

Peterborough City Council

Corporate Peer Challenge

12/13/15/19 & 28 July 2021

Feedback report



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1. Executive summary

Following the May 2021 elections, Peterborough City Council (PCC) is in No Overall Control (NOC) with a Conservative minority administration and a new Leader and in June 2021, the council's joint Chief Executive with Cambridgeshire County Council (CCC) announced her retirement. Without delay and to address these drivers, PCC engaged the Local Government Association (LGA) to deliver a Corporate Peer Challenge (CPC) in July 2021.

PCC also operate some shared service arrangements with CCC. In parallel to this peer challenge a separate CPC was also delivered in CCC by the LGA, enabling delivery of a joint diagnostic day focused on shared services.

PCC are one of the 10 councils that received [Exceptional Financial Support](#) (EFS) from Government during the pandemic in 2020. A condition of this support is that the Ministry of Housing Communities and Local Government (MHCLG) and the Chartered Institute of Public Finance and Accountancy (CIPFA) will undertake reviews of the council's Governance and Finances during the summer of 2021.

The council was an early adopter of the LGA Corporate Peer Challenge (CPC) using a new hybrid methodology consisting of virtual online diagnostic days with a focus on financial planning and management followed by on-site face-to-face meetings.

From the peer team's engagement, it was clear that officers and members from PCC are open, transparent, and welcome external challenge and scrutiny. They have been open about their financial situation, as they perceive it, and have worked to try and address the significant financial challenges they face.

In 2019 PCC started an extensive Financial Improvement Programme (FIP) and specialist consultants Grant Thornton were engaged to provide rigorous challenge to the council's baseline position, to forward forecast and to bring in best practice examples of service transformation and savings. With Grant Thornton, the council identified £11m of potential savings for 21/22 against a £14m budget gap and despite the impact of the pandemic, PCC continued delivery of these savings and transformation, resulting in £6.5m of the £11m staying on track for delivery in the current year.

Frontline staff and middle managers have worked tirelessly throughout the pandemic dealing with the Covid-19 impacts and the peer team received many examples of

'exemplary' projects as viewed by key stakeholders. Despite feeling weary, staff continue to be up for the challenge ahead and want to be part of the solution to help address the council's financial situation.

It was clear however that they are constrained by the council narrative of "we cannot do any more" and the council urgently needs to change this narrative and reframe it to harness the motivation of staff and ensure the whole organisation has a renewed focus on addressing the significant financial challenge.

Addressing the financial challenge will be extremely difficult, and the peer team urge all councillors (both the administration and opposition members) to come together under a shared purpose and alongside officers, work together to get a grip on the financial situation, make some very tough decisions and to have a forensic focus on driving out identified savings but also to consider wider strategic transformation.

To ensure PCC remain on track, there is a need to significantly improve the political oversight of the Financial Improvement Programme without making it overly bureaucratic. PCC must ensure that Cabinet have control of the financial situation and that the performance management framework in place supports this.

The shared Chief Executive arrangements with CCC has served both councils and the current Chief Executive is very well regarded. The landscape has changed and there is now an opportunity for PCC to appoint their own Chief Executive, to ensure the council has the required strategic and executive focus and capacity to rapidly address this challenging agenda.

PCC faces some immediate challenges and there is a need to act with pace. The council should therefore consider whether interim capacity is required.

With the council's ambitious growth agenda, PCC also require a renewed focus on Placemaking and the relevant strategic capacity to fully understand and address the impact of its Growth and Economy ambitions and how they will impact on its People's Services and subsequent plans for financial sustainability.

The peer team strongly advise PCC to develop a 3–5-year plan towards financial sustainability giving confidence to leaders across the place and fully considering the demand (not just financial) generated by the economic growth across Peterborough.

As the landscape has changed across the Cambridgeshire & Peterborough systems, there are now opportunities to provide greater strategic focus on place shaping

priorities and enhanced working with partners whilst clarifying the role PCC can play in the system. The capacity for driving this transformational change should come through a dedicated senior officer for PCC in this space.

