

LGA Corporate Peer Challenge

South Cambridgeshire District Council

31 October – 3 November 2023

Feedback report





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1. Executive summary

South Cambridgeshire is a vibrant rural district with 350 square miles surrounding Cambridge City and home to world-leading centres of science and technology.

Despite the area having some of England's oldest villages, South Cambridgeshire District Council (SCDC) are also developing some of the most exciting and largest new towns in the country such as Cambourne, Northstowe and Waterbeach.

Greater Cambridge containing the City of Cambridge and South Cambridgeshire has seen significant housing growth with 19,000 new homes from April 2011 to March 2023. This level of growth brings challenges to ensure the environmental impacts are managed well; this is further supported by one the council's priorities '[being green to core](#)' which is widely recognised and embedded within the organisation and externally with a wide range of partners.

More recently the council and partners are talking to Government regarding the prospect of building circa 250,000 homes along with community assets and business units as part of a growth strategy referred to as 'Cambridge 2040'.

The council delivers a range of council services directly and is engaged in shared service arrangements for example the planning service with Cambridge City Council '[Greater Cambridge Shared Planning](#)'. Shared services are also in place through a strategic partnership between SCDC, Cambridge City Council and Huntingdonshire District Council to provide ICT, Legal and Building Control through the '[3C Shared Service](#)' partnership. The shared service arrangements are indicative of how the council operates with a business focus.

Peers met many members and officers (officers / staff referred to organisationally as *colleagues*) who are committed and passionate about South Cambridgeshire and Greater Cambridgeshire as place and striving to improve life and outcomes for local people. The Corporate Peer Challenge process was initiated by the council to obtain feedback from peers to drive further performance improvement.

Following the pandemic and a prolonged period of difficulty recruiting to a number of job vacancies the council initiated a four-day working week pilot, where colleagues work 80 percent of their contracted hours with no reduction in pay or benefits. The pilot of the four-day working week has attracted a significant amount of media

attention and concerns from the Minister for Local Government at DHLUC with him instructing the council to cease the pilot.

The peer team were mindful of the four-day working week arrangements and ensured the focus remained on the [five core areas](#) of the Corporate Peer Challenge process. Therefore validation and a robust review of the four-day working week was not part of the Corporate Peer Challenge scope.

On the final day of the Corporate Peer Challenge (Friday 2nd November 2023) the peer team were made aware of the Department of Levelling Up, Housing and Communities issuing the Chief Executive with a [Best Value Notice](#) under the Local Government Act 1999.

The council has a [business plan](#) which sets out the vision and priorities under four high-level headings; 'Housing that is truly affordable for everyone to live in', 'being green to our core', 'growing local businesses and economies' and 'a modern and caring council'. Through many discussions with colleagues, partners and members of the community it was evident there is further work required to articulate the vision through a revised business plan which better sets the context, place narrative and communicates the anticipated benefits and outcomes. A refreshed and well communicated business plan would help reset and define relationships at local and regional levels with key partners to support delivery of the business plan priorities. To support the council maximising the opportunities through communication, peers recommend the council undertake a LGA communications review to ensure there is external challenge and expertise to advise on areas of strengths and improvement.

Following the revision of the business plan, peers recommend a review of the performance metrics to ensure they are representative of the whole business at a strategic and operational level, ensuring there is a strong thread between the business plan, corporate risks and performance measures.

Developing a community strategy will enable a structured focus around enabling and supporting communities and further build on the relationship with the voluntary and community sector and parishes who want to work closer with the council in order to fully harness opportunities.

South Cambridgeshire is in a thriving economic area which has enabled the council to achieve a balanced budget through to 2024/25 with significant reserve levels of

£61M at 1 April 2023 (provisional figure pending audit) and limited investment risk. The positive financial position gives South Cambridgeshire the time to plan for economic pressures which are currently leading to a projected annual deficit from 2025/26 of approximately £3M.

Peers recommend an efficiency strategy is drafted to identify the measures needed to meet the future budget gap. This should include future transformation initiatives, reductions in expenditure and increases in income.

There are concerns over the delays in the completion of final accounts and therefore the subsequent external audit reviews and opinions. With 2020/21 being the last year concluded, this has led to difficult relationships with the external auditor and indicates weak governance with the council vulnerable to taking financial decisions without complete information. Peers recommend the council accelerates the closure of the outstanding accounts as a priority.

