

CABINET

DATE	14 th June 2023
REPORT OF	Councillor Phillip Jackson, Leader of the Council and Portfolio Holder for Economy, Net Zero, Skills and Housing
RESPONSIBLE OFFICER	Rob Walsh, Chief Executive
SUBJECT	Corporate Peer Challenge
STATUS	Open
FORWARD PLAN REF NO.	CB 06/23/09

CONTRIBUTION TO OUR AIMS

The Corporate Peer Challenge (CPC) was undertaken by the Local Government Association (LGA) peer team between the 27th February and 3rd March 2023. As a Council we are committed to delivering our vision for stronger communities and a stronger economy. This CPC has a focus on performance and improvement and will inform future actions which support our ambitions for North East Lincolnshire.

EXECUTIVE SUMMARY

The Corporate Peer Challenge is a review process that provides robust, strategic and credible challenge and support to councils. Each CPC covers 5 core elements as well as any local needs or specific challenges:

1. Local priorities and outcomes
2. Organisational and place leadership
3. Governance and culture
4. Financial planning and management
5. Capacity for improvement

Specific Feedback was requested on regeneration plans and on adult social care & health. A report following the visit of the peer team is expected to be published along with an action plan. A check in meeting will take place in six months' time to review progress.

The report from the peer team and an action plan for the Council are appended to this report.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Express it's thanks to the peer team for this work in producing a comprehensive report.
2. Note the content of the Corporate Peer Challenge accepts its recommendations.
3. Agrees the action plan in response to the report's recommendations.
4. Delegates the Chief Executive in consultation with the Leader to implement the agreed actions and monitor progress.

REASONS FOR DECISION

All Councils in England and Wales are encouraged by the LGA to undertake a review and commit to publishing its findings and an action plan.

1. BACKGROUND AND ISSUES

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 North East Lincolnshire, during which they:

- Gathered information and views from more than fifty meetings, in addition to further research and reading.
- Spoke to more than 190 people including a range of Council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings.

2. RISKS AND OPPORTUNITIES

The Peer Challenge process has been approached as a learning opportunity for officers and members to take stock. There are risks highlighted in the report but none that we were not already cited on. Similarly, there are opportunities in the Borough that the Council is uniquely placed to enable and maximise.

3. OTHER OPTIONS CONSIDERED

No other opinions were considered.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

The report captures many strengths but also areas for development, all of which should be taken in the round. Unprecedented pressures and challenges within the Council are matched by socio economic factors in our communities and businesses.

The strengths of the Council in terms of its work in health and social care, its relationship with Government and robust financial management and governance enhance the Council's reputation regionally and nationally.

The improvements required in Children's and strengthening the tourism and community benefits linked to regeneration and business growth are clear priorities.

The Council welcomes the report and will work to enhance the profile of North East Lincolnshire for the wider benefit of the Borough, its businesses and communities.

5. FINANCIAL CONSIDERATIONS

It is anticipated that any costs associated with the implementation of the action plan will be met within existing budgets.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

There are no direct implications for children and young people arising from the recommendations in this report.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

There are no direct implications for climate change or the environmental arising from the recommendations in this report.

8. CONSULTATION WITH SCRUTINY

There has not been any consultation with scrutiny. All Members will be engaged in respect of the actions linked to their future development.

9. FINANCIAL IMPLICATIONS

As outlined in section 5, any additional costs arising will be met from within existing service budgets.

10. LEGAL IMPLICATIONS

There are no direct legal implications arising from the report. In order to fully engage in, and benefit from, the process an action plan and monitoring progress is clearly prudent.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications arising from the report.

12. WARD IMPLICATIONS

The report and recommended actions have implications for all Elected Members and Wards.

13. BACKGROUND PAPERS

Corporate Peer Challenge Report
Corporate Peer Challenge Action Plan

14. CONTACT OFFICER(S)

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**Councillor Phillip Jackson, Leader of the Council and Portfolio Holder for
Economy, Net Zero, Skills and Housing**

LGA Corporate Peer Challenge

North East Lincolnshire Council

March 2023

Feedback report



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1. Executive summary

North East Lincolnshire Council (NEL) and its area has huge assets and opportunities to exploit for the benefits of its residents, communities, businesses and stakeholders. The towns of Grimsby, Cleethorpes and Immingham have a proud fishing, maritime, seaside and industrial history which has brought trade and commerce to the area over centuries. New industries which are at the forefront of net zero, decarbonisation and renewable energy are growing rapidly and bring tremendous potential to drive the economy within and beyond the council's boundaries; contribute towards a greener economy and environment; and drive up the reputation of the area. Emerging and established businesses are keen to work with the council and its stakeholders so that communities, including those challenged by deprivation, can benefit from these new opportunities, particularly in improving educational attainment and skills and securing employment locally. These opportunities are new but time limited, are on the doorstep and need to be utilised urgently.

The council is known for its innovative approach to adults and health care integration, starting in 2004 with a joint agreement on mental health and wider integration in 2007. The exemplary leadership and partnership working of adults and health through this approach and the Community Interest Company structure has led to good outcomes for service users at relatively low cost. Described as being an "ambitious yet pragmatic" council, partners and staff describe it as feeling quite different from other places they have worked.

The Ofsted inspection of 2021 judged the council to be inadequate across all four of measures of Children's Services. Progress is beginning to be made and the council knows that there is much more to do and is determined to improve services for children in this area, and that there are no easy or cheap fixes which will turn around services quickly.

The council has a clear focus on regeneration with ambitious plans for Grimsby Town Centre and Cleethorpes. It has also been successful in securing over £70m of external grant funding to realise these plans. This has created expectations from communities and stakeholders of visible infrastructure provision which the council

needs to move from the planning phase to delivery. The link between changing the physical appearance of the town centres, the opportunities that creates and the future quality of life of residents needs to be told more compellingly.