Partners in Peterborough welcome the opportunity to reset relationships and the strategic direction, providing the opportunity to further collaborate and develop joined up strategic plans for place. There is an opportunity, with the new collaborative culture the Leader is keen to establish, to work alongside all councillors and partners in Peterborough, through a shared commission, to develop a new Place Vision for the City.

This Place Vision should have a focus on placemaking and provide clarity on the role of the council in the future, which will need to evolve to ensure it can deliver its financial challenges.

This will lead the council to develop a new Corporate Strategy, which needs to be aligned to the Place Vision with two key aspects:

1. An immediate focus on driving financial sustainability within the next 2 years initially
2. A longer-term focus on inclusive growth that leads to positive outcomes in medium term (3 to 5 years).

One element of potential savings and further service resilience is the shared service arrangements but across both PCC and CCC there is a mixed understanding and provision of 'Shared Services', with no unified approach or agreed target operating model. Shared service provision has been organic, evolving over the years through a business case driven process which is independent of an overarching strategic plan for shared services.

There are further opportunities to build on the current shared service arrangements for efficiency and further benefit realisation although to achieve that would require councillors from both PCC and CCC and senior management to review what the model is, what it could be and what the implications of changing the existing arrangements would entail, particularly in the wider partnership arrangements.

2. Key recommendations

There are number of observations and suggestions within the main section of the report but following completion of this corporate peer challenge the peer team recommend that Peterborough City Council should urgently:

1. Change your narrative – you can do more, and you can go further to deliver your saving plans.
2. Engage the whole organisation to ensure you have a renewed focus on delivering the savings plans - ‘one year at a time’ budgeting and reliance on one-off solutions to balance the budget should stop.
3. The council (all members and officers) must make some tough decisions, there is an urgent need to get a grip of the finances and undertake strategic transformation alongside other reductions.
4. Cross party member relationships have been poor so move forward positively from the previous political culture and build on the positive work of the new Leader. Consider a *shared commission to work together to drive this forward.
5. Ensure you have the corporate capacity to deliver the required savings. The shared CEx model has now been in place for several years but the landscape has changed during the period of the arrangements and there is now a need for sustainable capacity in the CEx role for Peterborough City Council. PCC also needs a strategic focus on Growth, People and Economy to deliver its Covid recovery plans. All this needs strong political leadership and the appropriate governance in place.
6. Develop a new Place Vision – Peterborough wide with all partners. Focus on placemaking and be clear on the role of the council.
7. Develop a new Corporate Strategy aligned to the Place Vision with two key aspects:
 - a) An immediate focus on driving financial sustainability within the next two years.
 - b) Inclusive growth that leads to positive outcomes in medium term (3 to 5 years).
8. Be clear to MHCLG. Your message should articulate the work undertaken and clearly demonstrate your planned actions towards financial sustainability.

Shared Service Recommendations:

1. Organise an independently facilitated workshop for both sets of politicians and senior management to explore:
 - a) All the options for shared arrangements and their relative pros and cons both for the councils and for their respective roles in the emerging ICS and in opportunities for Place shaping.
 - b) The implications of decoupling existing joint management posts.
 - c) The balance of shared management against the requirement for sufficient strategic capacity for each council
2. Develop a vision and roadmap for shared services which includes a strategic plan with clear oversight and clear benefits realisation.
3. Ensure that the strategic map respects the strategic directions of both councils and can deliver different policies across each council.
4. Consider developing the internal transformation team to own and drive the work in a consistent manner.
5. Enable senior political engagement with key health partners to improve understanding and drive joint work around the emerging ICS/ICPs.

