


Cambridgeshire County Council

Corporate Peer Challenge

15/19/20/21 & 22 July 2021

Feedback report





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1. Executive summary

Cambridgeshire County Council (CCC) engaged the Local Government Association (LGA) to facilitate a Corporate Peer Challenge (CPC) following a change in political administration in the May 2021 elections and the public announcement regarding the retirement of the current joint Chief Executive.

The Council was an early adopter of a CPC using a hybrid methodology consisting of an initial phase of two virtual online diagnostics days taking a modular approach to focus on shared services and financial management, followed by a second phase of two days of virtual meetings and two days of on-site face-to-face meetings to focus on the remaining areas of the CPC process plus the additional areas requested by the Council.

The Council operates shared service arrangements with Peterborough City Council (PCC) including a joint Chief Executive and management team. In parallel to this peer challenge a separate CPC was delivered in PCC, providing the opportunity for a joined up diagnostic day specifically focused on shared services involving specialist peer input and joint working with both peer teams.

The corporate peer challenge found there are positive early signs that the joint administration in Cambridgeshire County Council is working collaboratively and there is a strong willingness to work together and create strategic plans to deliver against the future challenges and political ambition.

The new joint administration is at a crucial point where the refocused political priorities and their 'joint agreement' need to be incorporated into strategic plans and budget planning. This needs to be delivered at pace given the short timescales available for decision-making, including a clear need to set a balanced budget over the Medium-Term Financial Strategy (MTFS) period and agreeing the appropriate transformation and delivery programmes. The Council's positive response to the pandemic and their demonstrated ability to be agile and deliver at pace, can be built upon to ensure the necessary strategic planning and decision-making is delivered.

The landscape has changed across the Cambridgeshire system, and there is now an opportunity to provide greater strategic focus on place shaping priorities and enhanced working with partners whilst seeking clarity on the most impactful role CCC can play in the system. Partners in the Cambridgeshire system largely welcome the opportunity to reset

relationships, roles and the strategic direction, providing the opportunity to further collaborate and develop joined up strategic plans for place. Partners believe there is a need to establish an overarching place-based forum to ensure all partners in the system can engage and shape Cambridgeshire's future direction, strategy and plans.

The joint Chief Executive is well respected across the system and the shared role has previously worked well for both authorities. However, the external drivers, context and operating environment have significantly evolved, notwithstanding more recent challenges with the continuing requirement to support the pandemic response and related recovery. There is recognition and awareness that the landscape has significantly changed during the period of the arrangements, thus providing the impetus to review and take a forward look at organisational leadership and capacity given the range of challenges and the complexity of priorities across the two organisations.

The Council is entering a period where future years budget gaps and required mitigation are of a significant magnitude and urgent. This will require new and innovative approaches, delivered at pace, whilst ensuring robust grip and oversight. A forecasted budget gap of £64m over the MTFS period requires detailed and immediate planning. Although there is a fast-tracked timetable already established to drive a 2022/23 savings strategy this has the potential to be rushed and could compromise the opportunity for co-production with the new joint administration, the development of quality options and robust oversight and challenge.

There are significant annual overspends on the SEND High Needs Block resulting in an accumulated deficit which requires a contingency plan should Government not provide the anticipated support.

There are various models of 'Shared Services' between PCC and CCC and a mixed understanding of arrangements. There is currently no unified approach or agreed target operating model for those services that are truly shared and integrated. 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 some of the current shared service arrangements for efficiency and further benefit realisation although to achieve that would require both councillors 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 context of the wider partnership arrangements.

