



<b>REPORT TO:</b>	COUNCIL
<b>DATE:</b>	24 November 2021
<b>SUBJECT:</b>	<b>South and East Lincolnshire Councils Partnership</b>
<b>PURPOSE:</b>	To provide Council with an update on the progress of the Partnership in conclusion of the Setting the Foundations stage of the approved business case and to establish and recommend the key elements of the Set-Up stage for the Partnership.
<b>KEY DECISION:</b>	YES
<b>PORTFOLIO HOLDER:</b>	Lord Porter, Leader of the Council
<b>REPORT OF:</b>	Nathan Elvery, Joint Strategic Advisor
<b>REPORT AUTHOR:</b>	Nathan Elvery, Joint Strategic Advisor
<b>WARD(S) AFFECTED:</b>	ALL
<b>EXEMPT REPORT?</b>	NO

## SUMMARY

This report sets out the progress of the South and East Lincolnshire Councils Partnership since the approval of the business case by the partner Councils: East Lindsey DC, 28 July 2021, South Holland DC, 29 July 2021 and Boston BC, 2 August 2021. Further, it sets out a series of recommendations to Council in support and to enable the successful achievement of the Set-Up stage for the strategic partnership for South and East Lincolnshire.

## RECOMMENDATIONS

1. To note the progress of the South and East Lincolnshire Councils Partnership since approval by Council on the 29 July 2021.
2. To approve the Work programme priorities for the South and East Lincolnshire Councils Partnership for the Set-Up stage as set out in **Appendix A**.
3. To note the Performance framework and the frequency of performance reporting to Council for the South and East Lincolnshire Councils Partnership as set out in **Appendix B**.

4. To note the financial opportunities for the MTFS for each partnership Council to be developed as part of the budgeting setting process for each Council as set out in **Appendix C**.
5. To note the governance framework for the South and East Lincolnshire Councils Partnership and proposals for the scrutiny of the partnership on an annual basis.
6. To approve the employment terms and conditions (including the pay structure) for the Integrated Shared Senior Management Team as set out in **Appendix D**.

## **REASONS FOR RECOMMENDATIONS**

The recommendations contained in this report support and enable the successful achievement of the Set-Up stage for the South and East Lincolnshire Councils Partnership and build upon the progress already achieved from the Setting the Foundations stage as outlined in the approved business case.

## **OTHER OPTIONS CONSIDERED**

This report sets out the recommendations for the further development of the South and East Lincolnshire Councils Partnership in accordance with the approved business case and as such no alternative options have been considered given the commitment and support of each of the sovereign Councils to working in partnership with their partner Councils.

## **1. BACKGROUND**

- 1.1 Boston Borough Council, East Lindsey District Council and South Holland District Council agreed the formation of a three-Council Partnership known as the South and East Lincolnshire Councils Partnership.
- 1.2 The 1 October, Lincolnshire Day, marked the historic date for the 'go-live' of the Partnership. This has been achieved in less than two months from the Council decisions to approve the business case and is a huge achievement for all three partner Councils.
- 1.3 This report sets out the progress of the Partnership to date and the next steps for the successful achievement of the Set-Up stage of the Partnership.

## **2. REPORT**

- 2.1 This report sets out the progress of the South and East Lincolnshire Councils Partnership to date and the next steps for the successful achievement of the Set-Up stage for the South and East Lincolnshire Councils Partnership.
- 2.2 There are six recommendations contained within this report and this section of the report has been organised to provide information and background in support of each of the recommendations for Council, as follows:
  - Setting the Foundations.
  - Work Programme.
  - Performance Framework.

- Financial Opportunities.
- Governance Framework; and
- Employment Terms and Conditions (including Pay).

2.3 Each of the sections concludes with the recommendation being made to Council for ease of reference.

### 3. 'SETTING THE FOUNDATIONS' STAGE

3.1 The business case for the South and East Lincolnshire Councils Partnership identified and established four stages for building the partnership namely:

- Setting the Foundations.
- Set-Up.
- Accelerate; and
- Embed.

3.2 The progress for the first stage, Setting the Foundations, is the focus on this section of the report and demonstrates the successful achievement of this stage of the Partnership's development since the approval of the business case by Council on the 29 July 2021.

3.3 The progress of the Setting the Foundations stage as identified by the key deliverables in the approved business case is set out in **Table 1** below: -

**Table 1 – Building the Partnership: Setting the Foundation Stage**

Key Deliverable	Progress
<b>Commitment to the new South and East Lincolnshire Councils Partnership</b>	All partner Councils approved the business case and decision to form the three-Council Partnership known as the South and East Lincolnshire Councils Partnership.  The partnership has successfully deployed an external and internal communications strategy through the formation of a partnership Communications and Engagement workstream. This has quickly established the Partnership's identity both locally and nationally.
Establish the Partnership relationship and profile with external partners	In addition to the approved areas for building the partnership at this stage, the partnership has built external relationships and profile with a range of key external partners.
<b>Shared Chief Executive and Statutory Officers across the partnership Councils</b>	Council approved the appointment of a Joint Chief Executive and Head of Paid Services and the appointment of a Joint Monitoring Officer and Joint Section 151 Officer from 3 August 2021.
Establish the Partnership with the wider staff cohort across the three partner Councils	In addition to the approved areas for building the Partnership at this stage, the Partnership has established its identity across the staffing cohort within each of the three partnership Councils in support of the One Team philosophy for the Partnership.
<b>Establish a Stakeholder Group</b>	A Stakeholder Group has been established which includes the Leaders, Deputy Leaders and Finance Portfolio Holders, this group has provided political leadership and strategic direction on a weekly basis over the last two months since the approval of the business case. This has been key to the momentum and progress of the Partnership since the business case was approved by Council.