3. Summary of the peer challenge approach

The Peer Team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected based on their relevant expertise. The peers were:

Core Peer Team

- Lead Member Peer – Cllr William Nunn - Breckland Council - Conservative
- Chief Executive Peer – Lyn Carpenter - Thurrock Council
- Member Peer – Cllr Rowena Hay - Cheltenham Borough Council – Liberal Democrat
- Member Peer – Cllr Sir Stephen Houghton - Barnsley Council - Labour
- Officer Peer – Polly Cziok - Strategic Director, Engagement, Culture, and Organisational Development - London Borough of Hackney
- LGA Peer Challenge Manager – Gary Hughes
- LGA Adviser – Kirsty Human
- LGA Project Support Officer - Suraiya Khatun

Shared Services (for Peterborough City Council and Cambridgeshire County Council)

- Simon Green - Deputy Chief Executive - North Lincolnshire Council
- Ben Plant – Director HR and OD - One Source
- Hilary Hall - Executive Director of Adults, Health and Housing - Royal Borough of Windsor & Maidenhead

Finance

- LGA Principal Adviser, Finance – Alan Finch
- Finance Adviser – Barry Scarr

Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement and due to the challenges faced by PCC the core issue of financial planning and management was imperative to the remaining areas:

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

PCC also asked the peer team to provide feedback on the following:

- a) The council had a capitalisation directive from government helping it to balance its budget for 2021/22. At the time of setting this brief, MHCLG were procuring arrangements to review the Council's finances during the summer. The council was concerned to advocate to MHCLG what support may be needed to achieve sustainability in its finances and welcomed a view from a peer team as to what that support might look like.
- b) The council is in no overall control and is being led by a Conservative administration who have published a draft corporate strategy before the elections which they plan to finalise in this municipal year. There is a need to examine this strategy against the council's financial challenges before it is finalised and approved by Cabinet.

- c) The council has a shared service with CCC. CCC's have a new joint administration who have signalled their intention to ask for a CPC to review the shared service, what it has achieved this far and what form it should take for the future to deliver the new administration's agenda alongside changes being made in the public sector more widely such as the new Integrated Care Systems. PCC similarly wishes to review the shared service and examine how it promotes resilience in its services and supports its financial position, particularly around its people's services i.e., Children's and Adult's

In addition, PCC values and supports the cultural diversity of the place and is keen to ensure all communities are cohesive and thrive. Peterborough has more than 100 languages spoken and more than a third of children in Peterborough speak English as their second language, so ensuring a cohesive and supportive environment is crucially important to the council and they welcomed a focus on Communities and Equalities as part of this CPC.

The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals or to undertake a forensic analyses of PCC's financial situation. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and reviewed this through a strategic lens.

The peer team prepared by reviewing a range of documents and information, including a Position Statement prepared by PCC, to ensure they were familiar with the council and the challenges it is facing.

The team deployed a hybrid approach with 3 days of virtual meetings and two days onsite, during which they gathered information and views from more than 45 meetings, in addition to further research and reading and met virtually and in person with over 230 people across the five days.

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

4. Feedback

Financial planning and management

For several years PCC have applied a significant amount of effort to address their severe financial risks. They have had several detailed financial reviews and external challenges and sought advice from national experts.

PCC's openness has been recognised and through the councils Financial Improvement Programme (FIP), PCC continue to deliver savings and transformation through their Rapid Intervention Team (RIT). The council has also retained a separate Section 151 Officer to provide them with dedicated focused capacity.

The FIP commenced in 2019 when forecasting work highlighted that the council would reach an unsustainable point by 2021. Grant Thornton was engaged to provide rigorous challenge to the baseline position, to forward forecast and to bring in best practice examples of service transformation and savings.

From the Grant Thornton work, PCC developed a programme of savings and transformation which would be delivered over a two-year period. Progress was underway when the pandemic hit and despite ongoing efforts it impacted on the delivery of these savings targets for 2021/22 with £6.5m of the identified £11m savings, against a £14m budget gap, still on track to be delivered.

In addition to the 2021/22 budget gap there is now a significant funding gap in the region of £26.8m for 2022/23 with PCCs general balance (reserves) standing at £55m or £20m if COVID funding is excluded. It is, therefore, clear that the previous and existing savings plans do not address the budget gap faced by the council.

When the peer team met with councillors and staff during the CPC it was evident that they felt it had done all it could and that there were no further options available to them. Staff felt disempowered with the peer team receiving the following quotes:

“We are trying to deliver too much, with not enough focus on what is really important”

“We are too broke to do anything exciting”

However, when the peer team questioned further it was clear that there are further options and staff felt that, if empowered and fully supported, they could and wanted to do more to deliver further savings – the motivation to continue to support the council was evident.