There are however clear risks to be mitigated and managed. One of these is the council's capacity. Staff are enthusiastic but the organisation overall is stretched. There are many priorities and an enthusiasm for delivery from councillors which stretches that capacity further. Careful consideration of current and relative priorities needs to be undertaken to ensure that delivery plans and expectations of services and what staff can do are both realistic and achievable within the confines of a relatively small unitary council's resource base. Clearer measures of realistic success would help motivation, resilience and credibility.

The council's current financial position is vulnerable, its budget is stretched and reducing and it is difficult to see how this will change in the short to medium term. The Medium-Term Financial Plan (MTFP) identifies large funding gaps over its three-year term, reserves are low and continuing to reduce, and like other councils it is challenged by inflation, rising costs of borrowing and pay pressures. It is not unusual in councils for the pressures on Children's Services to result in more demand and increasing overspending, but this in turn causes strain on other aspects of the council's budget and its ability to deliver current services and new initiatives. These pressures alongside delivery of ambitious regeneration plans will test council resources and capacity to a very large extent. Councillors need to ensure they understand the budget and the impact of the decisions they make, what needs to be done to ensure financial stability for future years including tough and clear choices and in doing so reduce the risk of financial failure.

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. **Retain the ambition for North East Lincolnshire, clarify priorities and align resources to ensure sustainable delivery.** The council and its partners are ambitious for the area, but there are many priorities and plans,

and the council's resources (finances and people) are very stretched. The capacity required to implement improvement in Children's Services is considerable, as is the delivery of regeneration plans. Now would be a good time to revisit relative priorities and ensure they are deliverable within the capacity available.

- 2.2. **Develop a coherent, holistic story for this place, with your partners, and communicate it so that all can play their part.** North East Lincolnshire has many assets and intentions which need a better strategic narrative so that investors, partners and communities can understand what the council is aiming to achieve and the part others can play. Once agreed, this needs to be effectively communicated.
- 2.3. **Strengthen the strategic approach on skills** so it is broad-based, aspirational and local people can benefit from the large-scale opportunities present in NE Lincolnshire. The current approach to skills development can be expanded to take advantage of the new and exciting innovative industries growing in the local economy.
- 2.4. **Raise the profile and understanding of equality, diversity and inclusion (EDI), internally and externally, to enable better business.** EDI has a very low profile and the council needs to step up to ensure it understands the agenda, improves its business and shows more overt leadership on inclusion.
- 2.5. **Learn from all of your experiences and areas of best practice.** Children's Services is going through a significant developmental journey, and Adults and Health is regarded as national best practice. Partners are keen to help but beyond practitioners there is low awareness of the good practice which could be shared more widely to drive improvement and innovation.
- 2.6. **Develop understanding of the fragile financial position across members and officers for current and future budgets.** The council's revenue budget continues to reduce, demand for services is increasing, there is in-year overspending during 2022/23 and reserves are diminishing rapidly. Managing the 2023/24 budget will be difficult due to growing pressures and tough

choices needed. The council needs to ensure it does everything it can to avoid having to invoke any statutory measures.

- 2.7. **Capitalise on spotlight and interest of government.** NELC has been in the spotlight of government reflected in a deep dive chaired by the Secretary of State for Levelling Up, Housing and Communities, as well as a recent visit by the Levelling Up Minister, and is in receipt of a variety of large-scale capital funds. It needs to ensure it maintains this focus and uses the leverage so that the maximum benefit can be achieved for its towns and communities.
- 2.8. **Ensure clarity of risks and benefits of your strategic partnerships for NEL.** NELC is an enthusiastic partner and needs to go further with its approach to partnership working. This includes reevaluating whether the right people are at the table in key partnerships. Another consideration could be how to distribute leadership in partnerships more widely building capability and resilience across a willing team of senior leaders to engage with businesses and key partners, to ensure there is a regular and consistent channel of communication between the council and its key economic partners.
- 2.9. **Ensure the net zero ambition makes the most of all of the local opportunities and potential.** In December 2022, the council brought forward its ambition to achieve net zero from 2040 to 2030 for its own organisation, and by 2050 for the borough. There is tremendous potential to go further and wider with this ambition for communities by making the most of the cutting-edge growing businesses on its doorstep, some of which are regarded as world leading.
- 2.10. **Extend the reach and impact of credible partnership working through leadership development for members and officers.** Some internal leadership development has taken place for officers and it has been welcomed by participants; this can be extended further. Member development opportunities are available internally and externally but its profile with councillors is low with little visible commitment beyond a handful of members. Local government is a complex and fast changing environment and

councillors need to be as skilled and equipped as they can be in order to make the best decisions for the future, and to get the most of partnership working.

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:

- Member Peer - Cllr Abi Brown, Leader, Stoke-on-Trent City Council
- Chief Executive Peer - Becky Shaw, East and West Sussex County Councils
- Officer Peer - Jon Ritchie, Director of Resources, North Tyneside Council
- Officer Peer - Alan Denby, Director of Pride in Place, Torbay Council
- Officer Peer - Sarah Mitchell, Independent Health and Social Care Peer
- Member Peer - Cllr Simon Tagg, Leader, Newcastle-under-Lyme Borough Council (shadowing for one day)
- LGA Peer Challenge Manager - Judith Hurcombe

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 its regeneration plans, and on adult social care and health at section 4.3. The peer team's feedback on regeneration is reflected within section 4.1.

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 North East Lincolnshire, during which they:

- Gathered information and views from more than 50 meetings, in addition to further research and reading.
- Spoke to more than 190 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

There is widespread agreement from frontline staff, managers, councillors and

partners that there was a good collective response across the borough to the Covid-19 pandemic, including rapid mobilisation, pragmatic decisions and doing the right thing at the right time.

