retention, and future talent development from within its workforce is a strength and instrumental in helping the Council recruit and retain high-calibre staff. The Future Leaders Programme is widely praised by SHDC staff and this practice of 'growing own talent' has been commended externally. Staff welcome the flexible approach to hybrid working and feeling trusted to manage their time, however they also reported wanting greater support in relation to their mental health and for social activities.

There is uncertainty within the workforce stemming from the gradual pace - and lack of clarity around - future service reviews across the SELCP and inconsistencies around employment terms and conditions. Service manager level staff are particularly experiencing challenges around uncertainty, complexity, and capacity. Timely communication of the future direction of the Partnership - along with what this means for staff - will be important to allay this. Equally important will be working with SELCP partners to establish and communicate a service-wide Target Operating Model. E.g. a blueprint for the future organisation design. This should include design principles for the Partnership and look to address the issues different levels of the workforce are experiencing, including capacity.

The SELCP has been transformative for SHDC with the introduction of a shared management team, and a number of service reviews undertaken. There is nevertheless potential to achieve much more from transformation for SHDC and the Partnership. To do so, it will be important to develop and communicate a single view of transformation with clearly articulated organisation design principles. A clearly defined Transformation Programme will provide strategic direction to identifying future opportunities, as well as rigor to tracking benefits, including financial savings. PPSL are key enablers to SHDC's transformation, therefore it will be important to ensure they understand their role and future expectations of them. The recently established Innovation, Transformation and Efficiency Board a great opportunity to

pull together these areas of work together.

One aspect the Council may wish to consider, which could have transformative potential, is conducting a review of its Waste Strategy. The Peer Team heard consistently that performance improvement and savings generation could be achieved by doing so. This could assist in meeting future demand, responding to future legislative changes that are coming, and identify potential efficiency and partnership opportunities. Such activity will take time, so it will be important to start as early as possible.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the council'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 is the main contact between your authority and the Local Government Association. Mark is available to discuss any further support the council requires. mark.edgell@local.gov.uk, August 2023.