<b>Establish a Joint Appointments Panel</b>	A Joint Officer Employment Panel has been created which is advisory in nature and enables any decisions affecting any of the Councils to be made by their respective Employment Panel/Committee or Full Council, as appropriate. These decisions have been approved by Council as part of the Employment Committee and Other Constitutional Matters Reports presented by the Joint Monitor Officer for the Partnership.
<b>Appointment of shared officer team including T&amp;C's (where necessary)</b>	<p>The Integrated Shared Senior Management Team has been appointed (Tiers 2 and 3) from the 1 October 2021 (Lincolnshire Day) following approval for the Joint Chief Executive and Head of Paid Service to consult and implement the proposed structure as previously approved by Council.</p> <p>A subsequent consultation has taken place in relation to Terms and Conditions (including Pay) and forms part of the recommendations contained in this report for Council approval. This has been led by the Joint Strategic Advisor to ensure independence and to avoid any potential conflicts of interest which might otherwise arise.</p>
<b>Establish legal basis including Memorandum of Agreement</b>	A Memorandum of Agreement (MOA) between Boston Borough Council, East Lindsey District Council and South Holland District Council has been developed and signed (1 October 2021). This forms the basis for how the relationship between the partner Councils will be governed. Further details in relation to the supporting governance arrangements are set out in this report for Council to note and reference to the MOA is provided throughout this report to provide reassurance to all Members that the Partnership is fulfilling the responsibilities as agreed within the MOA.
<b>Establish Officer contact details for all Members and Partners</b>	<p>A contact book has been developed and shared with all Members and Partners which sets out the Member and Officer portfolios. This also provides all Members with the officer contact details following the creation of the new officer structure for ease of reference.</p> <p>This contact book will be updated as and when appropriate for the benefit of all Members of the Partnership.</p>
Development of joint strategies	The partnership has established a joint governance structure for the Partnership (referred to later in the report). Given the importance of our staff and our systems the first Boards, namely the Workforce/People Development Board and the Strategic ICT & Infrastructure Board are already in place across the partnership. These arrangements will bring forward partnership strategies in these key areas to support the aims and ambitions of the Partnership.

**NB** – key deliverables included in the approved Business Case are shown in bold, additional deliverables have also been achieved during this stage.

- 3.4 A scrutiny of the Strategic Alliance between Boston Borough Council and East Lindsey District Council has recently been undertaken (as committed to under the previous Memorandum of Agreement between the two Councils) and the observations and learning from this valuable exercise is shown in **Table 2** below. Whilst it is important to acknowledge that the scrutiny was focussed on the Strategic Alliance there is undoubtedly a valuable learning influence for the newly created South and East Lincolnshire Councils Partnership. Therefore **Table 2** identifies how the new Partnership will continue to grow and develop

following 'go live' on the 1 October 2021 and as it moves into the Set-Up stage of the Partnership's development building upon this experience.

**Table 2 – Learning from the Strategic Alliance Scrutiny**

Key Area	The Learning Influence
<b>That staff 'snapshot' surveys are reported to Overview / Scrutiny on a 6-monthly basis along with staff turnover figures, to monitor any significant changes.</b>	This will form part of the joint Workforce Development Strategy for the Partnership.
<b>Review the ICT roadmap priorities and ensure that shared email addresses for officers is given the highest priority.</b>	This will form part of the joint ICT Strategy for the Partnership.
<b>To develop a shared strategy to ensure that staff are valued and given opportunities to progress, with a view to enhancing recruitment and retention.</b>	This will form part of the joint Workforce Development Strategy for the Partnership.
<b>To better communicate to staff, councillors, and residents any relevant updates or priorities, and to celebrate the successes across the alliance.</b>	A single communications strategy has been developed for the South and East Lincolnshire Councils Partnership and is regularly being shared internally for Members and Officers and forms part of the external communications strategy.
<b>To provide opportunities for more collaborative working for all councillors, such as scrutiny panels, project groups, and other shared opportunities across the alliance / partnership, especially where there is commonality, e.g., licensing and planning policy.</b>	The Memorandum of Agreement sets out the current governance arrangements for the Partnership. The opportunity has been identified for collaborative working for all Members under the terms of reference for the Stakeholder Group and the Joint Strategy Board.
<b>To provide an opportunity for councillors to visit partner districts to meet other councillors and gain an awareness of the 'place' of other districts.</b>	<p>A programme will be established across the partnership Councils to support this objective and aligned to the priorities within the proposed Work Programme (<b>Appendix A</b>).</p> <p>An opportunity will be created for Members and Officers, as One Team, to '<i>get to know each other</i>' across the Partnership.</p>
<b>Move to an alignment of policies, e.g., procurement, climate change, and recycling.</b>	The Work Programme ( <b>Appendix A</b> ) of this report sets out a range of opportunities for the Partnership for approval by Council.
<b>To encourage the development of a strong sense of identity within the 3 areas of the alliance and the opportunities that they offer. This will help develop a sustainable, resilient, and vibrant economy and population.</b>	The Work Programme ( <b>Appendix A</b> ) and the supporting Performance Framework ( <b>Appendix B</b> ) have been designed to focus on the strategic opportunities for the sub-region and to provide a common purpose for the Partnership.
<b>To prepare a strategy so the partnership is fully prepared for the possibility of devolution.</b>	The Work Programme ( <b>Appendix A</b> ) has identified this area as one of the top ten strategic priorities for the Partnership.
<b>That the alliance should work together to lobby the government to ensure the financial sustainability of the IDBs on which the residents and the land of the 3 Councils heavily rely.</b>	The Work Programme ( <b>Appendix A</b> ) has identified this area as one of the top ten strategic priorities for the Partnership.

