

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Nathan Elvery, Head of Paid Service & Strategic Advisor

To: Joint Performance Monitoring Panel and Policy Development Panel – 29 June 2021
Full Council – 1 July 2021

Author: Nathan Elvery, Head of Paid Service & Strategic Advisor

Subject A new local strategic alliance for South-East Lincolnshire

Purpose: This report sets out the recommendations from Stage Two of the review of the future of the Integrated Shared Management Structure and Joint Working Arrangements for South Holland District Council

Recommendation:

That the Joint Performance Monitoring Panel and Policy Development Panel consider the information within this report (including the recommendations to Council, detailed below), and any recommendations resulting from the meeting be circulated separately to the Council for consideration and approval at its meeting on 1 July 2021.

Recommendations to Council:

1. To agree, in principle, to enter into a new South-East Lincolnshire strategic alliance with Boston Borough and East Lindsey District Councils, subject to the approval of the business case at a future meeting of the Council.
2. That the Council enters into an agreement with East Lindsey District Council under s113 of the Local Government Act 1972 placing that Council's Chief Executive, Rob Barlow, at the disposal South Holland District Council from 2 July 2021 and for the period necessary to prepare and present to a future meeting of South Holland District Council the following for decision:
 - Business Case for the proposed new local strategic alliance between South Holland District Council, Boston Borough Council and East Lindsey District Council;
 - A draft structure, Tiers 1-3, for the integrated shared management arrangements of the proposed new local strategic alliance between South Holland District Council, Boston Borough Council and East Lindsey District Council for the purpose of staff consultation; and
 - A Memorandum of Agreement to support the new local strategic alliance between South Holland District Council, Boston Borough Council and East Lindsey District Council.
3. That the agreement referred to in recommendation 2 above be subject to the key terms set out in paragraph 7.13.1 of this report.
4. That Rob Barlow undertakes the role of Chief Executive and is designated Head of Paid Service for the duration that he is placed at this Council's disposal under recommendation 2 above.

1. EXECUTIVE SUMMARY

- 1.1 A strategic review of the future of the integrated shared management structure and joint working arrangements for South Holland District Council (SHDC) was commissioned in October 2020. Stage One of the review independently appraised the existing arrangements between South Holland DC and Breckland DC. The Council approved on the 24 February 2021 [minute 81, recommendations 1-9] the preferred option of a new local strategic partnership and as a consequence South Holland DC has decoupled their relationship with Breckland DC, this was successfully achieved on the 1 May 2021.
- 1.2 As of the 1 May 2021 the Council has been operating with an interim structure, this includes vacant positions for the Chief Executive and Executive Director – Place & Delivery. Holding these positions vacant in the short term has increased the opportunity for South Holland DC to benefit from a future partnership and helped to accelerate the opportunity for a new shared management team within any new local strategic partnership arrangements.
- 1.3 Stage Two of the review programme, following approval on the 24 February 2021 for the preferred option of a new local strategic partnership within Lincolnshire, was a partnership exploration phase to explore and develop potential partnership opportunities for South Holland DC with councils within Lincolnshire.
- 1.4 This partnership exploration phase has now reached a conclusion and the next steps are set out in the recommendations of this report.
- 1.5 The pioneering spirit continues for the Council and the next steps are a natural evolution for the organisation, building on the wisdom, knowledge and experience gained over the last decade. This continued focus on evolving the Council will enable the best possible service and support provision to local residents, communities and places the Council is there to serve as demonstrated in the analysis contained within this report.
- 1.6 The Joint Performance Monitoring Panel and Policy Development Panel is requested to consider the information within the report, and any recommendations resulting from the meeting will be circulated separately to the Council for consideration and approval.

2. BACKGROUND

- 2.1 South Holland District Council has had a long standing and successful history of shared partnership working over many years.
- 2.2 The Council approved on the 24 February 2021 [minute 81, recommendations 1-9] the preferred option, as a conclusion of Stage One of the review programme, of a new local strategic partnership and has as a consequence decoupled the relationship with Breckland DC, this was successfully achieved on the 1 May 2021.
- 2.3 Shared management can act as a springboard for transformation, improve efficiency and service delivery and enhance the resilience and capacity of individual councils. A partnership can act as an enabler to impact on key outcomes for local communities and local places at a strategic level.
- 2.4 Stage Two of the review programme, following approval on the 24 February 2021 for the preferred option of a new local strategic partnership within Lincolnshire, was a partnership exploration phase to explore and develop potential partnership opportunities for SHDC with willing councils within the Lincolnshire geography.

Objectives of the Review Programme

2.5 The review programme has been organised into three distinct stages which support the key decisions which will be required by each Council at each of these key stages. These are set out in **Table 1** below.