The council has not managed to set sustainable budgets in the past and has relied on short-term or one-off measures to balance the budget each year which has resulted in a lack of financial strategic planning. This is not sustainable and must cease now. Several years ago, PCC avoided decisions that had been taken in other places such as not to increase council tax by the maximum possible which has resulted in ongoing lost income. PCC should establish a clear Council Tax strategy for the next 4 years

In view of this and the ambition and determination shown by staff, the peer team urgently recommended that PCC reframe its narrative – there is more you can and should do to deliver council-wide transformation, drive further cost savings and work towards financial sustainability.

The on-going financial impact of the pandemic plus the investment needed as part of place recovery and impact of the council's ambitious growth plans are currently uncalculated and these latent costs present a significant risk to addressing the council's financial situation and need to be fully understood and considered.

The vision, ambition and priorities for Peterborough the Place must drive the council's Corporate Strategy and plans to address the financial budget pressures and establish the future operating model for PCC.

Everyone needs to be focused on the financial situation. All councillors (the administration and all opposition members) officers, partners and residents need to be united to develop a shared purpose for Peterborough the place and for the future of PCC.

The council should adopt a relentless focus on delivering the savings already identified, as well as actively pursuing new opportunities for further cost cutting measures and efficiencies.

The council needs to harness this enthusiasm and empower staff to consider what PCC will stop, do differently through different operating models or continue with transformation – all focussed on driving efficiencies.

From this there is an urgent need for a robust and rigorous plan to give all councillors, staff, partners, and stakeholders, including MHCLG confidence that any support provided will lead to longer term financial sustainability.

Local priorities and outcomes

Peterborough has some fantastic opportunities. It is well connected with rail travel into London taking less than 40 minutes. It is one of the UK's fastest growing cities, with a population of over 202,000, a 13% increase since 2009 and one of the most diverse with over 150 languages spoken.

The council demonstrates a strong approach to the delivery of growth-related programmes and projects with some significant success in attracting external funding including:

- a) Town Deal - £22m
- b) Levelling Up Fund - £20m
- c) Community Renewal Fund - £3m

In addition, the establishment of the Peterborough Investment Partnership (PIP) has secured planning for a major £120 million redevelopment on a prime riverfront site and with a new ARU Peterborough University opening in 2022.

The council has also delivered on building new homes. In the past year a total of 1,145 new homes were completed and Peterborough has averaged more than 1,100 new homes per year for the last five years.

But with these opportunities and the significant growth comes huge challenges for the council, with demand for services increasing at an unprecedented rate along with increased complexity of cases. There is an urgent need to fully understand the demand (not just financial) that is being generated and will be generated in the future by economic growth across the City.

The council has a good understanding of the City and particularly in the People's Directorate use data to inform and shape services for Children, Adults and Health. The local context is comprehensively understood and is supported by insight from partners and stakeholders. This has been particularly strong through the pandemic.

A joint strategic needs assessment is led by Public Health with support from the council's research team and there are established forums and mechanisms for performance management, however the current framework does not currently provide the opportunity to consider strategic performance, progress, and outcomes across the whole organisation.

There is a need to ensure councillors and senior managers have oversight on the collective organisational performance, with a particular focus on the financial situation, to ensure robust challenge, scrutiny and informed decision making.

Children's Services in Peterborough perform well with a current OFSTED rating of Good. A recent [focussed visit](#) identified that PCC is a conscientious corporate parent and looks after most children in its care well.

Adults Services are also performing well and both services use dynamic dashboards to track information and performance daily.

The council adopted its [Local Plan](#) in 2019 and an overview of PCC's headline performance can be found on [LG Inform](#).

The 'Think Communities' pilot has been largely welcomed by community partners and further demonstrates PCC's ambition to engage at local and place level. PCC should evaluate the current 'Think Communities' pilots to build on the learning so far and ensure future delivery models and plans are congruent with the administration's ambitions before embedding further.

The new administration is committed to working with all Members, partners, and people in Peterborough to review the council's corporate priorities considering the impacts of the pandemic and the council's financial position.