<p><b>To convene a shared scrutiny panel of the 3 Councils in the new Partnership at the end of the first and second year, to undertake a review of the Partnership and merged workforce.</b></p>	<p>This report proposes a joint annual scrutiny of the Partnership as part of the future governance arrangements of the Partnership based on the business case opportunities.</p>
---	---

3.5 Council is being asked to note the progress of the South and East Lincolnshire Councils Partnership since approval by Council on the 29 July 2021.

#### **4. WORK PROGRAMME**

4.1 The Memorandum of Agreement includes the following objectives of the South and East Lincolnshire Councils Partnership which are relevant to the Work Programme:

- *Acting together to develop, promote jointly and secure investment in strategic infrastructure that will benefit the three Council areas by assisting economic growth and regeneration, including, but not limited to roads, railways, flood defences and land drainage, educational, health and well-being infrastructure and acknowledging that East Lindsey District Council and Boston Borough Council have been awarded funding under the Towns Fund for Boston, Mablethorpe and Skegness.*
- *To provide opportunity and ease the transition to more joint commissioning of services and sharing resources where a business case supports such a decision.*
- *To provide more efficient and economical services to local people whilst maintaining or improving the quality of the services that are provided to them.*
- *To provide an operating platform which may have relevance for future devolved powers and/or Local Government structures.*

4.2 This section of the report sets out the approach, formation, and development of the first Work Programme for the Partnership since the approval of the business case.

4.3 In order to support the objectives of the Partnership, as outline above, a Work Programme, as shown in **Appendix A** has been developed for the following key reasons: -

- To seek engagement, identify priorities and provide direction for Members and Officers.
- To bring the Partnership to life.
- To deliver on the business case outcomes, both financial and non-financial; and
- To help direct and manage resources effectively and efficiently across the partnership.

4.4 The Work Programme has been guided by the following key parameters: -

- The Work Programme should have a short-, medium- and long-term focus.
- Activity should range between operational and strategic aims and objectives.
- The Work Programme should seek to benefit all partner Councils (including companies); and
- An underlying key driver is the ambition to achieve more from the partnership by working together for all our communities.

4.5 The Work Programme is set out in Strategic, Corporate and Local priorities based on the following simple but clear definitions across the newly formed structure of the Partnership:

- **Strategic** – a focus on the priorities with our external partners within Lincolnshire and nationally.
- **Corporate** – a focus on the priorities within the Partnership across the three partnership Councils; and
- **Local** – a focus on the priorities for each of the sovereign Councils which are supported by the Partnership.

4.6 The Partnership has established four new Directorates which support the delivery of the priorities contained within the Work Programme, for ease of reference the priorities are shown by these Directorates and are accountable to the relevant Cabinet Member in each of the three partnership Councils in accordance with their portfolio responsibilities.

4.7 **Diagram 1** below shows the strategic priorities for the Partnership which are included within the over Work Programme as shown in **Appendix A**.

**Diagram 1 – Work Programme Extract (Appendix A) - Strategic Programme**

<p style="text-align: center;"><b>Strategic Programme</b></p> <ul style="list-style-type: none"> <li>• The following slides identify the opportunities for the partnership building upon the existing corporate priorities for each sovereign council and the departmental structure of the partnership.</li> <li>• This slide highlights the strategic opportunities for the partnership.</li> </ul> 	<p style="text-align: center;"><b>South and East Lincolnshire Councils Partnership – Strategic Programme</b></p> <hr/> <p><b>The Strategic Programme (Top Ten) for the South and East Lincolnshire Councils Partnership:-</b></p> <ol style="list-style-type: none"> <li>1. Strategy platform for the Partnership focussing on improving outcomes for all communities across the sub-region (early focus on Transport and Infrastructure and Health &amp; Wellbeing);</li> <li>2. The strategic case for Devolution for the sub-region;</li> <li>3. Piloting opportunities with Government (Levelling Up Agenda – Education and Skills, Housing, Health);</li> <li>4. Place-based regeneration, including supporting infrastructure, across the sub-region of South and East Lincolnshire;</li> <li>5. Joint partnership approach to the Internal Drainage Boards;</li> <li>6. Co-ordinated partnership response to the Environmental Bill;</li> <li>7. Health and Leisure offer across the sub-region;</li> <li>8. Shared Service Opportunities across the partnership, including our strategic partnership with PSPS Ltd, to improve service efficiency and effectiveness;</li> <li>9. Workforce Development Strategy for the partnership; and</li> <li>10. ICT Strategy for the partnership.</li> </ol>
---	--

4.8 Council is being asked to approve the Work Programme priorities for the South and East Lincolnshire Councils Partnership for the Set-Up stage as identified in the approved business case.

4.9 These priority areas will then be further developed for future decisions of the individual sovereign Councils through each Council’s own decision-making governance arrangements.

4.10 Subject to the approval at Council of the proposed Work Programme a further refinement of the Financial Opportunities and Performance Framework will be required to support the achievement of these priorities.

## 5. PERFORMANCE FRAMEWORK

5.1 The Memorandum of Agreement includes the following objectives of the South and East Lincolnshire Councils Partnership which are relevant to the Performance Framework:

- *For each council individually to continue to exercise democratically accountable local government in their respective areas and have their own governance arrangements whilst sharing management of agreed internal and external services.*
- *To provide more efficient and economical services to local people whilst maintaining or improving the quality of the services that are provided to them.*

5.2 This section of the report sets out the background for the development of the Performance Framework for the Partnership, the progress to date and the proposed Performance Framework for the Partnership.