Table 1 – Review Programme – decision timetable

Stages	Consideration	Decision Timeline	Progress
One – Future Option Appraisal	Preferred Option	24 February 2021	Complete
Two – Future Option Development	Partnership Direction	1 July 2021	In Progress
Two – Future Option Development	Business Case	July 2021	TBA
Three – Future Option Implementation	Implementation	September 2021	TBA

2.6 To support each of the key stages of the review programme the following analysis and deliverables have been agreed previously by each of the programme boards. The key deliverable for Stage Two is the subject of this report and recommendations and is set out in **Table 2** below.

Table 2 – Analysis and deliverables in support of the Review Programme

Stage One	Stage Two	Stage Three
<p style="text-align: center;">Future Option Appraisal</p> <ul style="list-style-type: none"> To build the 'baseline position' (cost/performance/outcomes) for both organisations from which to assess all future options. To develop the 'assessment criteria' to measure and assess all future options. To develop the options for comparison and appraisal. To complete an 'options appraisal' on the future of the Integrated Shared Management Structure based on the identified options for comparison. 	<p style="text-align: center;">Future Partnership Development</p> <ul style="list-style-type: none"> To explore the partnership opportunities for SHDC. To test and shape the partnership proposals for SHDC. To determine the partnership direction for SHDC. To develop a business case to support the selected preferred partnership. To identify the 'road-map' for the implementation of the selected preferred partnership. 	<p style="text-align: center;">Future Partnership Implementation</p> <ul style="list-style-type: none"> To develop an implementation plan for the selected preferred partnership as approved by all Councils.

Best Practice Model

- 2.7 The partnership exploration phase has been designed based upon the best practice examples of shared management and partnership models which have been developed over the last ten years. This has help to focus the engagement for the new local strategic partnership and the wider opportunities the partnership model could and should provide.
- 2.8 A series of 8 key steps for the partnership exploration phase have been developed from these best practice examples and have enabled the design of a simple model for decision-making and to provide clear structure to the Business Case which will form the next stage of recommendations to the Council, subject to Council approval of the recommendations contained in this report.

8 key steps to successful partnerships

- 2.9 The 8 key steps to successful partnerships have been identified as:-
- *Ambition*
 - To agree the scale and appetite of the ambition for the council in relation to a new local strategic partnership.
 - *Political Priorities*
 - To identify the key priorities for the new local strategic partnership.
 - *Political 'Red lines'*
 - To identify the scope of opportunity for the new local strategic partnership
 - *Opportunities & Benefits*
 - To identify the opportunities and benefits available through partnership working before committing to the partnership.
 - *Scope of Services*
 - To identify the scope of services to be included within the new local strategic partnership.
 - *Partnership Platform*
 - To identify the legal basis for the new local strategic partnership and appropriate governance arrangements.
 - *First Steps (Big or Small)*
 - To identify the road map for the implementation of the new local strategic partnership.
 - *Timeframes*
 - To establish clear timeframes for the partner organisations to work to, plan and align key decisions, communications and implementation.
- 2.10 Progress against these 8 key steps is set out in **Appendix 1**.

3. EVALUATION OF THE PREFERRED ALLIANCE OPPORTUNITY

South-East Lincolnshire Strategic Alliance

3.1 The proposal for a new local strategic alliance has identified 10 reasons why this would be the right choice for SHDC:



- i. Geography;
- ii. The Strategic Alliance is already delivering;
- iii. Building on an existing relationship – PSPS Ltd;
- iv. Financially sound, efficient and creative;
- v. Opportunity to deliver over £7m in savings for SHDC over a 10 year period;
- vi. Shared and common challenges – employment, skills, training, house building, flood defence;
- vii. Attracting significant levels of private sector investment to support growth;
- viii. Securing external funding;
- ix. Combined workforce of almost 1,000 – creates capacity to do new things; and
- x. Greater opportunities for workforce development.

3.2 The added value from the proposed alliance for SHDC includes:-

- A strong approach to tourism/visitor economy development and marketing;
- A team dedicated to reducing the Councils' impact on the environment and raising awareness of environmental issues;
- A strong track record of securing grant funding; and
- A specific work programme focused on helping people 'age better'.

3.3 The proposed alliance will enable all three council's to position themselves well for the future:-

- Devolution and Local Government Re-organisation;
- A stronger voice locally, regionally and nationally through the creation of 'South East Lincolnshire Strategic Alliance' identity;
- A collaborative approach to lobbying for resources to address common challenge; and
- The proposed alliance provides for the opportunity of a fourth Council.