Looking outside the organisation for examples of best practice would be strongly advised to inform the shaping of future provision, learning from the sector where more mature and deeper integrated shared service provision is established.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

1. Devise a strategic approach to financial strategic planning for Cambridgeshire as a place.
2. Ensure the budget planning process for 2022/23 addresses the medium-term budget gap and incorporates contingency planning.
3. Develop a member/officer strategic forum to consider the overarching picture of progress and outcomes across the organisation.
4. Take action to recalibrate member roles, behaviours and conduct.
5. Sustainable capacity in the Chief Executive role needs to be established for Cambridgeshire.
6. Embrace the opportunity to reset, clarify and rebuild the different roles for the CA, the GCP, CCC and District and Town & Parish Councils in place shaping and place delivery, and take the lead where appropriate.
7. There is a need to review 'This Land'.
8. Review the effectiveness of the new Committee system arrangements, including the role of scrutiny, in six months.
9. The use of short-term additional capacity should be considered to ensure that there is the necessary capability to both develop and deliver the savings programme and strategic financial plan.
10. Develop some shared services to deliver greater efficiencies through shared data and client record systems and a shared service Target Operating Model where appropriate.
11. Further develop the current organisational resource to better support wider transformation and innovation.

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 is able to 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 councillor 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 Michael Headley – Bedford Borough Council – Liberal Democrat
- Chief Executive Peer – Kath O’Dwyer, St Helens Council
- Member Peer – Cllr Bryony Rudkin, Ipswich Borough Council – Labour
- Member Peer – Cllr Jim McKenna, Cornwall Council – Independent
- Member Peer – Cllr Philip Atkins, Staffordshire County Council – Conservative
- Officer Peer – Scott Crudginton, Director of Resources – Hertfordshire County Council
- Officer Peer – Mike Poulter, Consultant, Previously Sunderland City Council
- LGA Peer Challenge Manager – James Mehmed
- LGA Programme Manager – Ami Beeton
- Project Support Officer – Rachel Stevens

Shared Services (for Cambridgeshire CC and Peterborough City 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

- Alan Finch, LGA Principal Adviser, Finance
- Andy Hardingham, Finance Adviser

Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

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

In addition to these questions, you asked the peer team to provide feedback on the following:

- a) The Joint Administration Agreement has a number of funding commitments, and the new administration wants to understand, not only the current financial position, but also how to create financial sustainability to meet investment plans as far as they are able.
- b) The Joint Administration are keen to understand the key risks which the County Council is facing and to use the 5 core areas as a framework for identifying the risks and how those risks are currently being managed, i.e. shared service, finances and 'This Land'.
- c) The Joint Administration have implemented a new committee system and have altered the frequency of meetings. The new administration are keen for the peer challenge team to examine the changes and their effectiveness in delivering the Joint Administration's objectives.

- d) The County Council has a shared service with Peterborough City Council. Cambridgeshire County Council would like the peer challenge team to review the shared service, what it has achieved thus far and what form it should take to deliver the new administration's agenda, alongside changes being made in the public sector more widely such as the new Integrated Care System. In particular, how it promotes resilience in its services, supports its financial position around its people's services and more widely in other areas of front and back-office service delivery.

The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information 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 with two days onsite, during which they:

- Gathered information and views from more than 40 meetings, in addition to further research and reading.
- Spoke to more than 250 people including a range of council staff together with members and external stakeholders.

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

4. Feedback

Local priorities and outcomes

The new administration agreed a 'Joint Agreement' shortly after the May 2021 elections.

The Joint Agreement signals a commitment to form strong and positive partnerships as members of the Combined Authority and Greater Cambridgeshire Partnership focused on public health, support for business, climate change, public transport and building affordable, sustainable homes.

The challenge for the Council is to integrate the administration's priorities and policy agenda at pace into the Corporate Strategic Framework as part of the September refresh and planning cycle. The planning exercise also needs consider the capability and capacity required to deliver the reframed priorities and in particular the senior management capacity for Place. The current and emerging Place agenda in relation to the reframed Council priorities, the Cambridge Arc, the orchestration and management of growth and infrastructure projects and the relationship with other authorities, including the Combined Authority, will all require substantial senior leadership input at Director level.

Local context is comprehensively understood and is supported by established sources of data and insight from relationships and working practices with Cambridgeshire system partners such as Health and other LA's.

A joint strategic needs assessment is led by Public Health with support from the Council's research team. More recently, and highlighted by the pandemic, the Council has moved away from biennial assessments to more dynamic continuous analysis ensuring the Council and partners have the most current information to inform policy and decision making.