5.3 It is important to establish a sound basis of performance reporting and performance management to enable the Partnership to achieve the scale and appetite of its collective ambition. In turn the performance culture of the Partnership should help identify and shape future policy direction and help to inform the longer-term priorities of the Partnership whilst managing the short-term progress and success for the Partnership in support of its local communities.

5.4 **Diagram 2** below shows the overview of the proposed Performance Framework for the Partnership which is included in more details as shown in **Appendix B**.

### Diagram 2 – Performance Framework Extract (Appendix B) - Strategic Programme



5.5 An outline Performance Framework has been developed, as shown in **Appendix B**, which enables the regular reporting of the progress of the Partnership in the delivery of the proposed priorities for the Partnership, as shown in the Work Programme, and in turn will help to shape the future priorities for the Partnership.

- 5.6 The proposed Performance Framework has been designed for the Partnership itself and not as a replacement any performance reporting arrangements within the sovereign Councils themselves. The Performance Framework has been designed to include the existing performance reporting within the partnership Councils. As the Partnership develops and forges a closer strategic alignment the opportunity clearly exists to have a single Performance Framework serving each Council and the Partnership. A focus on both sovereign Councils and separately the Partnership is seen as advantageous at this stage of the Partnership's development and priority focus.
- 5.7 It is proposed that the Partnership reports on a six-monthly cycle to Council, covering the periods April to September and October to March. It is envisaged, that subject to the approval of the Work Programme contained in this report that the first performance report will be made in Quarter 1 2022/23 for the Partnership.
- 5.8 As the Work Programme has yet to be approved there is a recognised further need to develop the Performance Framework for the Partnership.
- 5.9 Council is being asked to note the Performance Framework and the frequency of performance reporting to Council for the South and East Lincolnshire Councils Partnership.

## 6. FINANCIAL OPPORTUNITIES

- 6.1 The Memorandum of Agreement includes the following objectives of the South and East Lincolnshire Councils Partnership which are relevant to the Financial Opportunities:
- *To provide opportunity and ease the transition to more joint commissioning of services and sharing resources where a business case supports such a decision.*
  - *To provide more efficient and economical services to local people whilst maintaining or improving the quality of the services that are provided to them.*
  - *To make financial savings to the combined staffing costs of the existing management structures.*
- 6.2 The business case demonstrated 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 fully 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 local communities within the South and East of Lincolnshire.
- 6.3 Each of the partnership Councils will be able to more robustly respond to the financial challenge each council faces, since the loss of grant funding, through the opportunities available through partnership working and in turn will be able to realign resources to better impact and influence the key services and outcomes for local communities across the partnership. The opportunity to save and invest in priorities is a significant opportunity for the Partnership.
- 6.4 This section of the report sets out the benefits which are available to the Partnership as per **Diagram 3** and the proposed programme of service review opportunities for the Partnership which will be taken forward as part of the budget setting process for each Council and to support the achievement of the MTFS for each council.

### Diagram 3 – Business Case Extract – Opportunities & Benefits

**Partnership – Opportunities & Benefits**

- The new strategic partnership opportunities and benefits can be derived from a number of sources.
- It is important to challenge the options with the identified sources of benefit so size the scale of opportunity and benefits available to the new strategic partnership.



South East Lincolnshire Councils Partnership – Opportunities & Benefits

A shared partnership will enable the following benefits to be achieved:

- Avoid **duplication**
- Secure **economies of scale** from greater utilisation of fixed assets
- Increase **purchasing power** that results in procurement savings
- Increase **investment**, for example, in more advanced IT systems, as partners’ resources are pooled
- Adopt of **best practices** across service delivery partnerships
- Opportunity to **redesign services** to better meet the needs of users
- Improve **service performance**, for example, improved response times
- Opportunity to implement **new ways of working** and management arrangements
- More interesting, varied, or specialised work for staff – aiding **recruitment and retention**.

6.5 The financial opportunities which could form part of the budget considerations of each of the Partnership Councils, based on the original business case which scoped the ‘controllable service expenditure’ of each of the Partnership Councils, is set out in **Appendix C**.

6.6 The phasing of these financial opportunities will be influenced by the Work Programme timeframes, subject to the approval of the Work Programme by Council. These opportunities will then be brought for approval within each sovereign council as part of each Council’s own decision-making governance arrangements.

6.7 Council is being asked to note the financial opportunities for the MTFs for each Partnership Council to be developed as part of their budgeting setting process and through each Council’s own decision-making governance arrangements.

## **7. GOVERNANCE FRAMEWORK**

7.1 The Memorandum of Agreement includes the following objectives of the South and East Lincolnshire Councils Partnership which are relevant to the Governance Framework:

- *For each council individually to continue to exercise democratically accountable local government in their respective areas and have their own governance arrangements whilst sharing management of agreed internal and external services.*