As part of improvements in the finance team there has been a shift towards a business partnering model. This is a positive move and will enable the introduction of the financial forecasting model in the new financial year to be embedded with ownership of spending officers. It is important that budgets and monitoring is owned by service areas. Regular financial reporting with robust forecasting will enable the council to have better sight on the financial performance for the year, allowing improved management of services with early indications of likely budget variances.

The council has invested in a transformation team and taken steps to strengthen project and programme management. Despite there being organisational consensus for improving services there is a need to develop a clear narrative for transformation to achieve a wider organisational ownership, coupled with a review of the governance structures which appear to be overly complex. The council are aware there is still work to embed a transformation culture and recognise previous financial saving exercises are still within the corporate memory of the organisation.

Peers had sight of a range of council documentation and recommend a review of the robustness of data and information provided to members to support effective decision-making.

To support the continuous development of members, peers recommend establishing

a member training and development plan to ensure all members are supported in their respective roles and are reviewed regularly to pick up ongoing development needs.

Peers heard from a range of colleagues and members how the council's culture has changed significantly, improving since the 2018 elections and more recently through hybrid working initiated by the pandemic and through the current four-day working pilot. Both factors are driving new ways of working and stimulus for reviewing process and local service transformation. However, there was highlighted concerns on capacity levels, silo working and the ability to embed a learning culture.

Along with the council working towards a target operating model which aims to manage circa 60 percent of customer interactions through digital and self-service channels, 30 percent through a customer contact centre and the remaining 10 percent through a technical expert, the council should deliver with pace an organisational development and people strategy to ensure the policies, skills, capability and capacity are aligned to new ways of working.

Given the role and significance of digital, emerging AI technology and future self-service channels, peers recommend reviewing the current ICT provision to ensure this supports the transformation plans and can continue to meet the requirements of the council.

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:

2.1 Recommendation 1

Better articulate your vision through a revised business plan which sets the context, place narrative and communicate effectively to staff and key partners.

2.2 Recommendation 2

Reset and define relationships at local and regional levels with key partners to support the delivery of business plan priorities.

2.3 Recommendation 3

Finance

- a. Accelerate the closure of outstanding accounts.
- b. Develop an efficiency strategy to demonstrate how the future budget gap will be bridged.
- c. Ensure effective and regular financial monitoring which includes forecast financial performance and is owned by service managers.

2.4 Recommendation 4

Review the robustness of data / information provided to members to support effective decision-making.

2.5 Recommendation 5

Develop a member development plan to ensure all members are supported in their role and reviewed regularly.

2.6 Recommendation 6

Develop a community strategy to ensure there is a structured focus around enabling and supporting communities and further build on the relationship with the VCS and parishes.

2.7 Recommendation 7

Deliver with pace your organisational development and people strategies.

2.8 Recommendation 8

Develop a clear narrative for transformation with wider organisational ownership and review the governance structures.

2.9 Recommendation 9

Review the performance metrics that is representative of the whole business at a strategic and operational level. E.g. thread between business plan, risk and performance measures.

2.10 Recommendation 10

Ensure your ICT provision supports your transformation plans.

2.11 Recommendation 11

Undertake the LGA 3-day communications review to support improved communications.

2.12 Recommendation 12

Undertake an effectiveness review of the Council's Overview & Scrutiny Committee

3. Summary of the peer challenge approach

3.1 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 on the basis of their relevant expertise. The peers were:

- Member Lead Peer: **Cllr Joe Harris, Leader - Cotswold District Council**
- Lead Officer Peer: **Karen Bradford, Chief Executive - South Kesteven District Council**
- Member Peer: **Cllr Sam Chapman-Allen, Leader - Breckland District Council**
- Officer Peer: **Sarah King, Chief Financial Officer - Eastleigh BC**
- Officer Peer: **Pranali Parikh, Director for Growth and Regeneration - Melton BC**
- Officer Peer: **Darren Knight, Deputy Chief Executive - Warwick District Council**
- LGA Peer Challenge Manager: **James Mehmed**

3.2 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?