New Local Strategic Alliance – evaluation criteria

3.4 As part of the partnership exploration phase potential opportunities have been assessed against the Council's original decision appraisal criteria for a new local strategic partnership. For ease of reference these are shown as **Appendix 2**. The evaluation of these criteria to the proposed alliance is set out in detail in this section of the report.

3.5 As shown in **Appendix 3**, using this original decision appraisal criteria, is the key focus of developing the potential alliance to provide additional resilience to the Council whilst

providing the opportunity for future efficiencies and improved effectiveness in the services provided to our local communities and places.

3.6 An important balance has been achieved in the alliance proposal contained within this report in that it enables a significant increase in resilience of each individual organisation by being part of a wider strategic alliance of organisations. This same alliance provides an alliance of opportunity for future financial benefits available to all organisations within the strategic alliance relationship.

3.7 It is important to note that the following section sets out the opportunities to South Holland District Council of the preferred proposal and is subject to the appropriate engagement, consultation, scrutiny and decision-making before any final decision takes place.

3.7.1 The information contained in this section of the report demonstrates the progress which has been made with the proposed alliance in support of the recommendations contained in this report whilst providing reassurance to support the decisions for a preferred option.

3.7.2 This information will be further refined for the purposes of the Business Case.

Capacity to the Democratic Leadership

3.8 Local councils are politically and democratically led organisations with their mandates supported and endorsed via local elections. Ensuring sufficient capacity exists within an organisation to deliver the policy pledges and commitments made to the electorate underpins the trust relationship and foundations of the democratic process.

3.8.1 The alliance proposal enables the following:-

- **A SHDC total management structure**
 - 23.8 FTE at an estimated cost of £1.430m per annum.
 - This is based on 5.8 FTE of the shared management team and 18.0 FTE placed based for SHDC.
 - The estimated cost of the shared management structure is £458k per annum and place based is £972k per annum.

- **A SHDC resilient management structure**
 - the proposal increases the senior management (Tiers 1-3) potential capacity by over 100% compared to the interim standalone arrangements. This is based on a current standalone establishment of 9 FTE compared 18.6 FTE of available resources within the strategic alliance. 2 FTE within the standalone arrangements are currently vacant (CEX and Executive Director).
 - In addition the shared management ratio of 5.8 FTE from a total establishment of 18.6FTE compares to 3.7 FTE from a total establishment of 8 FTE in the previous Breckland DC arrangements.
 - Resilience to SHDC will come from the availability of the DCEX and Assistant Directors across the alliance.

- **A SHDC shared management structure**
 - 5.8 FTE from a total team of 18.6 FTE shared in Tiers 1-3 across the proposed alliance.
 - This provides a total management team of 36.6 FTE officers compared to 27.0 FTE officers within the current interim standalone arrangements.
 - The estimated cost of the shared management structure is £458k per annum.
 - The proposed management structure will share the designated officer roles of Head of Paid Service, Section 151 Officer and Monitoring Officer on the basis of the population ratio: 31% for SHDC, 23% for Boston BC and 46% for East Lindsey DC.

- A shared leadership and management team will enable the following benefits to be achieved across the proposed alliance:-
 - **Cost savings and efficiency** – the main driver for shared management is the potential to get ‘more for less’, making cost savings while improving services through transformation and shared resources.
 - **Wider transformation** – shared management provides an opportunity to look at things from a fresh perspective and is often used to drive major transformation programmes to improve efficiency and effectiveness across a council’s services.
 - **Resilience and greater collective capacity** – at its most effective, cross-council collaboration is used to bring the best of both (or all) the councils together by combining their strengths, councils can deliver more efficient and effective public services while simultaneously increasing their sustainability and resilience.

Ambition

3.9 The scale and appetite of ambition is set by the political leadership of the Council and is reflected in the priorities of the Corporate Plan. The scale of ambition determines both the strategic capacity and strategic structure of the organisation ensuring the organisation is in tune with and can deliver the ambition of its politicians.

3.9.1 The alliance proposal enables the following:-

- **New Local Strategic Alliance** – the Council has already demonstrated the scale and appetite of its ambition through the decision to decouple from the previous partnership relationship and forge a new local strategic alliance. The evidence in support of this decision was contained in the Council report of 24 February 2021 [entitled Integrated Shared Management Structure and Joint Working Arrangements Review – Preferred Option for Breckland and South Holland District Councils].
 - The South-East Lincolnshire strategic alliance:
 - i. Serve a population of 306,919 residents¹
 - ii. A geography of 1,112 square miles²
 - iii. A workforce of 1,000 staff
 - iv. 122 democratically elected members