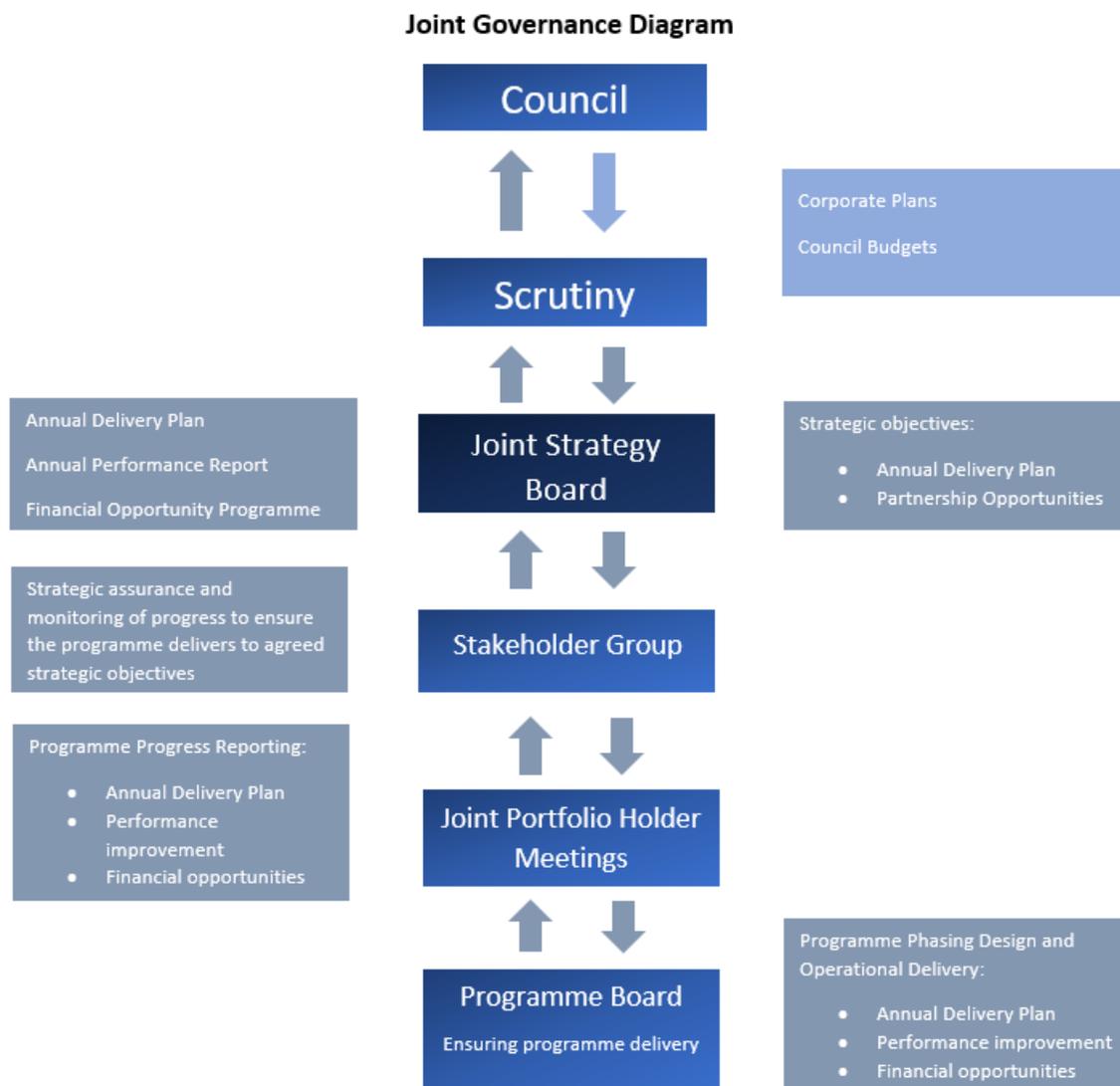
7.2 The objectives of the partnership are clearly set out in the Memorandum of Agreement and are reference in this report in paragraphs 4.1, 5.1, 6.1 and 7.1. To support the achievement of these objectives requires a clearly defined governance framework for the Partnership. This is shown, for ease of reference, in **Diagrams 4** and **5** below.

## Political Governance Framework

7.3 The political governance framework for the Partnership consists of:

- **Joint Strategy Board** - will be held to consider matters of interest, opportunities for joint working and any potential further joint working of the three partnership Councils.
- **Stakeholder Group** - which is responsible for overseeing strategic direction and assurance and monitoring of the programme across organisation, ensuring the programme delivers to agreed strategic objectives as set by the Joint Strategy Board.
- **Joint Portfolio Holder** - meetings will support the objectives of the Joint Strategy Board and the progress of the programme overseen by the Stakeholder Group.

**Diagram 4 – Partnership Governance Diagram (Political)**



7.4 All decisions associated with the Partnership will be taken within the constitutional decision-making arrangements for each of the sovereign Councils.

## **Joint Scrutiny & Overview**

- 7.5 The function of scrutiny within each of the partner Councils plays an important and key role within the overall governance arrangements for each of the partnership Councils and for the Partnership as a whole.
- 7.6 The approved business case demonstrated the opportunities for the South and East Lincolnshire Councils Partnership as:
- *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 southeast 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 and 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.*
- 7.7 It is proposed that progress on these identified opportunities form the basis of an annual joint scrutiny of the Partnership.
- 7.8 In addition to the above proposal the annual scrutiny would provide an opportunity for any additional areas that the scrutiny chairperson might wish to jointly consider recognising the strategic ambition and aims and objectives of the partnership overall.
- 7.9 It is proposed that the Joint Overview and Scrutiny Committee consists of the Scrutiny Committee Chairman, Vice Chairman and one additional Scrutiny Member from each of the partnership Councils.