The Youth Justice Service has been rated good, with outstanding features and an Ofsted inspection of Special Educational Needs (SEND) in 2022 reflected progress being made since 2018 and highlights included a co-production approach with parents and children feeling they are listened to. A new SEND school has recently been announced, and plans are on track for two new primary schools, due to open in 2024.

When compared to other CIPFA “family group” councils, sometimes referred to as statistical neighbours, on publicly available and comparable data from LGInform, NELC’s performance shows:

- The lowest expenditure on education of the family group
- The lowest average level of educational attainment of the family group
- The proportion of 16- and 17-year-olds not in education, training or employment (NEETS) is above average
- The proportion of the working age population with qualifications at level 2 or higher is lower than the family group average
- The council has the highest numbers of looked after children and the highest level of expenditure on Children’s Services
- More households than average living in temporary accommodation
- Lower than average numbers of affordable new homes built

For more information on this comparative data see:

https://lginform.local.gov.uk/reports/view/lga-research/lga-research-report-headline-report-bar-charts?mod-area=E06000012&mod-group=CIPFA_Near_Neighbours&mod-type=comparisonGroupType

The council has two headline strategic priorities of Stronger Economy and Stronger Communities. It has led the development of an ambitious regeneration programme which is grounded in evidence. The Economic Strategy written in 2021 reflects the changing context of the local economy including Covid-19, Brexit and new

opportunities such as Freeports. It identifies four core themes of business growth, green economy, skills and place-making.

The Department for Levelling Up, Housing and Communities (DLUHC) held a Deep Dive in chaired by the Secretary of State during 2022. This focused on town centre regeneration, skills and infrastructure challenges.

There are major infrastructure plans in place for Grimsby, Immingham and Cleethorpes, as well as major highways projects planned across the borough. The council has been successful in attracting large scale capital funds for regeneration, including:

- Being the first national pilot of Town Deals, securing the Greater Grimsby Town Deal worth £21m of funding in 2021
- National Lottery Heritage Fund Townscape Heritage funding of £7m for Cleethorpes
- £18.4m of Levelling Up funding for the Cleethorpes Masterplan
- £17.3m through the Future High Street Fund
- The South Humber Industrial Investment Programme (SHIIP) is a £42 major infrastructural programme focusing on six Enterprise Zones, a new business park, and a new link road between Immingham and Grimsby. SHIIP includes creation of wetland mitigations sites for wildlife, and this aspect includes external recognition of it being the only project of its type in Europe, winning a Royal Town and Planning Natural Environment Award.

The council shows a clear commitment to and delivery of Net Zero by 2030 for its own activities and has recently brought forward the target date for this deadline from 2040. The overall approach fits with and can be enhanced by the new Humber Industrial Cluster Plan which aims to decarbonise the Humber economy by 2040.

There are some concerns from stakeholders internally and externally that the overall vision for regeneration is not owned across the community, with concerns that people living in some of the most deprived areas of North East Lincolnshire do not recognise the existing and emerging opportunities available to them within the borough. This particularly applies to the offshore wind and low carbon pioneers which are developing their activities at pace in the borough. Events are planned to help this including the Low Carbon and Renewables Exploratorium will allow children and

families to interact and learn, with hands-on experience at the fore for jobs hidden behind port gates, process units and pipework on the Energy Estuary.

There is also a sense that some parts of the community do not buy into broader change, with a concern that the development of new businesses and the expansion of existing ones will change the nature of the area. Some stakeholders reflected to the peer team that whilst residents largely want better standards of living there is also resistance to business and housing expansion. The council has a key leadership role in engaging and reconciling all communities with its overall vision, and addressing some of these concerns by further articulating the potential benefits of its plans and with stepping up engagement.

The council needs to work out how to balance these many assets on the doorstep with sometimes loud voices resistant to change. Joining up overarching plans, intentions and aspirations can be addressed by developing a more overt story of North East Lincolnshire as a cutting-edge borough pioneering decarbonisation, which is innovating with a growing green economy for the benefit of current and future generations. Linkages can also be made through the ongoing work to develop an aspirational vision for Children's Services and how children and young people are part of this future. This is over and above press releases and day to day communications activities and should be considered as part of a concerted and strategic communications strategy painting a bigger picture of what the council and partners are aiming to achieve. Partners are willing and have the skills to assist with shaping this narrative.

Whilst developing this vision some further consideration also needs to be given to economic growth and how to develop skills in a more holistic way which supports health improvement across the borough. Currently this feels disjointed and with a degree of separation between these key areas of the council's plans. The skills strategy and action plan which is underway is an ideal opportunity to join up and nurture skills development and health with the physical regeneration of the borough.

In 2021 Ofsted inspected Children's Services and judged it inadequate across all four core areas of the inspection framework, with a monitoring visit undertaken in late 2022. Support for improvement is being provided by Lincolnshire County Council through the Department for Education's Partners in Practice Programme. The impact

of the judgement on the council has been profound and wide reaching, and the challenges are now recognised and “green shoots” of improvement are described as emerging.

A key issue for the council is its capacity, which in part relates to its stated priorities. Within the organisation there is a view that capacity is stretched, not aided by the feeling that everything is a priority. People struggle to describe what is of lesser importance or that the council has stopped doing or is delivering in a different way. There are also concerns for the health and wellbeing of many employees from frontline staff through to senior managers. Deeper and more strategic consideration of priorities is needed now, as the council embarks on a tight financial year for 2023/24 and continues to focus on Children’s Services improvement and the delivery of its large-scale regeneration schemes. Some difficult decisions may be needed about the rescheduling of delivery so that priorities can become clearer. And when this is undertaken what is a priority needs communicating clearly and widely across the organisation and with partners.

