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REPORT TO:	Council
DATE:	28 July 2021 (ELDC) / 2 August (BBC) / 29 July (SHDC)
SUBJECT:	South East Lincolnshire Councils Partnership
KEY DECISION:	N/a
PORTFOLIO HOLDER:	Leader of the Council – Councillor Craig Leyland / Paul Skinner / Gary Porter
REPORT AUTHOR:	Interim Deputy Chief Executive (People) – James Gilbert
WARD(S) AFFECTED:	All

#### SUMMARY

Boston Borough Council, East Lindsey District Council and South Holland District Council at their last meetings of full Council agreed in principle to the formation of a 3 Council Partnership to be known as the South East Lincolnshire Councils Partnership, building upon the foundations of the existing alliance between Boston Borough Council and East Lindsey District Council.

In making the in principle decision to support the South East Lincolnshire Councils Partnership, the current Joint Chief Executive and Head of Paid Service of Boston Borough Council and East Lindsey District Council, Rob Barlow, was placed at the disposal of South Holland District Council on an interim basis to produce the following documents for further consideration by each Council:

- 1) A Business Case for the South East Lincolnshire Councils Partnership;
- 2) A draft structure, Tiers 1-3, for the integrated shared management arrangements for the South East Lincolnshire Councils Partnership for the purpose of staff consultation; and
- 3) A Memorandum of Agreement for the South East Lincolnshire Councils Partnership to provide a framework for how the relationship between the Councils would be governed.

This report brings these documents back to Council for consideration and proposes the appointment of the Head of Paid Service, Monitoring Officer and Section 151 Officer - all statutory positions that require Council approval. The three roles would form part of the integrated shared management arrangements for the South East Lincolnshire Councils Partnership.

Alongside the production of the three key documents has been a programme of scrutiny and the findings of the scrutiny activity undertaken and associated recommendations are appended to this report to help inform the debate at Council.

#### RECOMMENDATIONS

1. To approve the business case (at Appendix A) for, and to approve entry into, a South East Lincolnshire Councils Partnership between Boston Borough Council, East Lindsey District Council and South Holland District Council.

2. To delegate to **INSERT** in consultation with the Leader, approval of the final terms for, and the signing and sealing of, the Memorandum of Agreement (draft at Appendix B) following due diligence.
3. That Rob Barlow becomes the Joint Chief Executive and Head of Paid Services of South Holland District Council, East Lindsey District Council and Boston Borough Council. Rob shall remain formally employed by East Lindsey District Council and East Lindsey District Council agree to place him at the disposal of South Holland District Council and Boston Borough Council under Section 113 of the Local Government Act 1972 effective from 3rd August 2021. Thereafter, East Lindsey District Council will contribute 46% of the cost of Mr Barlow's remuneration, Boston Borough Council will contribute 23% and South Holland District Council 31% of the same.
4. That Mark Stinson becomes the Joint Monitoring Officer of South Holland District Council, East Lindsey District Council and Boston Borough Council. Mark shall remain formally employed by South Holland District Council and **Boston Borough Council/East Lindsey District Council** agrees to him being placed at the disposal of this Council under Section 113 of the Local Government Act 1972 and formally designates him as Monitoring Officer effective from 3rd August 2021. Thereafter, East Lindsey District Council will contribute 46% of the cost of Mr Stinson's remuneration, Boston Borough Council will contribute 23% and South Holland District Council 31% of the same.
5. That Christine Marshall becomes the Joint Section 151 Officer of South Holland District Council, East Lindsey District Council and Boston Borough Council. Christine shall remain formally employed by South Holland District Council and **Boston Borough Council/East Lindsey District Council** agrees to her being placed at the disposal of this Council under Section 113 of the Local Government Act 1972 and formally designates her as the officer responsible for the financial affairs of the authority under Section 151 of the Local Government Act 1972 effective from 3rd August 2021. Thereafter, East Lindsey District Council will contribute 46% of the cost of Mrs Marshall's remuneration, Boston Borough Council will contribute 23% and South Holland District Council 31% of the same.
6. To authorise the Joint Chief Executive and Head of Paid Service to commence consultation immediately on the proposed integrated shared management structure (included in Appendix A) and subject to there being no material changes to the senior management structure following consultation with officers, delegated authority be given to the Head of Paid Service in consultation with the Council Leaders to implement the said structure and associated appointments from within the existing senior staffing partnership cohort (Tiers 2 and 3).
7. To establish a Joint Chief Officer Appointment Panel and a Joint Appointment Appeals Committee, with terms of reference as agreed and set out in the Memorandum of Agreement, and that the Monitoring Officer be authorised to make any necessary changes to the Constitution.
8. Council via its Overview/Scrutiny process to undertake a review of the Partnership after 12 months and to report back to Council.