During October 2020 a specific targeted assessment of need was conducted, focussed on Covid impacts. This is being updated to provide a live suite of reports that will be accessible to all partners across the Cambridgeshire system which is a positive development given the administration's top priority within the joint agreement is focused on Covid recovery.

The live Covid impact reporting will support the Council with one of the identified risks of latent demand caused by Covid. The Council is already experiencing higher demand with increased complexity, putting more emphasis on the need for effective prevention and early intervention. A Council wide Early Intervention strategy should be developed and be closely monitored for effectiveness and outcomes.

The 'Think Communities' pilot has been largely welcomed by community partners and further demonstrates the Council's ambition to engage at local and place level to deliver positive outcomes and support the administration's priorities of Covid recovery, reduced demand and actively tackle inequalities. CCC 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 for an increased locality focus.

There are established forums and mechanisms for performance management, however the current framework does not currently provide an opportunity or forum to consider the overarching picture of strategic performance, progress and outcomes across the whole organisation. There is a need to ensure councillors and senior managers have the visibility of collective organisational performance to provide the basis for robust challenge, scrutiny and decision making.

There is an established performance management framework providing agreed data sets for each committee. The Joint Agreement will be monitored through a specific tracking tool and the performance will be reviewed at each meeting of the Strategy and Resources Committee. This needs to form part of a wider, whole organisational strategic performance framework, which will ensure transparency of delivery to the community, partners, councillors and staff.

Quarterly performance reports are produced for review by the Joint Management Team and should be further developed to provide an overarching view of performance as opposed to performance in individual service areas.

Adults and children's services are under increased demand pressure and have dynamic dashboards in place to provide daily data and information for local decision making and pull together data from management systems.

Children's services current OFSTED rating is requiring improvement (RI) overall with good for leadership and management. There was strong recognition that children's services has made significant progress but is still on a journey and requires continued focus and effort to achieve an overall 'good' rating. Peers understand a focussed visit is likely to take place and will provide further evidence of progress and required focus for improvement.

The Council's headline performance can be found on LG Inform using this link – [LG Headline Report](#)

Peers were unable to provide assurance around the delivery of the administration's priorities

and outcomes given the arrangements have only been in place since 18th May 2021. The priority at this point is to ensure the administration's policy ambition (Joint Agreement) and objectives are fully integrated into strategic plans and the strategic framework (inclusive of a financial appraisal and integrating into the MTFS) whilst being appropriately resourced and turned into deliverable work plans. The peer team will be able to focus on progress and delivery when they return in six months' time to complete the check-in process circa January 2022.

Organisational and place leadership

The new administration has a jointly agreed set of priorities and political ambition that will set the agenda for the next four years. The administration and officers have a challenging timeline of activity to integrate political priorities into the strategic framework and related plans by September 2021.

The Chief Executive has established positive and valued relationships across partnerships with trust and respect from both staff and partners. There is now an urgent need to focus more on place shaping, whilst reflecting on the role the Council can assume in the Cambridgeshire system. Despite the positive footing of the Council within existing partnerships, more needs to be done to better engage the full range of partners to ensure there is meaningful engagement and input into key work areas. Developing a deeper understanding of partners' contexts will help shape decision making and lead role allocation and demonstrate that the diversity of place is better addressed, for example understanding rural complexity and related deprivation which was highlighted by partners.

The remodelled approach for the delivery of Highways and Infrastructure projects is now in place and starting to deliver some improvements. The programme and project management arrangements that underpin the new approach and the role of the project assurance group, should ensure that improvement continues. Engaging with councillors and communities in relation to setting programme priorities remains a key area of focus and the revised delivery and management arrangements need to properly reflect this requirement.

The new political leadership and the future changes at Chief Executive level create a real opportunity to reset, clarify and build the different roles for the Combined Authority, the Greater Cambridgeshire Partnership, CCC, District, City and Parish / Town Councils to really take the opportunity to deliver place shaping and place delivery. The Council needs to step-

up and lead this agenda and in doing so would benefit from sustainable, increased capacity in the Chief Executive role to drive this important agenda for Cambridgeshire. The Council should also decide where best to contribute resources to the system to ensure there is impactful influence and decision making.