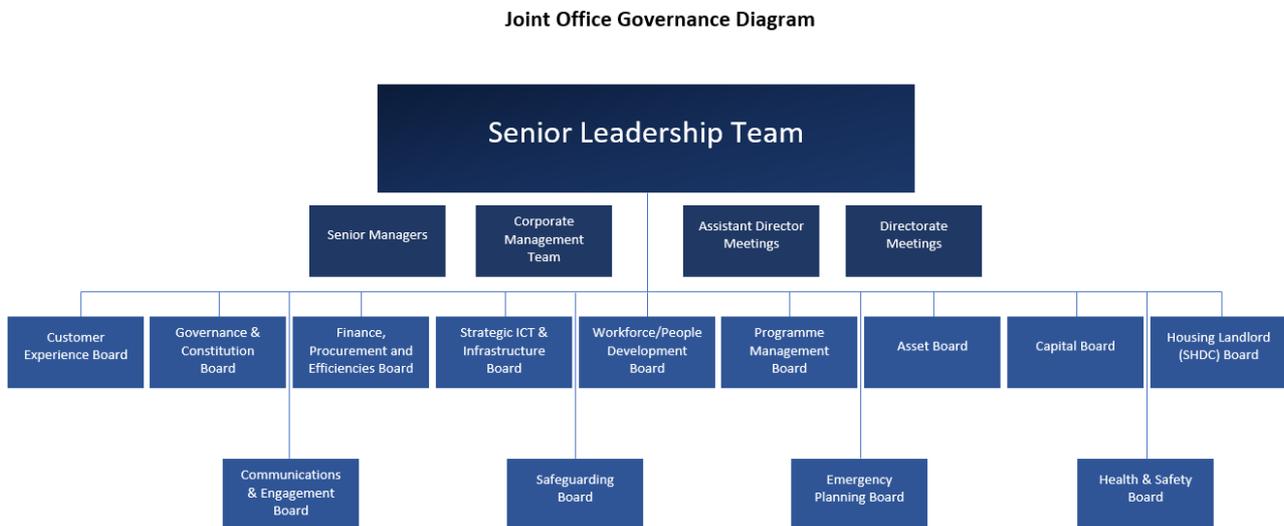
## **Local Government Association (LGA)**

- 7.10 The Partnership has been in regular contact with the Local Government Association in recognition of the importance that the South and East Lincolnshire Councils Partnership provides for the future of Local Government as a whole and in turn the support which can be provided by the LGA to ensure the future success of the Partnership.
- 7.11 As part of this on-going relationship the LGA will be working with the Partnership to undertake a Peer Review early in the New Year. This opportunity will help to provide Members with further reassurance as progress is made in the Set-Up stage for the Partnership and will undoubtedly offer additional insight and recommendations for the future success of the Partnership.

## Officer Governance Framework

- 7.12 In support of the political governance framework for the Partnership is the officer governance framework, this is designed to ensure the strategic objectives of the Partnership are effectively co-ordinated, delivered and achieved across the partnership Councils whilst at the same time ensuring these arrangements support the individual needs of the sovereign Councils.
- 7.13 The officer governance framework for the partnership consists of the following Partnership based boards as set out in **Diagram 5** below. These boards are overseen by the Senior Leadership Team and co-ordinated through the Partnership structure via the Corporate Management Team, Directorate, Assistant Director and Senior Managers meetings throughout the Partnership.

**Diagram 5 – Partnership Governance Diagram (Officers)**



- 7.14 Council is being asked to note the governance framework for the South and East Lincolnshire Councils Partnership and proposals for the scrutiny of the Partnership on an annual basis.

## **8. EMPLOYMENT TERMS AND CONDITIONS (INCLUDING PAY)**

- 8.1 The Memorandum of Agreement includes the following objectives of the South and East Lincolnshire Councils Partnership which are relevant to employment terms and conditions (including pay) of the Integrated Shared Senior Management Team of the partnership:

- *To provide adequate capacity and resilience to the three Councils so that they are individually and collectively better able to deliver on their priorities to local people.*
- *To create greater opportunities for the Partnership's workforce to develop their careers.*

- 8.2 The approved business case highlighted the requirement to review the employment terms and conditions (including pay) of the proposed shared officer team for the South and East Lincolnshire Councils Partnership in Section 2 – Building the Partnership. In establishing the Integrated Shared Senior Management Team, it is important to ensure the future resilience

of the team in terms of retention and providing greater opportunities for both the existing team and for the future recruitment needs of the Partnership. This is fundamental to the future success of the Partnership.

- 8.3 This section of the report sets out the proposals for employment terms and conditions (including pay) for the Integrated Shared Senior Management Team.
- 8.4 It has been important as part of the creation of the Integrated Shared Management Team arrangement that a review of the employment terms and conditions (including pay) has been undertaken to ensure that there is parity of pay for those undertaking the same or similar roles within the arrangements of the three partnership Councils. Ensuring that there is parity in the pay, terms and conditions will support the recruitment and retention aims and ambitions of the South and East Lincolnshire Councils Partnership whilst reducing the risk of any issues associated with a disparity of pay and/or terms and conditions of employment across the three partnership Councils.
- 8.5 All three partner Councils have achieved significant savings from the opportunity of integrating a shared senior management arrangement. **Table 3** below shows the original baseline (as separate Councils) of the cost of the senior management compared to the projected cost inclusive of the recommendations contained in this report. This equates to a **22.22%** saving across the integrated shared senior management team. This has made better use of limited resources and has placed all Councils in a stronger position to develop other shared roles or services that could make further efficiencies and improvements.