Equality, diversity and inclusion has a very low profile, to the extent that it does not appear to feature in the day-to-day dialogue of the council and is largely noticeable by its absence. There is a range of e-learning modules available to staff, eight of which include an element of equality and diversity, including “The Importance of Equality Diversity and Inclusion” which is a mandatory requirement for every employee, automatically re-registered to complete every 2 years. Unusually for a council, there are no established EDI networks for staff representing the various protected characteristics, although there is an intention to create some new networks later in 2023. The council to date has taken a minimal approach and it has a considerable way to go before it could be regarded as championing and showing leadership on EDI internally and externally. There are opportunities on its doorstep which could bring further insight into policies and practices from other organisations, such as the open network which involves over 100 businesses and is facilitated by CATCH.

4.2. Organisational and place leadership

The Chief Executive is very well respected internally and externally for his visible leadership, openness and values. Staff and partners speak unprompted about his

personable approach and how much they appreciate his engagement with them, including his accessibility, weekly email messages, his genuine open-door policy and his willingness to engage at all levels. Frontline employees told the peer team they welcome the time he takes to engage with them and listen to their views.

The council is a willing partner and stakeholders reflect that is it mainly a good partner, although there are inconsistencies of approach which sometimes can make the council hard to engage with. Partners are keen to do more but feel they need better ways to navigate the council's plans and intentions. Stakeholders also have views that sometimes the council can be very slow to act on opportunities, with ideas being bounced between different people until the right person – usually senior – is found to give permission. Engagement with them would benefit further from a strategic relationship management approach to enable high level discussions when appropriate, to ensure that they feel heard and that opportunities requiring quick decisions can be fully utilised.

An overarching Place Board has been established with five partnership Boards each with an outcome linked to the place priorities. Some stakeholders question whether all of the right people are on the Board and whether the time is right to revisit its membership. Servicing the Boards also consumes resources and time which contributes to overall capacity constraints for the council.

A massive asset to the council is the range of community orientated entrepreneurs across the borough who are keen to invest their finances, time and expertise in improving quality of life for local communities. There is a degree of enthusiasm to share assets and encourage the development of local people and communities which other areas would be envious of. The commitment from large businesses is clear and needs to be further harnessed, and there is enthusiasm from business leaders to better link up and connect their business interests and the council's regeneration plans with SMEs. This connecting up needs to be based in delivery with a careful communications strategy so that smaller businesses can understand what is possible and how they may benefit.

The voluntary and community sector (VCS) is well established and has a reputation for excellent working built on a mature collaborative arrangement. How the recommendations were implemented from the Stepping Out report from 2014 is cited

as an example of the council's accessible leadership and support, which has helped the sector to develop further and which was fundamental to the borough's response to Covid19. The peer team saw an impressive array of services being delivered by the voluntary and community sector at the Change 4 community hub. A local success story is the Ethical Recruitment Agency based in Grimsby which works on addressing barriers to employment, helping people to retrain and reduce unemployment for young people.

The council should be confident & courageous about the many assets on its doorstep. These including an impressive array of partners who are committed to the place, who want to collaborate with the council more, and are enthusiastic about investing and expanding their businesses. They are want to contribute to community building and promoting the potential of children and young people.

The visibility and commitment of senior leaders both political and managerial is welcomed although there is an over reliance on a few individuals. Once the vision for the council and what it is about is clarified, consideration should be given to further development for individuals in key roles so that a broader range of key individuals, both members and officers, are able to talk with confidence about the council's aims for the area, so that it can develop greater influence both within and beyond its boundaries, including with government.

The council is regarded as having a significant influence across the region, although some observers feel that the council should be more overt and confident about how it acts on the regional and national stage. Some of this is about taking more time to be visible in these arenas, and with purpose. Examples of the successes it can share include on adults and social care, on net zero, and on its role in the energy renewables sector, all of which deserve greater profile.

Geographically the council is part of complex strategic partnerships at play with differing footprints some of which straddle different regions, including:

- the Integrated Care System covering York, North Yorkshire and Northern Lincolnshire;
- the Humber for Police, Fire and Rescue Services;
- the Humber Leadership Board with North Lincolnshire, Hull and East Riding councils;

- the Humber freeport collaboration including North Lincolnshire, Hull and East Riding councils, Associated British Ports and other landowners and stakeholders
- Greater Lincolnshire for the Local Enterprise Partnership (LEP) and
- the proposed Greater Lincolnshire Combined Mayoral Authority with Lincolnshire County Council and North Lincolnshire.

Elements of where the council has to work in partnership can be beyond its control, but nonetheless this brings complexity as the way some government departments are organised is not coterminous with geographies on the ground, and some stakeholders do not understand the rationale for some of these arrangements, nor what the intended benefits are intended to be. The Council needs to think tactically as well as strategically about how it participates in the wide range of partnerships to maximise the impact of its engagement.

External partners have concerns about the proposed Greater Lincolnshire devolution footprint for a number of reasons including a loss of what they perceive to be the natural economic and trade area of the Humber; a concern about the evidence basis on for the proposals; frustrations about a lack of progress; voicing worries over a lack of clarity about the overall direction of this proposed new arrangement; and fears of losing out to other regions who have more established Combined Authority working and therefore can command more funds or attention from government. Although progress is being made on the decarbonisation agenda, there are wider concerns that the potential to plan and do more may be missed due to an absence of an overall coherent message and advocacy for the area, which could achieve far more if devolution powers were granted.