There is an opportunity whilst considering the place leadership role to work with the District Councils to assess what is working well and what improvements can be made to ensure partnership working is most effective.

Many partners highlight the need for the Council, 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. To enable this to occur the Council should consider establishing a holistic forum, a Place Board, that sits above existing Boards and provides the opportunity for senior representatives from all sectors to collaborate, co-ordinate programmes and schemes, share views and create the conditions for sustainable and inclusive economic growth.

The leadership role the Council is undertaking with Health and Social Care integration and ICS / ICP was cited as effective and having a positive impact.

Internally staff feel supported in the organisation and welcome the proactive approach taken in supporting their wellbeing. Staff value the opportunities for professional development and feel empowered to lead and shape services. Visibility of leadership could be improved, with less than half of staff engaged in the peer process having direct contact with their Executive Director and less with the Chief Executive. The longer the virtual working arrangements continue the greater the need for increased engagement and connection with staff, particularly given the level of change in the organisation and the changes to the administration and the new priorities that will flow through the organisation.

Internal and external communications (media) would benefit from greater alignment to the new administration and managerial approaches and priorities

Governance and culture

The corporate peer challenge found there are positive early signs that the joint administration in Cambridgeshire County Council is working collaboratively and there is a strong willingness to work together and create strategic plans to deliver against the future challenges and political ambition.

Politically the Council Opposition has an excellent understanding of how the Council works and knowledge of the different aspects of service delivery, partnerships and responsibilities. This knowledge and experience has the potential to contribute greatly to the role of opposition and scrutiny.

As part of the political transition arrangements the new opposition should be supported to ensure that their role and function is conducted in line with the Code of Conduct and a clear understanding developed of all statutory roles including the specific role and statutory function of the Monitoring Officer. Within the new opposition, appropriate behaviours must be recalibrated and respect for officer roles actively demonstrated. During the Peer Challenge process, peers were informed of poor councillor behaviour, as well as observing inappropriate behaviour from the opposition at a Council meeting, particularly towards the Monitoring Officer who was unable to speak and perform their role during the meeting.

All councillors require an appropriate understanding of officer roles and appropriate behaviours and as such this should be made clear to the opposition, new members of the new administration and all chairs.

Staff describe the working environment as supportive and ambitious with the opportunity to learn and develop. Throughout the pandemic and continuing going forward there has been a strong focus on staff wellbeing and mental health, with staff describing positively the breadth of briefings and accessible resources for all services and teams. There is a visible programme of staff engagement activity although this was not seen as consistent across the different departments of the council.

Staff described feeling empowered and supported, with increased autonomy and a culture of innovation being actively encouraged to experiment and try new approaches.

New organisational behaviours are actively being developed through the recently developed values and behaviour framework. Although the framework is in an early phase of implementation, ongoing staff engagement and co-production will be critical in its future

design and evolution.

The Council's approach to Equality, Diversity and Inclusion (EDI) now has momentum having not had dedicated resource for a number of years. The recent investment in EDI focused resources has supported engagement within the organisation to inform the development of an EDI strategic road map. There is positive recognition and organisational awareness that managers and councillors need support to embed EDI within service areas and practice. It is a strength that the organisation knows this is an area for improvement and has both the foundation stones, and a will, to address it.

New learning and development training modules are being developed to ensure they are offering best practice and current thinking to support staff and councillors in having the confidence to have focussed EDI conversations. The implementation of EDI actions is positively influenced by staff and councillors through an internal EDI focused Leadership Forum and specific working groups. Staff were positive about the EDI Conversations Forum delivered in June 2021 with an attendance of circa 250. Staff were keen to join in and engage in discussion about how they can personally improve and develop their own and team practice.

There is a strong sense of organisational awareness that the Council has a long way to go with embedding EDI practices within individuals, teams and services. The inclusion of a new corporate objective focused on EDI, as well as a Joint Management team lead will help make it part of everyone's business.