#### REASONS FOR RECOMMENDATIONS

The Business Case demonstrates the opportunities the South East Lincolnshire Councils Partnership would create, including:

- the ability to work together to respond to and address shared and common challenges and opportunities at a local, corporate and sub-regional level across the south east region of Lincolnshire;
- to realise a combined financial opportunity of up to £42m if all service integration opportunities are embraced;
- to build on the existing and successful PSPS Ltd relationship and improve service effectiveness and efficiency;
- an opportunity to improve service delivery and resilience across the partnership;
- the sharing of expertise across the partnership;
- the chance to create additional capacity and increased resilience to do more for our communities;
- a stronger voice locally, regionally and nationally through the creation of a South East Lincolnshire Councils Partnership identity;
- to cement a solid foundation of partnership working ahead of the potential for devolution and local reform;
- the increased opportunity to secure external funding to enable the future prosperity for our communities; and
- greater career development opportunities for our workforce.

#### OTHER OPTIONS CONSIDERED

- **Do nothing** – the Councils could agree not to pursue the in principle decision to create the South East Lincolnshire Councils Partnership. This would significantly limit the opportunities for each Council which have been identified in the Business Case.

#### REPORT

##### BACKGROUND

1. In July 2020 Boston Borough Council and East Lindsey District Council formed a strategic alliance, which saw the creation of a shared management team across the two Councils.
2. In forming the alliance there was a clear ambition for both Councils to become more financially efficient in the way they operated through greater collaboration and since July 2020 the Councils have identified £1.2m in savings and remain on track to deliver a further £600k by March 2022. This means the Councils will achieve their initial target of £15.4m over the ten-year period.
3. Whilst there have been many notable achievements for the alliance in its first year, a key decision was taken on 15 February 2021 when Boston Borough Council agreed to become a shareholder in Public Sector Partnership Services Limited – a company now jointly owned by Boston Borough Council, East Lindsey District Council and South Holland District Council. This decision has provided significantly more resilience to several key services previously within the Borough Council.
4. During this time South Holland District Council has completed a strategic review of the future of the integrated shared management structure and joint working arrangements with Breckland District Council. The Council approved on the 24 February 2021 the preferred option of a new local strategic partnership and as a consequence South Holland District Council has decoupled their relationship with Breckland District Council, this was successfully achieved on the 1 May 2021.
5. This has provided an opportunity for all three Councils to explore the opportunity for a new strategic partnership in Lincolnshire and as a consequence of this opportunity have, in principle subject to the business case, agreed to establish a new partnership to be known as the South East Lincolnshire Councils Partnership.
6. Since the in principle decisions by each Council at their last meeting of full Council, Officers have further developed the Business Case for Member consideration. The Business Case provides the strategic, commercial and financial case for the creation of the South East Lincolnshire Councils Partnership.

7. The purpose of this report is to bring forward the Business Case for the South East Lincolnshire Councils Partnership, the governance arrangements in the form of the Memorandum of Agreement to support the Partnership and the proposed structure (Tier 1-3) to enable the sharing of senior staff within and across the partnership.
8. If the South East Lincolnshire Councils Partnership is to be formed, the participating Councils would continue to retain their own sovereignty and democratic accountability to their communities, as well as their own local decision making.
9. The Partnership would formally commence on 6 September 2021; with a further report back to each Council in October setting out the following:
  - the scope of services identified in Phase 1 Integration for the South East Lincolnshire Councils Partnership;
  - the identified scope of services as Phase 2 Integration for the South East Lincolnshire Councils Partnership;
  - and
  - the performance framework and the frequency of report for the South East Lincolnshire Councils Partnership to Council.

#### **BUSINESS CASE**

10. Members are presented with the Business Case at **Appendix A** to this report.
11. The South East Lincolnshire Councils Partnership would be ground-breaking in local government in the UK – it would serve over 300,000 local residents, with a partnership workforce of almost 1,000 officers, working across an area of 1,112 square miles and supporting 122 elected members.
12. The outline business case for the South East Lincolnshire Councils Partnership was approved by each individual council over the period of the 28 June, 30 June and the 1 July, this demonstrated a compelling case for South Holland District Council, Boston Borough Council and East Lindsey District Council to explore a more detailed Business Case for approval which is the focus of this report and recommendations.
13. In developing the Business Case detailed consideration and reference has been given to examples of successful partnerships which have been developed across the local government sector.
14. The establishment of the partnership has been split into three distinct phases (in more detail in Appendix A):
  - 14..1. Phase 1 - Set Up (April 22) – the first six months would see the development of an Annual Delivery Plan for each Council and the establishment of wider governance and performance arrangements within the Partnership.