4.3 Adult social care and Health

The council has been a pioneer of integrated adult social care and health services and was a very early adopter of seamless joint working, nearly two decades ago. The council's Chief Executive was also the Chief Executive of the Clinical Commissioning Group from 2017 until its abolition in 2022 when the new NHS Humber and North Yorkshire Integrated Care Board took over responsibility for NHS care and funding. The NELC approach up to 2022 is regarded as being truly pioneering and resulted in low cost and impactful high-quality care for residents and is regarded as national best

practice. The agreement saw the NHS assume the commissioning lead for adult health and care including social workers, in-house provision and the external care market. A reciprocal arrangement was made for the local authority to lead the commissioning and provision of Children's services, including health visitors, and school and paediatric nurses.

Adult Health and Care is delivered through three community interest companies; Navigo for mental health services; Care Plus for reablement and community health; and Focus for social work provision.

Recent senior appointments from outside the Council confirm that the integration works extremely well, achieving good outcomes for people at a sustainable cost. The national Adult Social Care Outcomes Framework (ASCOF) data confirms this. The care rates are in line with the local economy but have been adjusted to reflect a fair price for care. Leadership by the Adult Social Care Cabinet Member has been key in ensuring this is supported by the council and it is expected that the ICB will agree the same can happen for CHC through delegated arrangements.

A key element of the success has been the way the partnership has used their joint finance of the Better Care Fund and the Discharge Fund to agree joint rates for care providers and social care workers and CHC support. The commissioning of the care market is very mature with joint assurance arrangements, joint policies and joint procurement. This is supported by community health support to care homes to support more complex care.

The Health and Care Partnership seeks to further improve the outcomes for people ensuring a strengths-based approach to practice, access for all to reablement and making sure older people do not enter or remain in long term care unnecessarily after a hospital admission. There are plans to increase the number of people using Direct Payments to organise their care and to ensure there are sufficient supported living opportunities. There is a very good Transitions Protocol and there are no Mental Health or Learning Disability placements outside of the local authority's area.

The impact of this established way of working has been seen in effective arrangements which have worked well between partners across the health and social care landscape for the benefit of North East Lincolnshire's residents, who have benefited from good outcomes with lower costs than regional and national averages.

Partnership working in this area has also been valued and has led to joint commissioning and market shaping. Despite this clear success and partners widely valuing this long history of joint working, its profile is relatively unknown beyond those working in health and social care and it may be helpful to bring learning back into the council more widely and beyond social care so that broader insight and successes can be better understood.

The HCP seeks to further improve the outcomes for people ensuring a strengths-based approach to practice, access for all to reablement and making sure older people do not enter or remain in long term care unnecessarily after a hospital admission. There are plans to increase the number of people using Direct Payments to organise their care and to ensure there are sufficient supported living opportunities. There is a very good transitions protocol in place and there are no Mental Health or Learning Disability placements outside the LA area, which also has a positive impact on finances.

Despite the best practice, there is relatively low awareness in-house of the collective achievements in Adults and Health. Health partners very keen to use successful partnership working and this experience to help with children's services improvement and the wider determinants of health. Middle managers in the council and in NHS bodies have the potential to play a stronger role in building alliances and consolidating approaches.

The integration of Health and Care in NE Lincs is undoubtedly national best practice. However, it needs urgent and detailed discussion with the emerging ICB to agree the scheme of financial and leadership delegation to place to sustain this position. Stakeholders have real concerns that the new arrangements could mean the advantages gained locally will be affected due to the size and scale of the ICB's footprint. S.75+ working will need careful and robust negotiation and attention to ensure that delivery at pace is sustained through the new delegated arrangements.

4.4 Governance and culture

North East Lincolnshire is regarded by partners and stakeholders as a friendly and welcoming local authority, with a healthy culture set from the top of the organisation. Senior managers are described as having a genuine open-door policy and staff reflect they can discuss issues with their managers openly and seek support as and

when they need it.

Broadly, members and officers understand their respective roles. There is further room to develop the role of executive members around the development of council policy and to play more visible ambassadorial roles both within and beyond the council's boundaries.

The number of formal complaints about councillors' behaviours to the Standards Board is low. However, there are also officer concerns about some councillors' behaviours being poor or rude when pursuing casework. Whilst these concerns were not extensively voiced to the peer challenge team, councillors need to be mindful of the requests they make, how these requests are made and the reasonableness of them.

The overall governance framework is strong, with a robust framework and regular review. The Corporate Governance Group of officers plays a key role in bringing together key aspects of internal assurance, including risk, governance, and updates on areas of key strategic importance. This appears to work well and is a reflection that governance is taken seriously by the council.

An ambitious agenda means officer capacity would benefit from a review of the decision-making framework, which could be achieved without loss of transparency. The current approach includes many external meetings which may aid external perceptions of transparency but also affect officer capacity due to the requirement to service those meetings, produce reports and responses. Consideration needs to be given whether this is always the best use of officer time and capacity and the opportunity cost of that resource, relative to the broad agenda the council is aiming to deliver.

Decision making arenas are clear. There are few call-ins of decisions made and pre-decision scrutiny adds value to decisions and also understanding from councillors of the broad background to policies. However, it is not always clear why decisions are made and what the evidence base is for some decisions, and this could be improved by better and more explicit use of data.

Addressing issues in Children's Services has brought people together across the council. This is time well invested and needs to continue to aid improvement and continued corporate awareness. Children's scrutiny has been overhauled and

councillors on the panel have engaged with the Children's Commissioner on member briefings, recruitment and retention, and corporate parenting.

There is a positive approach to scrutiny and the Leader of the Council shows commitment to it and recognises its value, as do the Scrutiny Chairs. The activity is delivered through five scrutiny panels and an Executive and Scrutiny Liaison Board. Members feel that they receive good support from officers for scrutiny activities. The council reviews the scrutiny function in the spirit of ongoing improvement, for example during 2021 the Centre for Governance and Scrutiny gave feedback; a survey of members was also undertaken to seek their views on the arrangements; and changes were made to Children's scrutiny in light of the Ofsted inspection. Some stakeholders – members and officers – have concerns that some scrutiny activity is overly focused on challenging officers rather than challenging leading councillors and the decisions they make. There are also views that the overall approach to scrutiny would be enhanced if more councillors visibly and actively engaged, for example in asking more questions in panel meetings.