Recruitment has been identified as a key area of focus within this agenda, with the need to promote the Council more effectively within its communities. There are plans for recruitment systems to be replaced and a will to explore the applicant journey, actively remove barriers and proactively communicate with different community groups. Peers were informed that for the last 6 weeks specialist job sites have been used to attract broader applicants from different communities. Peers were informed of positive examples where dyslexia were referred to as a "superpower and valued skills" highlighting the diversity staff bring to the organisation, providing valuable diverse perspectives to shape services and delivery.

The Council's review of transparency and processes relating to the awarding of a farm estate tenancy to a senior councillor of the previous administration has led to a detailed audit to ensure that there is robust organisation learning to mitigate against future preventable issues of reoccurrence, as well as reassure the public that the Council maintains high standards.

Peers were informed of 31 recommendations, almost all of which have been implemented and the remainder due to be completed by September 2021. The legacy of related decision-making will continue whilst trust is rebuilt between staff and councillors. Collaborative officer and councillor training on the audit function and capability would be supportive of establishing roles and rebuilding trust and assurance.

Peers were asked to specifically provide insight and feedback regarding the revised committee structures and meeting frequency. Given the revised arrangements have only been in place since the Joint Administration has been formed, peers were unable to provide feedback regarding committee effectiveness as there has been very limited time since its introduction. As such, this aspect of the peer challenge will be revisited when the team return in six-months' time to conduct the check-in and examine general progress.

Peers engaged with a range of partners including those in the health system. Some health partners have not been called to attend any health scrutiny meetings, however, they are keen to engage and would welcome the opportunity to support further challenge and developments in the health system, particularly with further health integration and implementation of the ICS and ICP's.

The effectiveness of communication with back benchers should be reviewed and consideration given to implementing a regular and frequent digest including signposting where to go for additional information to assist with greater engagement and the joining up of different policy areas and committee outcomes.

Financial planning and management

The Council has retained a separate Section 151 Officer which provides them with dedicated focused capacity and resource.

The Council is in a reasonably healthy short-term financial position having added £6m to general balances at the end of March 2021, although useable reserves as a percentage of net revenue expenditure are low in comparison to other county councils and reserves were used to balance the budget set for 2021/22.

Over the MTFS period there is a forecast gap of £64m which will require urgency in initiating immediate planning. Robust managerial and councillor oversight and engagement is required to ensure that a medium-term budget strategy is established and agreed to close the gap, and this will need to be closely monitored. Although there is a fast-tracked timetable already

established to begin to develop a 2022/23 savings strategy, this has the potential to be rushed over the summer period and as such could compromise the opportunity for co-production with the new administration, the development of quality options and oversight and challenge.

Alongside this work, strategic planning should be inclusive of appropriate detail concerning how the joint administration policy ambitions and new priorities will be funded as these are currently uncoded. There is a need for a new and innovative strategic approach to budget setting that can be delivered at pace whilst balancing the need for maintaining adequate control along with transparency and oversight.

The Council has found mitigations for historic under delivery of planned savings proposals of £34.4m between 2016 – 2021 through finding additional savings in-year to ensure broadly balanced financial positions each year. This approach is likely to become increasingly difficult given the scale of budget gap over the MTF period putting an increased emphasis on the need for detailed planning, robust financial forecasting and proactive monitoring.

The on-going financial impact of the pandemic plus the investment needed as part of place recovery are not currently fully calculated and these latent costs currently present a risk and contribute to the complexity around budget setting and the action needed to address the financial challenge.

There has been a reliance on one-off balances and some use of reserves across previous years to fund the budget shortfall which has resulted from a lack of financial strategic planning which is not sustainable. Although balancing the budget from the general fund balance is possible in the short-term, using reserves is seen as high-risk and should be avoided.

The Council has assumed it will not benefit from Fair Funding reforms in future and is factoring this into the impact on financial plans. The Council should continue to guard against any assumption that additional external funding is likely to be available.

Historic decisions not to increase council tax by the maximum possible has resulted in significant ongoing lost income. There is now a need to establish a clear Council Tax strategy for the next 4 years.