¹ Office for National Statistics 2019

² Standard Area Measurement published by the Office for National Statistics

- **Corporate Priorities** – the Corporate Plan for SHDC has an overarching strategic vision of ‘A place of prosperity, wellbeing and opportunity for all’. Within this overall vision are seven priority areas, these priorities will be better achieved in the proposed partnership:-
 - We are a council firmly rooted in our rural community;
 - Our main focus is around providing good-quality housing that everyone in our community can call their home;
 - We will work closely with other organisations to deliver services, bring them together or apply for national and regional funding to help local projects to support housing and employment growth;
 - Being good with our money means we can help keep Council Tax as low as possible;
 - To deliver services to our communities we have staff who are motivated and ambitious;
 - Our aim is to be more of a business partner to businesses; and
 - We also aspire to generate more money by taking a more commercial approach to the way we work and protecting front-line services.

Partnership of Place

3.10 The operating environment for local government has significantly changed and evolved since 2010. To achieve improved outcomes for local communities and places requires local government to work effectively with a range of partners in the public, private and third sectors in a complex partnership place-based environment.

3.10.1 The alliance proposal enables the following:-

- **Individual Council sovereignty** - combined with the opportunity to speak and influence as a single regional voice within Lincolnshire. Each council retains its own identity and priorities but with common goals and a shared commitment to manage financial and other challenges. The most successful partnerships are those that consider which approach might work best and adopt elements of it in one, both or all councils. This hybrid approach allows the best of each council to flow into the new alliance.
- **Partnership representation** – the proposed alliance provides the opportunity to co-ordinate partnership representation in a more effective and cost efficient manner for all councils. The combined voice and representation of a sub-region within Lincolnshire provides the opportunity to have a greater influence both locally and nationally in relation to priority alignment and to influence future policy direction within the partnership relationships to impact on the key outcomes which would make the biggest difference for the local communities within the sub-region.
- **Partnership co-ordination** – the last 18 months has demonstrated the importance of local government as a partner of place, the understanding and relationship with local communities combined with the local convenor role should never be underestimated. The alliance proposal further enables the development of the role of local government through the partnership relationships and network that exists between the councils and in turn the wider partnership relationships within Lincolnshire. This will avoid duplication of effort whilst providing the opportunity to engage with clear priorities and policies across all key partnerships.

- **Government engagement** – to be improved through combining the voice of the partnership at a national level and influencing outcomes as national policy translates to a local level. The ability to influence Government funding will be a key opportunity for the proposed alliance. The size and scale of the geography for the proposed alliance offers a meaningful opportunity to develop, test and implement new opportunities at a local level.
- **Sub-regional voice** – many of the challenges, and therefore opportunities, faced in each of the council's geographies are similar, the proposed alliance offers the opportunity to identify common priorities and formulate strategies and action plans to tackle these at a sub-regional level. The proposed alliance, combined with more effective partnership co-ordination and improved Government engagement, provides an increased opportunity of success in improving key outcomes for local communities and places served by the proposed alliance arrangements.

Places & Communities

3.11 COVID-19 has highlighted the critical importance of local government to their places and communities and the deep connections of understanding and relationship that are required to ensure community cohesion, resilience and community identity is nurtured, developed and supported at a local level.

3.11.1 The alliance proposal enables the following:-

- **Alignment of Strategic Priorities and Outcomes for the sub-region**
 - **Indices of Multiple Deprivation** – The indices of multiple deprivation are an important tool for identifying the most deprived areas in England. Local policy makers and communities can also use this tool to ensure that their activities prioritise the areas with greatest need for services. The opportunity to impact on the biggest challenges facing local communities is evident.
 - The IMD data is used at a national level to target resources, to form policy and strategy, as an analytical resource to support commissioning by local authorities and health services, and in exploring inequalities and to support funding bids.
 - The IMD data ranks 1-317 local authorities where 1 is the most deprived and 317 the least deprived in the comparative ranking.
 - The proposed alliance would be in a stronger, more influential position, to influence the national agenda.
 - The IMD ranking comparison across the proposed alliance across the rank of deprivation domains is shown in **Table 3** below.