**Table 3 – Senior Management Team savings**

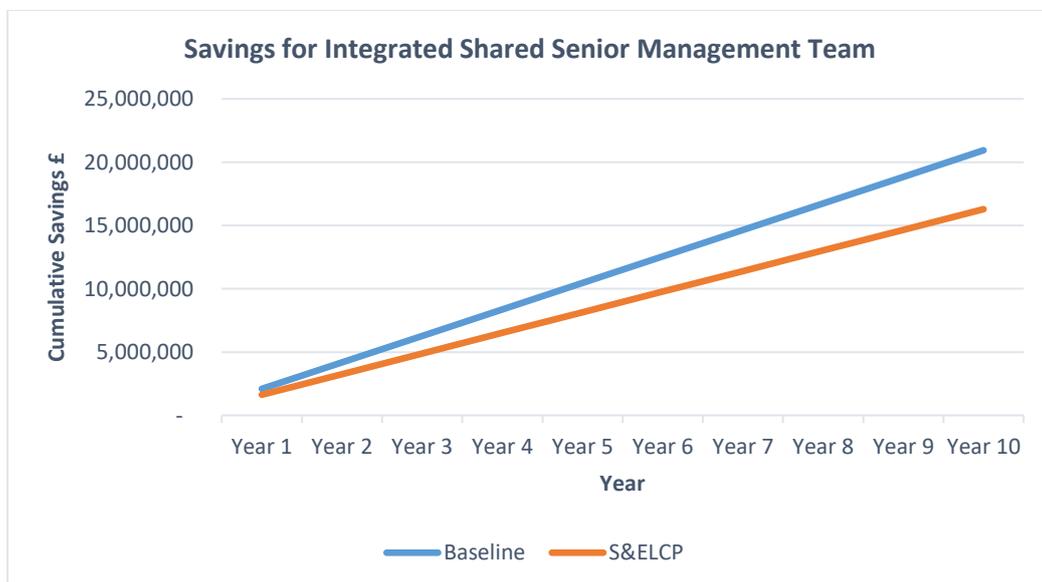
Senior Management Team	£
Original baseline cost	2,094,493
South and East Lincolnshire Councils Partnership	1,629,078
<b>Total</b>	<b>465,415</b>

NB – S&ELCP figures are based on salaries excluding on costs based on the proposals within this report.

NB – Original baseline cost figures are the total cost of the senior management teams prior to partnership arrangements.

- 8.6 The cumulative benefit of the senior management team integration over a ten-year period is **£4.65 million** as set out in **Diagram 6** below.

**Diagram 6 – cumulative benefit over a ten-year period**



## Pay Structure

- 8.7 There are currently three different pay structures in place across the three partnership Councils and there is a significant disparity between the earning capacities across the existing pay structures within the three partnership Councils. The recommendation contained in this report is for a single pay structure for the Integrated Shared Senior Management Team for the Partnership which addressed the issues and opportunities outlined in the paragraphs above.
- 8.8 A nationally based benchmarking exercise has been completed to review the pay structures for comparable<sup>1</sup> council partnerships with a view to setting a competitive remuneration package which seeks to both retain high performing employees, whilst ensuring it is sufficiently attractive to attract high calibre candidates if it becomes necessary.
- 8.9 There is a need to address the immediate issue of disparity in pay between the three partner Councils and to bring the remuneration for these roles in line from the start of the Integrated Shared Senior Management Team arrangement. It is therefore recommended that each sovereign council, as part of the Partnership, adopt the existing South Holland District Council pay structure from 1 October 2021, as set out in **Appendix D**.
- 8.10 The net on-going saving from the integration of the shared senior management team across the South and East Lincolnshire Council Partnership is **£465,415** and is the equivalent of a reduction of **22.22%** compared to the baseline senior team arrangements of the individual Councils prior to any partnership arrangements.
- 8.11 The employment terms and conditions (including pay) is applicable to the Council approved posts within the Integrated Shared Senior Management which are covered by Section 113 (1) of the Local Government Act 1972 which provides that a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter for the purposes of their functions, on such terms as may be provided by the agreement, the services and officers employed by the former. An officer placed by one local authority at the disposal of another remains employed by the first local authority.
- 8.12 Any future proposals for shared arrangements under Section 113 of the Local Government Act 1972 will be in accordance with the Memorandum of Agreement, section 6, paragraph 6.2 which will require the preparation of a business case for approval through each Council's own decision-making governance arrangements.
- 8.13 Council is being asked to approve the employment terms and conditions (including the pay structure) for the Integrated Shared Senior Management Team as set out in **Appendix D**.

## Employment Terms and Conditions

- 8.14 Parity for the employment terms and conditions is equally as important as the pay parity in aligning the contractual basis of employment for the Integrated Shared Senior Management Team.
- 8.15 A review of the current employment terms and conditions across the three partnership Councils has been completed and identified differences in all areas within the current terms and conditions of employment.

---

<sup>1</sup> This is a unique partnership of three Councils and comparisons have been focussed to two council partnerships.

- 8.16 It is important that at the start of the Integrated Shared Senior Management Team arrangements these employment terms and conditions are aligned across the three partnership Councils. The approach which has been adopted to resolve this has been to review and recommend the best aspects of each individual sovereign council's current employment terms and conditions and to provide a new package which reflects the best of all three partnership Councils to support the retention and recruitment for the Partnership.
- 8.17 Council is being asked to approve the employment terms and conditions (including the pay structure) for the Integrated Shared Senior Management Team as set out in **Appendix D**.

## **9. CONCLUSION**

- 9.1 Significant progress has been made since the approval of the Business Case for the South and East Lincolnshire Councils Partnership. This report sets out this progress and the basis of the future success of the Partnership's next stage, the Set-Up stage, to maintain this successful momentum and to ensure the Partnership can positively impact on the lives of all communities within South and East Lincolnshire.

## **10. EXPECTED BENEFITS TO THE PARTNERSHIP**

- 10.1 This report supports the aims and ambitions of the South and East Lincolnshire Council's Partnership which are contained in the main body of the report.

## **11. IMPLICATIONS**

### **12. SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP**

- 12.1 This report focusses on the progress and next stage for the Partnership which are contained in the main body of the report.

### **13. CORPORATE PRIORITIES**

- 13.1 The formation of the South and East Lincolnshire Councils Partnership supports the corporate priorities of the sovereign Councils. This will be reflected in the Annual Delivery Plans to be presented to a future Council meeting for approval.

### **14. STAFFING**

- 14.1 Recommendations for the employment terms and conditions (including pay) of the Integrated Shared Senior Management Team are set out in the main body of this report and included as **Appendix D**.
- 14.2 Staff and Unions have been fully consulted in relation to the proposed recommendations.