The Council's income received from its arm's length development company 'This Land' is material and needs to be considered if the initiative is to be reviewed. However, there needs

to be a clear view of future income projections beyond the short-term and these should be considered alongside any changes the administration may wish to exercise to ensure the development company's outcomes are congruent with the joint agreement priorities. Peers concur with the intention of the Council to appoint an independent advisor to undertake a detailed review of the company's progress, long-term risk, plans and finances.

The capital strategy needs a stronger focus with a more robust prioritisation process for scheme approval, scheme delivery confidence and financing plans. The strategy needs to be reviewed to ensure delivery against the new administration joint agreement. Capital projects tend to fall within two blocks, schools and roads with separate committees overseeing these. This has resulted in no overarching view of capital schemes, making prioritisation more difficult and siloed.

The SEND High Needs Block currently has a cumulative deficit of £28m which is forecasted to grow by £11m per annum resulting in a potential deficit of circa £50m by the time the statutory instrument falls away. Whilst there is a plan in place to reduce spend in year, a further plan is required to be developed ASAP to address the annual overspend and tackle the cumulative deficit should Government not provide the anticipated support.

Capacity for improvement

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

The pandemic has been a stimulus for new ways of working within the organisation, and with both partners and the community. Learning and reflections from the past 12+ months should be further built upon to provide a positive platform and increased capability to address the future transformation challenges. Take the best of what has served you well and amplify the application of those performance attributes to future work programmes.

The Council's culture and approach to investing in staff and management development is positively supporting career development and is a critical factor in ensuring workforce development is aligned to current and future challenges. There is also a great value placed on relationships across the council and this will need to be carefully managed during the change processes ahead.

Many staff talked about the supportive culture and wellbeing being more front and centre, although described feelings of being stretched, with some teams unable to cope with demand at critical levels impacting service delivery and the ability to schedule required annual leave. This may be indicative of the need to prioritise and be clear about what can be supported, particularly at the point of developing a road map of projects linked to the aspirations of the new administration and Joint Agreement. The Council should reflect on current approaches to resourcing and prioritisation and assess what is sustainable going forward, in what is forecasted to be a very intense four-year period of delivery and transformation. Consideration should be given to the use of short-term additional capacity to ensure critical, time dependent, work programmes are resourced with the necessary technical capability, for example to support the savings and budget setting work.

Further capacity and service delivery improvement could be realised through developing the current shared service model. Agreeing the strategic 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.

There is a new opportunity to reset relationships and work together with partners across the whole geographic area with the Combined Authority, Greater Cambridgeshire Partnership, Districts and Town & Parishes to deliver improved and joined up developments and services. The Council could benefit from standing back and reflecting where it can add the most value and deliver the most impact whilst ensuring clarity on its role and purpose to deliver alignment with the joint administrations political ambition, strategic planning and resourcing.

The Council's provision of a specific Transformation Fund was seen as positive, providing the opportunity to support invest to save work programmes which will deliver improvement and financial savings. Although investment has been made in increasing transformation capacity these should be further developed to support and drive wider transformation and innovation.

Shared Services

Cambridgeshire and Peterborough 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 authorities have agreed to share further posts and services, most notably across the councils' joint people and communities 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 Cambridgeshire and Peterborough; nor is there a roadmap or 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 subsequently 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 authorities' 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 Cambridgeshire was awarded £4.1m by the Department for Education to establish a new family safeguarding model on the basis that Peterborough had already introduced this approach and could support Cambridgeshire with its implementation through their shared arrangements.

Most senior officers in shared posts provide strong strategic leadership and are widely respected by councillors, officers and partners. Within the context of the emerging Integrated Care System (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 significant concern about the negative implications for both the ICS and the local Integrated Care Partnerships (ICPs) if the two councils were to step back from their shared approach in adults, children's and public health services.

While 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 across the sub-region. 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.

From the work undertaken as part of this review, there is 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 as a

result 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 quantifiable 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 a new political administration in Cambridgeshire and the forthcoming 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 unilaterally 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 an important role to play in effective multi-agency working and in meeting the needs of local communities and securing the financial sustainability of both councils.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. In order to support 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 formed through the peer challenge. 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.

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