Table 3 – IMD indicators local authority ranking for the proposed partnership

Indicator	South Holland	Boston	East Lindsey
Income	140	92	42
Employment	140	85	25
Education, Skills & Training	9	1	28
Health & Disability	171	113	53
Crime	285	237	247
Living Environment	228	135	85
Barriers to Housing & Services	123	180	137
Local Authority Rank	144	85	30

Table 4 – IMD indicators strategic priorities for proposed alliance

Indicator	South Holland	Boston	East Lindsey
Income	3	3	3
Employment	3	2	1
Education, Skills & Training	1	1	2
Health & Disability	5	4	4
Crime	7	7	7
Living Environment	6	5	5
Barriers to Housing & Services	2	6	6

- **Table 4** above demonstrates that the top three key strategic priorities for the proposed alliance should be focussed on the following areas to improve outcomes for local residents:-
 1. Education, Skills & Training
 2. Employment
 3. Income
 - **The building blocks for Prosperity³** – The United Kingdom Prosperity Index has been developed as a practical and policy-relevant tool to help identify what action will help to unlock prosperity in the UK. The Index is not designed to offer a definitive view, nor is it geared toward establishing the causal relationships that underpin our ranking of local authorities. Rather, it is designed to offer a helpful, data-led tool that organisations, agencies and people can use to inform their work.
 - The analysis ranks local areas from 1-379 where 379 has the greatest opportunity to create the building blocks for prosperity and 1 has more of these building blocks already in place for their local communities.
 - The comparison across the proposed alliance is shown in **Table 5** below.

Table 5 – The building blocks for Prosperity

Indicator	South Holland	Boston	East Lindsey
Inclusive Societies			
Safety & Security	129	166	190
Personal Freedom	290	290	290
Governance	5	6	3
Social Capital	79	116	122
Open Economies			
Investment Environment	234	254	299
Enterprise Conditions	346	375	146
Infrastructure	343	334	351
Economic Quality	301	358	354
Empowered People			
Living Conditions	194	152	182
Health	356	373	363
Education	328	321	324
Natural Environment	375	370	373
Overall Rank	310	333	318

³ The Legatum Institute – The United Kingdom Prosperity Index 2021

Table 6 – Priorities for the building blocks for Prosperity

Indicator	South Holland	Boston	East Lindsey
Inclusive Societies			
Safety & Security	10	9	8
Personal Freedom	7	7	7
Governance	12	12	12
Social Capital	11	11	11
Open Economies			
Investment Environment	8	8	6
Enterprise Conditions	3	1	10
Infrastructure	4	5	4
Economic Quality	6	4	3
Empowered People			
Living Conditions	9	10	9
Health	2	2	2
Education	5	6	5
Natural Environment	1	3	1

- **Table 6** above demonstrates that the key priorities for the proposed alliance should be focussed on the following building blocks for improved prosperity for local residents:-
 - Natural Environment
 - a. Waste Management
 - b. Flooding and Water Management
 - c. Forest, Land and Soil
 - d. Exposure to Air Pollution
 - e. Emissions
 - Health
 - a. Longevity
 - b. Physical Health
 - c. Mental Health
 - d. Care Systems
 - e. Preventative Interventions
 - f. Behavioural and Physiological Risk Factors
 - Infrastructure
 - a. Transport
 - b. Water
 - c. Electricity & Gas
 - d. Communications
 - Economic Quality
 - a. Labour Force Engagement
 - b. Dynamism
 - c. Productivity and Competitiveness
 - d. Macroeconomic Stability
 - e. Fiscal Stability
- In addition the area of Enterprise Conditions should be an area of focus for South Holland DC and Boston BC based on the strengths demonstrated within East Lindsey DC.
 - Enterprise Conditions
 - a. Domestic Market Contestability

- b. Business Environment
- c. Labour Market Flexibility

- **Government engagement and influence** – the degree of understanding informed by both the IMD indicators and the recent UK Prosperity Index 2021 will enable the proposed alliance to put forward a more compelling narrative for the sub-region for financial support, initiatives and national priorities for South East Lincolnshire.

Efficiency

3.12 Value for money remains a key determinant of resident satisfaction and therefore the relationship between the local taxpayer who pays and the Council who provides the services they receive remains as important today as it always has.

3.12.1 The alliance proposal enables the following:-

- **Scope of Services**
 - The scope of General Fund services proposed for the alliance enables the maximum opportunity for future improvements and savings by the inclusion of all services.
 - The HRA would be part of the proposed alliance to enable SHDC to showcase their housing services should BBC and ELDC wish to develop and manage properties and maintain the 'One Team' philosophy which underpins the alliance model. However, any potential HRA savings have not been included and would not initially be in scope for savings. Any change to this position would be a future decision for SHDC members. It is proposed that the staff who directly form the HRA at SHDC are not shared below the AD level enabling SHDC to continue to maintain 'place based' staff for this purpose.
- **Shared Management proposal compared to the Breckland Partnership Model** – the proposed alliance would deliver savings of £158,751 in a full financial year to SHDC compared to the cost of the previous partnership with Breckland DC. This is based on a population sharing ratio of 31% for SHDC, 23% for Boston BC and 46% for East Lindsey DC.
- **Shared Management proposal compared to the Standalone Council Model** – the proposed alliance would deliver savings of £299,926 in a full financial year to SHDC compared to the interim Standalone Council. This is based on a population sharing ratio of 31% for SHDC, 23% for Boston BC and 46% for East Lindsey DC.
- **Efficiency Opportunities** - a shared alliance will enable the following benefits to be explored to further reduce costs for all councils within the alliance:
 - Avoid duplication;
 - Secure economies of scale from greater utilisation of fixed assets;
 - Increase purchasing power that results in procurement savings;
 - Increase investment opportunity through pooled resources;
 - Adopt the best practice across the service delivery partnerships;
 - Opportunity to redesign services to better meet the needs of users;
 - Improve service performance across the service delivery partnerships;