The peer team therefore recommend that PCC's immediate priority must be addressing its financial situation with the whole organisation having a renewed focus on delivery of the savings plans. There is a need to take some very tough decisions, and a need to balance strategic transformation alongside continuing departmental reductions.

With all councillors and partners engaged you should clarify a vision for place, providing clarity on what type of place Peterborough wants to be? And most importantly what type of council is affordable? There is a need to bring this to life and develop a long-term vision for the place and your corporate narrative within that.

And finally, to make this work you need a 'golden thread' between your new Place vision, corporate plan, priorities, budget, service plans and appraisals, so that staff across the organisation understand their role in delivering the savings plans and feel empowered to do so.

Organisational and place leadership

The Chief Executive has established positive and valued relationships across partnerships with trust and respect from both staff and partners. We heard that

“Partnerships are strong, and we engage with the council and build plans together.”

The leadership role the council is undertaking with Health and Social Care integration and the Integrated Care Systems and Partnership (ICS and ICP) was cited as effective and having a positive impact.

The Chief Executive actively engages departments and directors to work on potential savings opportunities and actively seeks their input and there are examples of effective internal communications channels from the top team.

There is also recognition that the new Leader wants to bring a different culture of listening and collaboration to Peterborough and this is welcomed.

The new political leadership and the future changes at Chief Executive level create a real opportunity to reset and rebuild different relationships with the Combined Authority, Cambridgeshire County Council and District Councils. Sustainable capacity in the Chief Executive role needs to be established to enable this to happen and to deliver the required savings programme for Peterborough. The shared CEx model has worked well, but the landscape has changed during the period of the arrangements and the council now needs its own Chief Executive and Senior Management capacity.

PCC also requires a strategic focus on Place, Growth and Economy. The council needs to step-up and lead this agenda and in doing so needs sustainable, increased capacity to drive this important agenda for Peterborough.

Strong political leadership across the council will also be needed to deliver your financial savings, accompanied by appropriate and effective governance and a strong management grip. Consider establishing a ‘shared commission’ to develop a Place Strategy and from this complete the council’s corporate strategy and align this with your partners to deliver this strategy, demonstrating the collective narrative of Peterborough the place.

Through the shared commission you should also look to develop a community engagement strategy to get wider ownership and better engage your communities.

There is also an urgent need to enhance cross party member scrutiny and oversight of the savings programme and how shared services can continue to contribute to this agenda.

Internally staff feel supported in the organisation and welcome the proactive approach taken in supporting their wellbeing. Despite them feeling 'weary' from the work during the pandemic, they are enthused and resilient and looking to continue to support the delivery of savings across the council. The peer team did hear concern from partners about the future of partnerships with PCC and how the financial situation may negatively impact upon them. This is unsettling and the council urgently needs a stronger more positive narrative regarding its financial situation.

The council has positive and effective relationships with some communities through the cohesion team and 'Think Communities' programme but it needs reviewing before embedding any further.

Many partners highlight the need for PCC, with the Combined Authority, to play a stronger and significant leadership role in economic development. This is particularly important when considering large scale national programmes such as the Oxford Cambridge arc spatial framework.

Governance and culture

As mentioned in the previous section there is recognition that the new Leader wants to be bring a new culture of listening and collaboration to Peterborough. It is however 'early days' and this needs to be followed through by actions as there are bridges to build.

The peer team heard examples of a previous culture of 'toxic and nasty' cross party member relations and behaviour, with some councillors feeling stressed and burnt out by it all.

PCC should move forward positively from the previous political culture and build on the positive work of the new Leader. There is an urgent need to engage all members on the financial issues and those that matter to Peterborough the place. It is also important that cabinet have oversight and control of the council's financial situation.

There is considerable work required to achieve this, and the peer team recommend that a shared commission would help support this.

We also heard of positive member and officer relationships on a day-to-day basis with members keen to get involved and some cross-party engagement. However, we would question whether members are focussing on the right issues, in particular the financial situation.