3.3 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 in order to ensure they were familiar with the council and the challenges it is facing. The team then spent four days onsite at South Cambridgeshire District Council, during which they:

- Gathered information and views from 48 meetings, in addition to further research and reading.
- Spoke to circa 150 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 officers and members.

4. Feedback

4.1 Local priorities and outcomes

The council has set out a vision and priorities in a [business plan](#) that focuses on four core areas – ‘housing that is truly affordable for everyone to live in’, ‘being green to our core’, ‘growing local businesses and economies’ and ‘a modern and caring council’. Most people engaged by the peer team recognised that green and climate issues are a key priority for the council. There was also a strong recognition that South Cambridgeshire is a high growth area and the council needs to respond proactively and manage the environmental and climatic challenges, growth at this scale brings. The Leader of the council is lead member for communities and environment and joint chair of environment and sustainability communities committee at the [Cambridge and Peterborough Combined Authority](#), providing leadership in this important policy area.

Despite the positive broad recognition of the councils green and climate focus, members, colleagues and partners were less sighted on the overall council vision and how the business plan will deliver outcomes for communities. Peers recommend articulating the council’s vision through the development of a revised business plan which better sets the context and supports members, colleagues and partners understanding the key priorities, the actions that will be taken and the anticipated outcomes so they are better placed to understand how they can support the delivery at a local level.

A number of partners referenced the complex governance arrangements in Cambridgeshire with the County Council, Combined Authority, Greater Cambridge Partnership, South Cambridgeshire District Council and Parishes. This puts more emphasis on a clear plan detailing what the council is accountable for supported by an effective communication plan.

A refreshed business plan communicated effectively, supported by a communications plan will help re-set the relationships with key partners to understand how they can bring more value to the work of the council. The VCS (voluntary and community sector) and parishes feel they can deliver more if roles were more clearly defined and shared objectives better understood. The joint close working is likely to bring more impact at a local level, whilst members regularly attending parish meetings is valued.

The council uses a model of performance management that starts with planning, delivery and review. There is a corporate ambition to be a performance led organisation. There are quarterly key performance indicators (KPI's) and corporate business plan progress reports that are reviewed by the corporate management team (CMT), scrutiny and overview committee and at cabinet meetings.

If closer scrutiny of specific KPI's is required, for example where they fall short of target or go into intervention, these should be monitored weekly and reviewed by the most senior leadership, the Leadership Team (LT). The council recognise that the collection of performance metrics is labour intensive and has identified a need for a real time information management system.

Peers recommend the council ensures KPI's are representative of the whole business and be clear on which ones are strategic and operational e.g. identifying with the cabinet what is important for them to review and the same for the LT with a specific KPI dashboard and an operational dashboard with agreed PI's (performance indicators). Peers were informed the origin of some KPI's were requested directly from the scrutiny committee, where members are interested in performance data that demonstrates the core services described as the 'heartbeat of the organisation' to ensure they are taking a resident's perspective on performance.

The council should ensure the performance management framework is linked to the corporate risks of the council; a number of areas which are critical for the organisation are not being measured and reported on, for example environmental health services.

Peers were able to review the quarter two performance indicator report ahead of being presented to scrutiny. The report demonstrates a range of KPI's and the targets set by the council are being achieved with a positive outlook for the next quarters performance. There are a number of performance indicators that have not met the council's own targets, however in some cases the level of performance is still above targets set by Government or through benchmarking.

Some examples include housing rent collection which is marginally below target, although an improvement against last year's performance. Each KPI reports a narrative that provides further context, for example with the housing rent collection KPI, sickness absence and a server migration issue was cited.

Other KPI's not meeting targets for example include council tax collection, with performance 0.06 percent below target and expected to be back at target level for quarter three. The percentage of non-major applications determined within 8 weeks are below the council target, however above the target set by Government, despite the council's performance in this area being marginally below the council target an improved trend is shown over the last three quarters.

Tenants satisfied with responsive repairs is below the council's own target but in the upper quartile compared to a benchmark group used. The average days to re-let all housing stock is below the council's target and has met the threshold for council driven intervention, the narrative against this target explains the context impacting performance for example a high number of properties returned in a poor condition, refusals on renewal works and ageing stock.