- Opportunity to implement new ways of working and management arrangements; and
- More interesting, varied or specialised work for staff, aiding recruitment and retention.

3.12.2 The proposed savings achievable from the shared management arrangements will further protect front-line services during a continued and significantly challenging financial period for local government. Additional savings will be delivered through the effective management of starters/leavers (turnover and vacant posts) and the ability for specialist and management roles to operate across all partner Councils.

3.12.3 The proposed savings from within the alliance would be shared in the same population based ratio SHDC 31: BBC 23: ELDC 46.

3.12.4 Savings offer the opportunity to create additional capacity within the alliance to support the corporate priorities for each Council and across the proposed alliance.

Opportunity

3.13 The Local Government Sector is full of talented and skilled politicians and officers alike. To be an attractive employer in a competitive market requires an organisation to be focussed on the opportunity it can offer to and provide its workforce. Excellent councils are where officers and members work together with mutual trust and confidence.

3.13.1 The alliance proposal enables the following:-

- **Recruitment & Retention** – the alliance offers the opportunity to attract talent to the new alliance as well as retaining existing talent from across the partnership. There are no proposed redundancies for any member of staff from SHDC and the Strategic Alliance has a no redundancy policy.
- **Talent & Development** – the existing Strategic Alliance is committed to investing in the development of the workforce to ensure our staff; are equipped to do their jobs, has opportunities to develop as individuals, are retained, attractive as employers and access to succession planning and leadership opportunities.
- **Scale of opportunity** – to all staff by working across the alliance councils as a single workforce, this provides a range of opportunities to staff without the need to change employer or change location. This provides progressive development opportunities and broadens the experience for all staff within the partnership.
- **Scope of opportunity** – to all staff by working across different locations, local communities and local places this provides staff with a broader range of experience and provides clear opportunities to progress both within the individual Employer Councils but also across the wider partnership.

3.13.2 All staff will remain employed by their contracted 'Employer Council'.

Effectiveness

3.14 Remaining agile and responsive to the modern day demands of local government requires organisations to innovate and transform at ever increasing pace and scale. This requires both a pragmatic and long-term focus on the design, development and implementation of the organisation's target operating model (TOM).

3.14.1 The alliance proposal enables the following:-

- **Performance Improvement** – across the proposed alliance in two clear phases.
 - Initial improvement to the highest performance level of each council within and across the partnership; and
 - Secondly to then target the performance to the upper quartile of nearest neighbour benchmarks. The partner councils currently have a range of service performance across a range of services so this provides a real opportunity to improve service delivery for all local communities served and supported by the proposed partnership.
- **Total Estimated Annual Saving** – the proposed alliance has identified an estimated level of savings in Year 5 of £786k for SHDC subject to further business case development and political approval. This is a high-level estimate at this stage and will require further work and analysis to develop the business cases for political approval. However, at this stage it demonstrates the scale of opportunity for further efficiencies for SHDC. The estimated savings are calculated at a percentage of the General Fund employee related budget and therefore excludes at this stage non-employee based expenditure. The controllable budget for SHDC is £17.5m including employee related expenditure. The proposed savings represent just 4.5% of the controllable expenditure across a 5 year period demonstrating the potential remaining opportunity the proposed alliance has to offer.
- **PSPS Ltd** – all three councils have the five core services provided to them by PSPS Ltd, this includes Finance, Customer Contact, HR, Revenues & Benefits and ICT. This provides an opportunity to the alliance to accelerate transformation in this area of the business to ensure that all these services across the alliance are providing upper quartile performance in terms of cost and quality.
- **Placed based delivery** – to be maintained in SHDC through 18 FTE of senior officers (Tier 4) remaining placed based under the initial arrangements for the proposed partnership.

National Policies

3.15 Local Government exists in a centralised policy environment and thus should best position itself to respond to the new policy direction of any elected Government for the improved outcomes for its communities whilst being able to shape, influence and deliver the local policy agenda for the communities it serves.