14..2. Phase 2 – Accelerate (22/23) – a programme of service reviews would commence in order to seize opportunities created by the new partnership; along with a wider programme of policy development and alignment (where there is appetite).

14..3. Phase 3 – Embed (23/34) – a focus on ambitious growth.

15. Financial analysis that supported the Business Case’s development demonstrates that there is a financial opportunity of up to £42m available to the Councils collectively over the next ten-year period through their partnership working if all opportunities to integrate services (beyond a shared management structure) are embraced. Exploring wider service integration where it makes sense to do so will reduce pressure on the Councils’ budgets in the years ahead whilst also creating capacity to invest in local priorities to achieve better outcomes for communities.
16. In addition, through combined working, the Councils as a partnership will collectively have a stronger voice locally, regionally and nationally, when seeking resources to further their priorities. The South East Lincolnshire Councils Partnership provides an increased opportunity of success in improving key outcomes for local communities and places served. A number of sub-regional priorities have been identified which will focus on the biggest deprivation challenges facing our communities whilst identifying the biggest prosperity opportunities for our communities.
17. PSPS, as a company owned by all three Councils, is a particular strength for the South East Lincolnshire Councils Partnership and will enable the opportunity for accelerated improvements in efficiency and effectiveness across the partnership.
18. A key benefit of working together is in relation to our workforce. The partnership can better support the development of its officers, provide them with greater opportunities to broaden their skills and develop their knowledge and progress in their careers. At present each Council has a number of vacancies and struggles to recruit to some particularly technical professions, such as Building Control and Environmental Health. The South East Lincolnshire Councils Partnership will also make the Councils’ more attractive employers due to the scale of opportunity that can be provided for career development.
19. The Partnership has a commitment of no compulsory redundancy.

#### **MEMORANDUM OF AGREEMENT**

20. It is important to establish governance arrangements that provide an appropriate level of assurance to members about the performance of the Partnership and for the opportunity for members to set the political priorities. Since members will continue to be politically accountable it will need to be demonstrated that they retain the right to determine policy direction. The Memorandum of Agreement for the South East Lincolnshire Councils Partnership, at **Appendix B**, sets out the purpose and aims of the shared management and agreed areas of joint working and the

basis on which the Councils shall operate. More importantly it establishes the principles by which the relationship will operate, fundamental to the success of the Partnership:

- Trust, transparency, integrity and respect
- Effective working relationships
- Co-operation, collaboration and information sharing whilst respecting the confidentiality of the other Councils
- Accountability
- Openness to change
- Systematic and outcome focussed
- Respect of the commercial sensitivity of relevant data

21. By approving the Memorandum of Agreement, all Members and Officers are agreeing to co-operate with each other at all times in accordance with these principles.
22. Following further due diligence and legal advice, Council is asked to delegate the signing and sealing of the Memorandum of Agreement to **INSERT, in consultation with the Joint Chief Executive** and Head of Paid Service and the Leader of each of the partnership Councils.

#### **SHARED MANAGEMENT TEAM**

23. In most cases, the first step towards a deeper partnership is to share a chief executive and Senior Management Team. Members have previously agreed, on an interim basis, the sharing of a Joint Chief Executive for the purpose of developing the Business Case, Memorandum of Agreement and the proposed structure for Tiers 1-3 as contained in this report. The opportunity is to take forward proposals to share a wider Senior Management Team. This will make better use of limited resources and puts all councils in a stronger position to develop other shared roles or services that could make further efficiencies and improvements. Using this opportunity to review the management structure to reflect changing circumstances, opportunities and challenges helps position all councils for the future.
24. Once a joint Senior Management Team is in place, this will allow for sharing to filter down through the partnership and develop opportunities across all services within the partnership.
25. Each council will retain its own identity and priorities but with common goals and shared commitment to develop improved effectiveness and deliver further efficiencies to their local communities. The most successful partnerships are those that consider which approach might work best and adopt elements of it in one or all councils. The South East Lincolnshire Councils Partnership has this distinct opportunity through the comparison of three councils.
26. Therefore, the proposed steps for the South East Lincolnshire Councils Partnership are:
  - Shared Chief Executive and Head of Paid Service
  - Shared Designated Officers, Monitoring Officer and Section 151