There is a programme of member training, including induction for new members. A handful of councillors understand the need to invest in their skills and can be relied upon to commit to and turn up for development opportunities, irrespective of how they are provided, and for this they should be commended.

However, training and development across the council's wider membership has a low profile and low take up, with relatively little commitment from beyond this small number of councillors to learn and keep pace with national agendas. Some councillors question the overall value of any training and development and whether they really need it, and the members' training budget is generally not overstretched in any one year. Yet it is really important for councillors to continue to invest in their own learning to ensure they are fulfilling their roles and have an appreciation of what good looks like both internally and in other councils. The recent example of Children's Services performance illustrates that a failure to keep up to date makes it harder to understand the performance and outcomes being delivered by council services, as well as presenting risks to the council's overall reputation. Keeping pace with local government's issues, policy developments and what other councils are achieving cannot be undertaken well or effectively in isolation, or without the right skills.

External development whether provided by the LGA or any other provider, is also a significant factor in raising the profile and reputation of the council on regional and national stages because it makes the council and its work more visible. This is important given the geographical location of North East Lincolnshire. Take up needs to be improved, as does a greater focus on the practical awareness and skills members need to carry out their roles. A degree of political encouragement and persuasion may be required to bring this about.

The review of the members' portal can help to improve the consistency and effectiveness of constituents' requests. Currently there are mixed views from members and officers about the best way to get members' casework logged and actioned upon, and the logging of issues via the portal is used with a degree of variability by councillors. Some employees have concerns about members bypassing agreed routes for requests to get an issue resolved more quickly. There are also concerns that direct approaches from councillors sometimes attempt to work around policies as members try make special cases and apply pressure for their requests to be treated differently from agreed policy, and in doing so that some members do not present themselves in the best light. The impact of bypassing agreed or blurred routes results in more stretching of officer time and capacity, and in some instances stress for officers, so whatever is decided through the review needs to be clearly understood by everyone, reflective of available capacity, and clearly communicated and monitored to determine how effective it is.

4.5 Financial planning and management

There is sound financial governance in place and this is underpinned by strong leadership from the S.151 Officer, the Chief Executive and the council's finance team. Working papers are detailed and financial reporting is regarded as competent and committed. Financial governance overall is well regarded, and the most recently available annual audit letter gave an overall unqualified judgement for all areas, except Children's Services.

There are good relationships with the external auditors and the council has ongoing and often unprompted dialogue with the auditors about issues and progress. An experienced local government finance professional is in place as the independent Chair of Audit Committee and he brings a robust and valued approach.

The financial information provided to Cabinet appears to be good. It includes honest, risk-based assessments with scenarios to set out the scale of the challenge. Savings options are linked to wider strategic objectives where possible, for example decarbonisation and property rationalisation/agile working.

Capital receipts flexibility has been utilised to provide revenue funding in the short-term to allow wider transformation work to be undertaken. Whilst this provides a transitional period for more sustainable solutions to be secured, this remains an area of concern. There is an opportunity cost in that the capital receipts of £4.6m could have been used to support the capital programme. Further, if the transformation work is not successful, the underlying MTFP pressure will remain in future years, so close monitoring of activity in this area is vital.

Significant levels of external funding have been secured, especially in relation to the ambitious regeneration of Cleethorpes and Grimsby. Funding has been applied flexibly to respond to changing circumstances and the council's strategic aims, such as the purchase of the Freshney Place shopping centre in central Grimsby, which will enable the council to have a greater influence and control over this key location for the borough.

The integrated approach to social care is delivering low cost and high-quality outcomes in Adult Social Care through NEL and health colleagues working together extremely well.

Finances are however extremely tight. The 2022/23 financial year has a significant overspend on the revenue budget of £168.1m, largely linked to Children's Services, but also pay pressures and inflation are contributory factors. Children's Services has been overspending since 2019/20 and the external auditor gave an unqualified Value for Money judgement on Children's in the most recently available annual audit letter for 2020/21. Low levels of reserves and their usage are also an area of significant concern. These appear to be sufficient in the short term over the next two years (2023/24) but there is very limited scope to cope with further budget overspends or deal with any unexpected areas of expenditure.

A focused effort has reduced the considerable reduction in agency staff levels and associated costs, as well as changes in the numbers of children in the right care settings, which in turn reduces cost pressures. The ongoing lack of availability of

locally based children's social workers results in higher usage of and expenditure on agency staff, which produces expenditure higher than is budgeted for. Generally councils with Children's Services in intervention tend to be high spenders on children's social care as they address the issues identified, and improving Children's Services performance on social care is difficult and quick and cheap solutions are difficult to find and implement. This means that ongoing pressures are likely on the overall budget for a number of years ahead.

The Medium-Term Financial Plan was approved in February 2022 and has a three-year duration. There is a potential disconnect between the level of financial information provided in the MTFP and the universal appreciation and understanding of members of the scale of the challenge ahead in achieving and maintaining a balanced budget for future years, especially given the level of ambition held by NELC. The MTFP is unbalanced in years 2 and 3 of the plan, with gaps of £7.9m and £6.2m respectively, as shown in the council's published budget papers, plus the plan needs to accommodate a further £2.5m impact arising from the 3.98% council tax decision for 2022/23 compared to the initial recommendation of 4.98%.