3.15.1 The alliance proposal enables the following:-

- Quality of Life** – many aspects of our quality of life are influenced through a range of factors as indicated in **Diagram 1** below. The ability to positively influence all these factors for our local communities is fundamental if we are to enable improvements in the quality of life for our local residents. The proposed alliance offers the opportunity to do so at scale and across a wider geography. In addition by focussing on these influencers enables a more co-ordinated approach to national and local policy priorities, the shaping of new policy and the influencing of national policy from a local perspective in partnership across the sub regional geography.

Diagram 1 – Quality of Life Influencers



- Local Government Reorganisation (LGR)** – the current criteria for LGR & Devolution in an area are:

- Improve an area of local government
- Command a good deal of local support across the area
- Cover an area that provides a credible geography

Unitary size:

- Local identity
- Local geography – the size of the geography is a minimum of 300,000 population.
- Economies of scale



3.15.2 There are a number of identified options within Lincolnshire which would meet the criteria for LGR. The proposed alliance is aligned with a number of these possible options and therefore presents a potential future platform for LGR within the Lincolnshire region.

3.15.3 The population which would be served by the proposed alliance is 306,919⁴

- **Reform Agenda** – alongside the opportunity for LGR are a number of considerations proposed by the Secretary of State for Housing, Communities and Local Government which could be considered locally as an alternative to LGR, these include:
 - Merging district councils
 - Joint committees
 - Adopting joint plans
 - Sharing back-office services
 - Special purpose vehicles to promote regeneration
 - Delivering cost savings through efficiency measures and transformation programmes.

3.15.4 The proposed alliance offers an opportunity to enable a number of these options and therefore presents a further opportunity to SHDC beyond the considerations of LGR.

4. NEXT STEPS

4.1 Subject to the approval of the recommendations contained in this report the following areas would be further developed under the leadership of the Interim Chief Executive & Head of Paid Service for a future decision of the Council. This timeline remains ambitious, but given the progress which has been made over the last few months, is realistically achievable, and therefore would be considered at a future meeting of the Council.

- Business Case for the proposed new local strategic alliance between South Holland District Council, Boston Borough Council and East Lindsey District Council;
- A draft structure, Tiers 1-3, for the integrated shared management arrangements of the proposed new local strategic alliance between South Holland District Council, Boston Borough Council and East Lindsey District Council for the purpose of staff consultation; and
- A Memorandum of Agreement to support the new local strategic alliance between South Holland District Council, Boston Borough Council and East Lindsey District Council.

4.2 The timeline for the associated next steps is set out as **Appendix 4**.



served by One Team

⁴ Office for National Statistics 2019

5. REASONS FOR RECOMMENDATIONS

5.1 The recommendations are put forward for the following reasons:-

- To support the outcome of the commissioned review and the decision of Council to develop and implement the preferred option of a new local strategic alliance for SHDC.
- To support the future resilience of SHDC.
- To deliver future opportunities for improved efficiency, effectiveness and value for money for the local residents of South Holland.
- To provide the opportunity to positively impact on the priority outcomes for local communities and places.
- To provide an opportunity for a future platform for Local Government Reorganisation (LGR) in Lincolnshire.

6. EXPECTED BENEFITS

6.1 The expected benefits are outlined in the main body of this report.

6.2 A further Business Case will be developed for a future decision of the Council.

7. IMPLICATIONS

7.1 Carbon Footprint/Environmental Issues

7.1.1 The proposed alliance will reduce the travel patterns in comparison with the previous partnership arrangements through the use of technology and therefore have a positive impact on the carbon footprint for all Councils.

7.2 Constitution & Legal

7.2.1 The alliance will be governed constitutionally through a Memorandum of Agreement between the proposed alliance Councils.

7.2.3 Decisions relating to staffing matters, and in particular the terms and conditions of employment, are reserved to the Council by law and under our constitution.

7.2.4 Section 113 of the Local Government Act 1972 allows a local authority to enter into an agreement with another local authority to place an officer of one at the disposal of the other for the purposes of discharging the latter's functions.

7.3 Contracts

7.3.1 It is the opinion of the report author that there are no implications associated with the recommendations contained in this report.

7.4 Corporate Priorities

7.4.1 The proposed alliance will benefit all corporate priorities for all Councils within the proposed partnership. It will be important to prioritise these for the proposed alliance to ensure the full

benefit of partnership working is able to impact on the outcomes for its local communities and places.

7.5 Crime and Disorder

7.5.1 It is the opinion of the report author that there are no implications associated with the recommendations contained in this report.

7.6 Data Protection

7.6.1 It is the opinion of the report author that there are no implications associated with the recommendations contained in this report.