- Shared Management Team (Tiers 1-3)
  - Phase 1 - review and opportunity implementation
  - Phase 2 - review and opportunity implementation
  - Phase 3 - review and opportunity implementation
27. The proposed structure (and the associated costs), which is set out in the Business Case at **Appendix A**, covers Tiers 1-3 (Chief Executive, Deputy Chief Executives and Assistant Directors). This is a draft proposal which will be subject to formal consultation with those officers impacted.
28. Dedicated HR support has been established to support the Partnership to successfully implement the proposals and to ensure enough resources are available to support all staff affected by the proposals.
29. In addition, it is proposed that the appointments identified in recommendations 3, 4 and 5 be made at this point to the statutory roles of Head of Paid Service, Monitoring Officer and Section 151 Officer across the Partnership:
30. The sharing of these staff and costs will be based on the population ratio apportionment which underpins the Partnership based on the following percentages: South Holland District Council 31%: Boston Borough Council 23% and East Lindsey District Council 46%.
31. Once consultation has concluded on the new structure, subject to there being no material changes to the senior management structure following consultation with officers, delegated authority be given to the Head of Paid Service in consultation with the Council Leaders to implement the said structure and associated appointments from within the existing senior staffing partnership cohort (Tiers 2 and 3). It is anticipated the consultation would commence once the Council decision has been taken (if approved), with the full structure being in place in advance of the Partnership commencing on 6 September 2021.

## **RISK MANAGEMENT**

32. 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.
33. 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 Partnership:
- 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

#### **FINANCIAL IMPLICATIONS**

In forming the Alliance there was a clear ambition for both Councils (ELDC/BBC) to become more financially efficient in the way they operated through greater collaboration and since July 2021 the Councils have identified £1.2m in savings and remain on track to deliver a further £600k by March 2022.

With regards to this new partnership the financial analysis that supports the Business Case's development demonstrates that there is a financial opportunity of up to £42m available to the Councils collectively, over the next ten-year period, through partnership working, if all opportunities to integrate services are embraced. Exploring wider service integration where it makes sense to do so will reduce pressure on the Councils' budgets in the years ahead whilst also creating capacity to invest in local priorities to achieve better outcomes for communities whilst allowing local sovereignty. In addition, the successes in each Council provide opportunities for further joint exploration and development looking forward.

Significantly, the Councils as a partnership will collectively have a stronger voice locally, regionally and nationally, when seeking resources to further their priorities. In addition, PSPS as a company owned by all three Councils, is a particular strength for the South East Lincolnshire Councils Partnership and will enable the opportunity for accelerated improvements in efficiency and effectiveness across the partnership.

#### **LEGAL IMPLICATIONS**

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. Any officer placed at the disposal of a Council other than his/her employer must first be consulted on the proposal. Once placed at the disposal of the non-employing authority, the officer is classed in law as an officer of that authority and is able to exercise powers delegated to him/her.

The partnership would be governed constitutionally through a Memorandum of Agreement between the Councils. There will also be a need to make certain constitutional changes (including, for instance, the creation of joint committees spanning all three councils).

#### **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

New technologies and ways of working provide the opportunity to reduce travel based carbon emissions across the proposed Partnership. The proposed partnership also has the potential to deliver greater climate change and environmental outcomes for the Councils and the communities they serve.

#### **EQUALITY AND SAFEGUARDING IMPLICATIONS**

None

#### **OTHER IMPLICATIONS**

It will be critically important to ensure we continue to support our officers and ensure they are kept well informed, engaged and consulted of developments. 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.

#### **CONSULTATION**

Each Council has undertaken its own member briefing sessions in regard to the South East Lincolnshire Councils Partnership.



**APPENDICES**

Appendices are listed below and attached to the back of the report: -

APPENDIX A	Business Case (including proposed structure for consultation)
APPENDIX B	Memorandum of Agreement
APPENDIX C	Joint BBC/ELDC Scrutiny Panel findings and recommendations
APPENDIX D	BBC Corporate and Community Scrutiny Committee findings and recommendations
APPENDIX E	Joint SHDC PDP & PMP Panel findings and recommendations

Commented [GJ1]: Not relevant for ELDC and BBC reports

**BACKGROUND PAPERS**

Background papers used in the production of this report are listed below: -

None

**CHRONOLOGICAL HISTORY OF THIS REPORT**

Name of body	Date
Council	28 <sup>th</sup> June 2021 (BBC) / 30 June 2021 (ELDC) 1 July 2021 (SHDC)

**REPORT APPROVAL**

Report author:	James Gilbert, Interim Deputy Chief Executive (People)
Signed off by:	James Gilbert, Interim Deputy Chief Executive (People)
Approved for publication:	Leader of the Council