The 2023/24 budget is balanced, but it is not without risk. There is significant reliance on one-off funding; for example, the flexible use of capital receipts arising from the disposal of £4.6m of surplus assets and investment properties; using reserves; and the consequences of the decision to keep council tax increases low. It is not entirely clear whether members fully understand the consequences of keeping council tax increases to low levels on the longer-term council tax base and the long-term budget of the council. Pay award budgets, although planned for, are also unlikely to be sufficient, although are not out of kilter with many local authorities' assumptions.

Despite high levels of external funding, the revenue cost of the capital programme is still significant with debt charge budgets increasing from £11.1m in 2020/21 to £18.7m by 2025/26. Whilst current plans factor in high inflation rates, the size of the capital programme could be a challenge if inflation and supply chain issues persist into the medium term. An internal review of the capital programme is underway to consider the impact of inflation and increased borrowing costs.

4.6 Capacity for improvement

Staff and councillors have an immense pride in delivering services for their communities, with many feeling a particular identity in being from the area and working for the residents and stakeholders. Employees like the values of the council and generally describe it as an open and non-hierarchical place to work, where they can take risks, innovate and make positive contributions which are listened to at the most senior levels. There is a general sense of everyone working with a common purpose. Staff also value working with their team members and colleagues and like the mutual support they give each other. There is evident goodwill towards the council.

However, this is not enough when the capacity of the council is stretched to breaking point in some places. When asked to describe the council many people use a combination of terms such as “enabling”, “proud” but also “worn out” and “stressed”. Staff commonly describe feeling very stretched and everything feels like a priority. The challenges within Children’s Services are known at headline levels although there are also concerns of the impact the recovery will have on wider budgets.

Middle managers know each other well and want to work together more, and despite the small size of the council there are concerns of elements of silo working. There are mixed views about individual managers and how they manage. Some are very highly regarded and appreciated for the support they give and their leadership, whereas staff in some areas have a strong desire for greater accountability and responsibility from managers.

The “shipbuilding” culture sessions have been well received by participants and provide a platform for the next steps and closer working and understanding across services. Staff feel training is good and available and pertinent to their needs.

Capacity is stretched to breaking point in some places. When asked to describe the council many people use terms such as “stressed”. Staff commonly describe feeling very stretched and everything feels like a priority. Resourcing services is also an area of concern for staff, particularly about workloads increasing when staff leave and their posts are not filled, and a repeated concern is the impact high workloads have on backlogs and their ability to deliver services to the right level for residents and communities. Priorities urgently need to be revisited in light of capacity and

better aligned with resources, at both service delivery and corporate level.

The challenges within Children's Services are known at headline levels by staff although there are also concerns of the impact the recovery will have on wider budgets as other services have to continue to make savings contributions towards the overall budget. Securing the permanent leadership of Children's Services as well as sharing lessons from the service's improvement journey will also help that understanding and feeling of stability.

There are issues in some service areas and functions about pay and equity, particularly for staff working in the services shared with neighbouring North Lincolnshire Council, with perceptions of unfairness of levels of pay across the two councils for comparable roles.

Hybrid working is largely valued and those who like it appreciate the flexibility that it offers and their ability to work from home; but there are concerns about the resistance of some staff to return to the physical office and the impact this has on team building and overall culture. There are also concerns about how the policy is interpreted which seems to vary from manager to manager. The approach needs to be kept under review to ensure that it works in the best interests of the council as well as for staff.

Staff are hugely committed to the council and to serving the people, communities and businesses, both current and future. The challenges for people living in the most deprived areas are well recognised through the use of data and people's lived experiences. Despite this commitment some communities feel unheard and the council feels distant in terms of its engagement, understanding and activities. The council has a big role to play in supporting people to take advantage of the future, as well as managing tensions over economic growth and housing.

Recruitment and retention is a challenge, as in many places, and whilst there is evidence of staff loyalty, there are difficulties in attracting new people from outside of the area and is part of a longer-term context of an overall net decrease in population forecast for the next decade. The council has developed an innovative "Growing Our Own" trainee development programme as part of its People Strategy agreed in 2022. This takes a long term and strategic approach to encourage young people to choose the public sector for their career aspirations, including NELC, targeting young people

from year 7 onwards. Having experienced a lull during the Covid pandemic the scheme is being reinvigorated during 2023. Reviewing directly some of the longer standing people policies may be helpful in recruitment and retention alongside promoting some of the 'success stories' locally within the loyal NE Lincs workforce.

The peer team also found some employees and stakeholders are wary of outsiders bringing in different views and practice. It will be important to address these concerns as part of the broader prioritisation and place narrative, given that so many members of staff are also local residents who also need to be advocates for the council and the area, and the potential it has. This also relates to a commonly heard view that Grimsby's greatest critic is the town itself.

The council's performance framework was refreshed alongside the development of the Council Plan in 2022. It includes the introduction of Vital Signs which are indicators of performance progress brought together on a dashboard. More development is planned to link this information and make it more accessible for partners and residents. It would be useful to consider bringing together priorities, money, risk and targets in an overarching way so that the interdependencies are viewed and reported in one place, for example finance and performance reporting could be more closely aligned. East Sussex County Council runs a business planning process called Reconciling Policy, Performance and Resources which is an example of this.

Looking forward the council could use this peer challenge to join up more, raise its profile and be more tactical about its ambitions and asks of government nationally and regionally. Partners are onboard and enthusiastic about being part of a bigger shared endeavour which tackles disadvantage in its many forms and improves quality of life for everyone. They can help with a strengthened cycle of engagement, communication and delivery which is far reaching and impactful. Resources however will need careful management to ensure that delivery is sustainable and risks are managed well.

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 Yorkshire and the Humber, 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

North East Lincolnshire Council

Corporate Peer Challenge – Action Plan 2023/24

This Action Plan is in response to a Corporate Peer Challenge led by the Local Government Association in February/March 2023 which focussed on five core elements:

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 deliver of local priorities? Does the Council have the capacity to improve?