### **15. CONSTITUTIONAL AND LEGAL IMPLICATIONS**

- 15.1 The constitutional changes and arrangements for the successful implementation of Partnership have been approved by all three partner Councils as part of the Setting the Foundations stage of building the Partnership.

### **16. DATA PROTECTION**

- 16.1 The Partnership shares information and data once suitable data protection arrangements for the partnership have been established.

## 17. FINANCIAL

- 17.1 The business case demonstrated 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 fully embraced by each of the sovereign Councils within the Partnership. Exploring wider service integration where it makes sense to do so will reduce pressure on the Councils' budgets in the challenging financial years ahead whilst also creating capacity to invest in local priorities to achieve better outcomes for local communities within the South and East of Lincolnshire.
- 17.2 The financial implications associated with the recommendation for terms and conditions (including pay) are set out below.
- 17.3 In respect of the recommended pay structure proposals there is a financial implication of £32,134 for the period 2021/22, this excludes assumptions regarding associated on costs and staff within the LGPS pension scheme. The full year cost would be £64,268 per annum. This should be considered against the financial risk and reputational damage of not achieving pay parity across the Partnership.
- 17.4 The cost of the pay parity and equalisation of pay across the South and East Lincolnshire Councils Partnership would be shared in accordance with the agreed percentage ratios and thus provides the most economic means to address the issue and opportunity as per **Table 4** below.

**Table 4 – 2021/22 Pay parity and equalisation for the S&ELCP Integrated Shared Senior Management Team**

	£	BBC 23%	ELDC 46%	SHDC 31%
<b>Total</b>	<b>103,659</b>	<b>23,842</b>	<b>47,683</b>	<b>32,134</b>

NB - Figures are based on salaries excluding on costs to be consistent with Business Case.

NB – Figures are based on 6 months for the period 1<sup>st</sup> October 2021 to 31<sup>st</sup> March 2022.

- 17.5 The cost per individual post per partner Council within the Integrated Shared Senior Management Team is shown in **Table 5** below, this demonstrates a cost-effective method of achieving the aim of pay parity whilst ensuring the recruitment and retention offer from the partnership remains competitive.

**Table 5 – 2022/23 Pay parity and equalisation cost per individual post shared across the S&ELCP**

	Chief Executive £	Deputy Chief Executive £	Assistant Director £
<b>South Holland District Council</b>	<b>6,566</b>	<b>1,491</b>	<b>3,980</b>

NB - Figures are based on salaries excluding on costs to be consistent with Business Case.

NB – Figures are based on 12 months for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

- 17.6 There are opportunities to finance these costs in 2021/22 from in-year underspends and/or carry forwards from the previous year. Looking forward into 2022/23 these costs will form part of the budget setting process within each of the sovereign Councils.
- 17.7 This report is not seeking approval for the identified financial opportunities as these will be considered within the budget setting arrangements for each partnership council and through each Council's own decision-making governance arrangements.

## **18. RISK MANAGEMENT**

- 18.1 This report makes recommendations in relation to the terms and conditions (including pay) for the Integrated Shared Senior Management Team. These recommendations are made to address the risk of pay equality and parity across the Partnership which currently exists.

## **19. STAKEHOLDER / CONSULTATION / TIMESCALES**

- 19.1 Staff and Unions have been fully consulted in relation to the proposed recommendations in relation to the recommended employment terms and conditions (including pay) of the Integrated Shared Senior Management Team.

## **20. REPUTATION**

- 20.1 The South and East Lincolnshire Councils Partnership has established a positive reputation through the progress it has achieved in the Setting the Foundations stage of the Partnership. The recommendations included in this report, to support the Set-Up stage, are designed to maintain momentum and continue to build the Partnership and its reputation.

## **21. CONTRACTS**

- 21.1 Included within the Work Programme are opportunities for the Partnership which are achieved through a strategic focus on procurement. This will identify opportunities across the Partnership in relation to existing and new contracts.

## **22. CRIME AND DISORDER**

- 22.1 The Work Programme proposes the development of a Community Strategy for the Partnership which will incorporate Crime and Disorder.

## **23. EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**

- 23.1 None

## **24. HEALTH AND WELL BEING**

- 24.1 The Work Programme proposes the develop of a Health and Wellbeing Strategy for the Partnership.

## **25. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

- 25.1 A Climate Change Strategy is being developed for the Partnership.

## **26. ACRONYMS**

- 26.1 None

**APPENDICES**

*(If none then insert the word 'None' and delete the below text/boxes).*

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

<b>APPENDIX A</b>	<b>Work Programme</b>
<b>APPENDIX B</b>	<b>Performance Framework</b>
<b>APPENDIX C</b>	<b>Financial Opportunities</b>
<b>APPENDIX D</b>	<p><b>EXEMPT APPENDIX</b></p> <p><b>(Please note that the following appendix is not for publication by virtue of Paragraph 4 (Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority and employees of, or office holders under, the authority)).</b></p> <p><b>Employment Terms and Conditions (including Pay) for the Integrated Shared Senior Management Team</b></p>

**BACKGROUND PAPERS**

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

<b>Document title</b>	<b>Where the document can be viewed</b>
South and East Lincolnshire Councils Partnership Business Case	<a href="#">South East Lincolnshire Councils Partnership - Business Case</a>

**CHRONOLOGICAL HISTORY OF THIS REPORT**

A report on this item has not been previously considered by a Council body. This is being reported directly to Council to engage all Members.

**REPORT APPROVAL**

Report author:	Nathan Elvery, Joint Strategic Advisor
Signed off by:	Nathan Elvery, Joint Strategic Advisor
Approved for publication:	Lord Porter, Leader of the Council