There needs to be a strong political focus on delivering the required savings and demonstrating this to its residents and stakeholders such as MHCLG. The council must not shy away from making some very difficult decisions. All delivery models need to be reviewed, to ensure they are fit for the current purpose and structured to ensure efficiencies can be delivered. If they are not, changes should be initiated with urgency.

Scrutiny is not viewed as fully effective, but it has a significant role going forward. We heard of decisions being made on charging for green waste and grass cutting, which were all shaped by Scrutiny, but the council needs to further include Scrutiny in more strategic and priority issues, and it could be enhanced through engaging all members across the council more successfully and sharing Chair roles.

Capacity for improvement

The council's positive response to the pandemic has been supported by some effective communication, agile IT, joined up council services and new approaches to service delivery and partnership working.

There was an excellent response to the pandemic from staff, partners and the community. The work in supporting those most affected by the pandemic through the Countywide and Peterborough Coordination Hubs were given as positive examples of this. Community capacity was harnessed well, and PCC used community leaders to deliver communications on covid in 30+ different local dialects.

The pandemic has been a stimulus for new ways of working within the organisation, and with partners and the community. Learning and reflections from the past 16 months should be further built upon to provide a positive platform and increased capability to address the future financial and transformation challenges. Take the

best of what has served you well and amplify the application of those performance attributes to future work programmes.

PCC and CCC are running an apprenticeship scheme to grow their own staff to enable difficult posts to be filled. The Social Work Degree Apprenticeship Programme supports a consistent offer across both councils. Consensus was achieved on eligibility criteria across both organisations, and both are using the same university to deliver the learning. The benefits of joining up facilitated increased interest from universities to deliver a programme that aligned to PCC's time scales and ambitions. If each organisation had progressed this separately, neither could have released the staff numbers required to secure a provider.

The above is an example of where this shared approach has worked well. There are examples of other areas where there was evidence that it had reduced capacity.

Further capacity and service delivery improvement needs to be realised through developing the current shared service model. Agreeing the strategic vision and direction for shared services will determine the extent of future investment and depth of shared service provision. Shared systems and data and agreeing a more consistent delivery framework through a target operating model for wholly shared service arrangements, would need to be explored to appraise the future benefits and opportunity for improvement and efficiency.

Strategic corporate capacity is urgently required in PCC. There is a need to ensure the council has the required strategic capacity to deliver both its Growth Strategy and Financial Plan for the City. There needs to be a singular focus and the appropriate executive capacity.

PCC should strengthen the corporate focus of its officer leadership team. The peer team advise PCC to consider whether interim capacity is required to fully understand and take clear control of all the differing contracts, plans, strategies, savings, and corporate performance. The council should also consider whether any outsourced services could be reframed/renegotiated to provide additional capacity.

One area that requires immediate attention is the relationship between PCC's ambition for Growth and the latent impact this will have on its People's Services. We heard cited that Adults and Children's Services are aiming to manage increased demand within existing resources (although are concerned about the unknown

impact of Covid) but received no evidence to demonstrate this. PCC therefore need to urgently understand the implications of its growth plans and develop an integrated, joined up strategy between Growth and People.

Communities and Equalities

PCC has an excellent relationship with its voluntary and community sector. Community partners felt listened to and well connected. They described the Covid response as 'exemplary' and agreed that the pandemic had strengthened and deepened relationships.

There was good evidence of working with the sector and of co-production, especially in health and social care, and enthusiasm from partners for the 'Think Communities' work.

Parish councils felt grateful that PCC had not pushed service delivery or responsibility onto them, although they did feel that the council was focused on its ambitions for its urban areas rather than the one eighth of the population living in surrounding rural areas

As an employer, PCC shows a strong commitment to Equalities, Diversity and Inclusion (EDI) in principle, and is making efforts to embed this in management training and organisational culture. It was widely acknowledged that the council's workforce, especially at a managerial and senior management level did not adequately reflect the diversity of the local population. There are ambitions for a local recruitment campaign to attract more diverse local people to apply for roles, but this has not yet been translated into a fully worked up strategy or action plan

PCC engages well with community groups, but this work is embedded almost solely in the 'People' side of the business. Community groups feel that they are not involved on the place agenda and had not been engaged in conversation about the major changes planned for the City.