7.7 Equality and Diversity / Human Rights

7.7.1 It is the opinion of the report author that there are no implications associated with the recommendations contained in this report.

7.8 Financial

7.8.1 The recommendations contained within this report will help to respond to the financial challenges facing the Council as set out in the Medium Term Financial Strategy (MTFS).

7.8.2 **Table 7** below sets out the estimated savings from the proposed alliance for South Holland District Council over the period 2021/22 to 2024/25. These are subject to further decisions by the Council.

Table 7 – Medium Term Financial Strategy 2021/22 to 2024/25

General Fund	2021/22	2022/23	2023/24	2024/25
	£000's	£000's	£000's	£000's
Shared Management	175	300	300	300
GF Savings	131	224	355	486
Total	306	524	655	786

NB – subject to approval of the shared management structure and service integration proposals

7.8.3 The savings identified as part of the proposed structure will count towards the first year 5% target as set out above.

7.9 Health and Wellbeing

7.9.1 These are challenging times for our staff, the last 18 months have tested the resilience of all local authorities and our council is no different. During this time we have decoupled from a long term partnership with Breckland DC, for the majority of staff this was not only the decoupling of professional relationships but also the separation of long term personal relationships.

7.9.2 As we commence the next steps towards a new local strategic alliance it will be critically important to ensure we continue to support our officers and ensure they are kept well informed, engaged and consulted throughout this phase. Our staff are our greatest asset and we need to ensure we take good care of them and their health & wellbeing at this critical time.

7.10 Reputation

7.10.1 A joint communications workstream will be established across the proposed partner councils to ensure that the proposed alliance is able to respond to and engage with both internal and external interests in a co-ordinated way reflecting the key early stages of partnership working.

7.11 Risk Management

7.11.1 Partnership working is in essence built on a basis of trust, good leadership and good communication. Throughout the last 3 months this has been demonstrated by all. The next steps are not without risk but with the partnership experience, wisdom and knowledge of SHDC these risks can be minimised.

7.11.2 The alliance proposal has been developed, to this stage, to help inform the decisions recommended in this report. In addition the detail of the proposal has been developed to a sufficient level to ensure, in as much as possible at this stage, that the risks associated with the recommendations are minimised.

7.11.3 In order for a partnership to be successful, like any good relationship, it needs to be constantly worked on, nurtured and developed. The following areas are highlighted as the key factors which can hinder success based on case studies of unsuccessful partnerships. These should act as a constant focus for the new local strategic alliance :-

- Lack of clear and shared vision of the reasons for shared management
- A poor relationship or lack of trust between members, leaders or managers
- Concerns around the loss of sovereignty of a council
- Fears of a 'takeover' by one council
- A fundamental difference in the organisational culture of the councils

7.11.4 It is recommended that these factors are considered in the alliance governance arrangements on a regular basis.

7.12 Safeguarding

7.12.1 It is the opinion of the report author that there are no implications associated with the recommendations contained in this report.

7.13 Staffing

7.13.1 That the agreement referred to in recommendation 2 above be subject to the key terms as set out below:

- Under s113 of the Local Government Act 1972, the Chief Executive from East Lindsey District Council, Rob Barlow, will be at the disposal of South Holland District Council for 31% of his time and based on 31% of his cost based on salary and associate on-costs.
- The initial term will be for the period set out in recommendation 2 of this report.

- Rob Barlow has been consulted under the requirements of s113 of the Local Government Act 1972.

7.13.2 All senior managers (Tiers 1-3) have been informed of the proposed preferred alliance direction. All staff will be informed following the decision of the Council.

7.13.3 A series of regular staff engagement sessions will now be established to ensure we support our staff in the manner set out in paragraph 7.9.2.

7.13.4 The proposed alliance has a no redundancy policy.

7.14 Stakeholders / Consultation / Timescales

7.14.1 An initial engagement meeting with the Unions has taken place and a regular set of meetings will be established covering the period from decision to implementation.

8. WARDS/COMMUNITIES AFFECTED

8.1 All Wards directly or indirectly.

9. ACRONYMS

9.1 Not applicable.

Background papers:-

Lead Contact Officer

Name and Post:	Nathan Elvery, Head of Paid Service & Strategic Advisor (Interim)
Telephone Number	07540 707448
Email:	Nathan.elvery@s-holland.gov.uk

Key Decision: No

Exempt Decision: No

Appendices attached to this report:

Appendix 1: Model – 8 Key Steps

Appendix 2: Options Appraisal Criteria Descriptions

Appendix 3: Resilience and Savings Overview

Appendix 4: Partnership Review Roadmap – South Holland DC