The Corporate Peer Challenge Team made ten recommendations arising from the review, as follows:

1. Retain huge ambition for this place, clarify priorities and align resources to ensure sustainable delivery
2. Develop a coherent, holistic story for this place, with your partners, and communicate it so that all can play their part
3. Strengthen the strategic approach on skills so it is broad-based, aspirational and local people can benefit from the large scale opportunities present in NE Lincolnshire
4. Raise the profile and understanding of equality, diversity and inclusion, internally and externally, to enable better business

5. Learn from all of your experiences and areas of best practice
6. Develop understanding of the fragile financial position across members and officers for current and future budgets
7. Capitalise on spotlight and interest of government
8. Ensure clarity of risks and benefits of your strategic partnerships for NEL
9. Ensure the net zero ambition makes the most of all of the local opportunities and potential
10. Extend the reach and credible partnership working through leadership development for members and officers

Core Themes	Recommendations	Specific Feedback	How this will be addressed
1. Local Priorities and Objectives	<ul style="list-style-type: none"> • Retain huge ambition for this place, clarify priorities and align resources to ensure sustainable delivery. • Develop a coherent, holistic story for this place, with your partners, and communicate it so that all can play their part. 	<p>Priorities urgently need to be revisited in light of capacity and better aligned with resources, at both service delivery and corporate level.</p> <p>Partners need better ways to navigate the Council's plans and intentions.</p> <p>Develop individuals in key roles, officers and members, to talk with confidence about the Council's aims for the area.</p>	<ol style="list-style-type: none"> 1. Confirm and agreed with Cabinet the Council's strategic priorities and reschedule delivery plans, up to December 2024. 2. Develop a narrative for place, based on the priorities. 3. Communication of priorities within the Council and to Partners. 4. Introduce a strategic relationship management approach to enable high level discussions when appropriate.

	<ul style="list-style-type: none"> • Strengthen the strategic approach on skills so it is broad-based, aspirational and local people can benefit from the large scale opportunities present in NE Lincolnshire. • Ensure the net zero ambition makes the most of all of the local opportunities and potential. 	<p>Develop skills in a more holistic way which supports health improvement across the borough.</p> <p>Better link up and connect business interests and the regeneration plans with SMEs.</p> <p>Improve engagement and reconcile all communities with our green regeneration vision, by developing a more overt story of NEL as a cutting-edge borough pioneering decarbonisation, which is innovating with a growing green economy for the benefit of current and future generations.</p>	<ol style="list-style-type: none"> 5. Lead officers for skills and health improvement to build this into the skills strategy and the evaluation/impact assessment, of delivery. 6. Build into actions above to enable SMEs to understand what is possible and how they might benefit. 7. Work with businesses and place leaders to develop a joint marketing strategy, to support a narrative for NEL which embraces innovation, the green economy and improve communities' perception of the opportunities open to them. 8. Ensure a green place USP is integrated in the vision for Children's Services and how children and young people are part of this future.
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<p>2. Organisational and Place Leadership</p>	<ul style="list-style-type: none"> • Raise the profile and understanding of equality, diversity and inclusion, internally and externally, to enable better business. • Learn from all of your experiences and areas of best practice. • Capitalise on being in the spotlight and the interest of Government. • Ensure clarity of risks and benefits of your strategic partnerships for NEL. 	<p>Bring insight into policies and practices from other organisations and partners.</p> <p>The integration of health and care in NEL is undoubtedly best practice- urgent and detailed discussion with the ICB to agree the scheme of financial and leadership delegation to place to sustain this position.</p> <p>The Council needs to ensure it maintains this focus and uses the leverage so that the maximum benefit can be achieved for its towns and communities.</p> <p>Think tactically and strategically about how it participates in the wide range of partnerships to maximise the impact of its engagement.</p>	<p>9. Build on EDI networks, in the workforce and community.</p> <p>10. Secure agreement with the ICB as soon as practicable</p> <p>11. Build and further develop post deep dive relationships with DLUCH</p> <p>12. Review external body representation, Councillors and officers.</p> <p>13. Align to strategic relationship management approach referenced above.</p>
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<p>3. Governance and Culture</p>	<ul style="list-style-type: none"> Overall the governance framework was strong, robust and is regularly reviewed. 	<p>To support the ambitious agenda and officer capacity the report suggests a review of the decision-making framework.</p> <p>Consider bringing together priorities, risk and targets in an overarching way so that the interdependencies are viewed and reported in one place, e.g. finance and performance.</p> <p>Better and more explicit use of data.</p>	<p>14. Review of the decision-making framework including the scheme of delegation.</p> <p>15. Develop a single finance and performance reporting framework</p> <p>16. Ensure evidence/data is included in the business development framework.</p>
<p>4. Financial Planning and Management</p>	<ul style="list-style-type: none"> Develop understanding of the fragile financial position across members and officers for current and future budgets 	<p>Financial governance overall is well regarded.</p>	<p>17. Regular all member training/briefings</p> <p>18. Team/service briefings on budget and financial performance</p>
<p>5. Capacity for Improvement</p>	<ul style="list-style-type: none"> Extend the reach and credible partnership working through leadership development for members and officers. 	<p>Review of the Member portal – Whatever is decided through the review needs to be clearly understood by everyone, reflective of available capacity and clearly communicated and monitored to determine how effective it is.</p>	<p>19. Build the learning from this review into workforce and member development plans.</p> <p>20. Conclude the review of the member's portal and report on outcomes.</p>

Actions 1, 2, 3, 10, 12, 17 and 18 will be prioritised in the next six months. All other actions will be progressed over the next 12 months. Progress will be reported quarterly to Cabinet as part of the performance management reporting arrangements.