The council's communications team is shared with CCC and whilst it has worked well and innovatively during Covid, it is over-reliant on social media, which excludes large sections of the population, and is largely carried out on a broadcast basis.

There needs to be an overarching narrative for the future of the place and its people, and to engage the public with a large-scale conversation about the future of the City

and the council's highly ambitious plans for it. There are risks to community cohesion when a place undergoes major change, without a clear strategy for engaging and involving the wider public along the way.

Limited consultation/engagement has been carried out through the planning process, but there perhaps needs to be a 'big conversation' with Peterborough residents about how the City could change and benefits them. This conversation needs to underpin the Place Strategy, with buy-in from community partners.

The council needs to transform its clear commitment to EDI into action and communicate that effectively with a more active commitment to inclusive leadership.

Shared Services

PCC and CCC began sharing posts and services in 2015 with the appointment of a joint director of public health followed by a joint chief executive. In the six years since then, the two councils have agreed to share further posts and services, most notably across the councils' joint people and community's directorate, which is led by a shared executive director and a shared senior management team. There are fewer shared posts and services in the councils' place-based and corporate functions, although there is a shared communications team and some sharing within digital and customer services. Where functions remain wholly sovereign there are some positive examples of joint policy development and the sharing of good practice across the two authorities.

In the main, the councils' shared arrangements have evolved organically and opportunistically. There is no target operating model that describes what sharing looks like in PCC or CCC; nor is there a strategic plan that sets out next steps for the councils' partnership and timescales for implementation. Rather, the councils develop and assess proposals for sharing on a case-by-case basis. This ensures that posts and services are only shared if a business case identifies benefits for both councils. However, the absence of a strategic framework has led to significant variation in the councils' approach to sharing: some services are highly integrated while others are led by shared officers but remain largely sovereign. In addition, despite the strong focus on benefits during the development of each business case, there is limited follow through to check and measure whether the anticipated benefits are achieved.

The two councils have adopted a joint working agreement, which includes a statement of shared aims, a governance framework, and a 'sovereignty guarantee' designed to protect the distinct legal and political identity of each council. In line with the requirements of the agreement, there is a well-established shared services governance group, which is responsible for reviewing all new proposals to share posts and services. Councillors are engaged through regular briefings and formal decision-making processes, although both councils recognise there is scope to strengthen political oversight and leadership of the shared arrangements. In the view of the peer team, this should include creating more opportunity for dialogue between councillors of the two councils, both to develop a common vision for the shared arrangements and to identify where there are differing policy positions which shared posts and services need to respect and deliver against.

The sharing of posts and services is supported by a clear and transparent cost sharing agreement, which ensures that neither council subsidises the other. The most senior roles including the chief executive and executive directors are funded on a 50/50 basis, while the cost of other shared posts is recharged to each council in line with individual service agreements. Both councils have retained sovereign section 151 officers and finance teams, which promotes effective financial oversight of the council's partnership. While some joint commissioning arrangements are in place, these budgets have not been pooled and remain wholly sovereign.

Staff and partners speak highly of many of the councils' shared arrangements and their impact. They point to excellent joint working in response to the Covid-19 pandemic as well as greater service resilience – for instance as there is a single Assistant Director who oversees both Council's Reablement Services, it has been possible for one Council to support the other when under pressure ensuring better utilisation of capacity across the two authorities with funding following as needed. In addition, there is clear evidence of shared learning and, increasingly, shared approaches to service delivery. For example, last year CCC was awarded £4.1m by the Department for Education to establish a new family safeguarding model on the basis that PCC had already introduced this approach and could support CCC with its implementation through their shared arrangements.

Senior officers in shared posts provide strong strategic leadership and are respected by councillors, officers, and partners. Within the context of the emerging ICS (which includes the Maternity and Children's Collaborative), partners especially value the

role of these shared leaders in joining up governance and delivery across the ICS footprint – so much so, there is deep concern about the negative implications for both the ICS and the local ICPs if the two councils were to step back from their shared approach in adults, children's, and public health.

Staff and partners appreciate the impact of the shared leadership roles, they recognise that more needs to be done to integrate service delivery and achieve greater consistency. The peer team heard about different, and sometimes opposing cultures and approaches beneath some shared posts. For example, while the two councils share a joint commissioning function, the approach to contract management is markedly different in each authority. Conversely, services with deeper levels of integration, such as the Children's multi-agency safeguarding hub (MASH), are considered to generate greater positive impact, including a more consistent response to children and families irrespective of where they live.

The Peer Team saw limited evidence that joint commissioning is being used as a driver to secure the financial resilience of both councils, although there is a general view that, for example, care markets are better managed because of the shared arrangements. However, it is difficult to evidence this in quantifiable terms. Similarly, shared posts and services are said to deliver efficiencies for both councils, and they undoubtedly do so in terms of salary costs, but the peer team found that there is limited evidence available to demonstrate the total impact of sharing on each council's bottom line.

Across the councils' partnership, a lack of shared systems is seen to create inefficiencies and duplication, which in turn limits the benefits that sharing can achieve. In addition, while both councils have experienced improvements to recruitment and retention, because staff can see opportunity in working across the two councils, line managers cite separate HR systems, terms and conditions, and policies as restricting further integration.

The election of the new political administration in CCC and the retirement of the councils' joint chief executive has created uncertainty about the future of the shared arrangements. Staff and partners are concerned that shared posts and services may be uncoupled without due regard to the implications. Their worry is further fuelled by a belief that disaggregation must automatically mean duplication of services. The peer team has found a need to review the shared arrangements the sharing of some

senior posts to ensure that there is sufficient strategic capacity focused on the specific needs, roles, and political priorities of each council. This is particularly evident in Place services. However, sharing in some service areas has a crucial role to play in effective multi-agency working, in meeting the needs of local communities and securing the financial sustainability of both councils.

***Shared Commission**

The peer team refer to a Shared Commission as a shift in mindset as to how the council operates and moving the model of leadership from direct control, to a more collaborative approach where there is a strong sense that you are all in this together under a shared vision and values. We share some ideas and suggestions:

PCC needs to consult more widely on its strategic vision and plans for wider ownership and to secure cross party and staff ownership. The corporate and business plans of your partners need to align and contribute to this vision and there needs to be a council/partner body to provide robust oversight.

The vision and plans alongside service and financial planning should form the basis of the councils own corporate plan, with improved performance monitoring of the corporate plan, service, and financial planning. The key indicators should all be in a single easy to understand performance report to members, partners, and the public.

As the council is in NOC, the politics in the council should become a more shared enterprise to give stability to the officers and workforce, to facilitate longer term financial planning and decision making and to improve the public, partner, and sectoral perceptions of the council.

Other options to work towards a shared purpose could be to invite opposition group leaders onto the cabinet without portfolio and as non-voting members but with a right to speak and ask questions.

Overview and Scrutiny could have one overarching committee with an annual work plan linked to the corporate plan and chaired by opposition members. Supported by a series of task and finish groups chaired by members from all parties and with recommendations suggested by appointed members as well as councillors.

Policy development in the council should be cross party with its outputs being recognised and communicated as such. The Leader and Chief Executive could meet other group leaders on a private basis to share information and to build consensus.

The council could introduce a case management system for members and all member seminars could be strengthened to keep members informed. Finally, member training and development should be undertaken to facilitate the new ways of working and a culture change

5. Next Steps

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

To support openness and transparency, the council is expected to publish this report within six weeks. There is also an expectation that an action plan is publicly available alongside the report's publication.

Both the peer team and LGA are keen to build on the relationships and the CPC process includes a six-month check-in meeting currently scheduled for January 2022. This will be a facilitated session which creates space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps and any further support required.

The peer team are aware that PCC are already progressing many elements of this report, are seeking best practice and are already working collaboratively with the peer teams councils.

Rachel Litherland, Principal Adviser for the East of England is the main contact between your authority and the Local Government Association. Rachel is available to discuss any further support. rachel.litherland@local.gov.uk, 07795 076834.