OFLOG (Office for Local Government) reports for the council for [waste](#) show that the council performs above average for household recycling rates and for residual household waste kg per household. Recycling contamination rates are just below median at 5.8 percent compared to the England median of 5.5 percent and 4.3 percent for South Cambridgeshire CIPFA nearest neighbours. OFLOG [financial indicators](#) show that the council performs and compares both favourably and adversely against the reported metrics. For example higher than median non-ring fenced reserves and below median for total core spending power per dwelling.

Further council performance can be reviewed in the LGA's LG Inform [headline report](#).

The council engages with communities in a variety of ways. The most significant engagement has been focused on the '[Greater Cambridgeshire Local Plan](#)' which is a positive example of joint strategic working with Cambridge City Council. This is the first time the council has had a joint local plan and will ensure there is a joined up approach to planning and the built environment across both areas up to 2041.

The consultation has attracted a high level of engagement and is supported by the council's '[Statement of community involvement](#)' which seeks to demonstrate how SCDC and Cambridge City Council will engage and involve communities throughout the planning process. The current statement is in the final few weeks of consultation to update and capture more recent community input.

Peers recommend the council undertake an independent resident survey to obtain a

representative sample of resident views beyond planning and growth. This approach would provide the council with data and evidence to further understand people and place, for example providing insight into hidden deprivation across the district. This supports the council's aspirations to become a more data driven organisation which will improve decision making and underpin the strategic direction of the council.

The council as a landlord engages tenants through a 'Housing Engagement Board' and 'Tenant Performance Panel'. Peers met with a selection of the tenant representatives and recommend that the approach is reviewed to ensure tenant involvement, engagement and scrutiny is more impactful and driving the required outcomes. The tenant representatives cited the council as 'not a bad landlord' although reported that they find communication challenging, often with no feedback loop. Tenants shared how they have to find ways around the formal systems to get information or actions undertaken.

Youth engagement is being positively improved through a scrutiny task and finish group which is a good example of how the council is seeking to improve its reach with engaging communities. The task and finish group have [reported back their findings](#) to the scrutiny committee in September this year. Peers were also informed how there has been a positive increase in youth engagement within the planning service.

The councils [cost of living response](#) has been comprehensive, innovative and is well funded with good mechanisms in place to listen to residents' concerns and the joining up with key partners including the Integrated Care System has produced positive outcomes for communities. Health and the Integrated Health Board have seen a step change in its working relationship with the council with tangible improvement and support in system working e.g. investment in a community hub. There is now a better understanding with Health appreciating the role the council plays in prevention.

4.2 Organisational and place leadership

Greater Cambridgeshire containing the City of Cambridge and South Cambridgeshire has seen significant housing growth with 19,000 new homes from April 2011 to March 2023. This level of growth brings challenges to ensure the environmental impacts are managed well; this is further supported by one the council's priorities

'being green to core' which is widely recognised within the organisation and externally with a wide range of partners.

More recently the council and partners are talking to Government regarding the prospect of building circa 250,000 homes along with community assets and business units as part of a growth strategy referred to as 'Cambridgeshire 2040'.

The council recognises it needs to 'punch above its weight' and ensure the Cambridgeshire 2040 growth strategy is fully owned and driven locally, avoiding a situation where growth is being directed centrally, reinforcing the need to work effectively with all partners, locally and at national levels.

The Cambridgeshire Public Service Board is a good example of the system seeking to work closely together on agreed pilot projects, learning and experimenting together how joined up working can deliver positive outcomes.

Peers engaged with a range of colleagues, members and partners who understand the growth challenges in the Greater Cambridgeshire area. While the partners within the combined authority and City are well versed with the Local Plan narrative for place leadership, the local partners such as parish councils and voluntary sector are less engaged and involved in owning it. Despite the clarity around growth, they are less clear around the place identity and unable to play back and communicate the council's vision for place or describe any joint narrative with the city. Developing and communicating a stronger place narrative would support improved engagement with partners for example the voluntary and community sector and parish councils, both of whom would welcome early engagement and are keen to better understand how they can be involved and support outcomes aligned with the vision for place. Partners are seeking two-way communication and are keen to inform ward members about the positive work they are delivering within their communities.

In addition to clarifying roles with partners, peers recommend a review of the council's community services and community facilities delivery model to ensure local services are being appropriately delivered and invested in. A stronger place narrative will help define the role the community can play in place shaping.

The growth agenda for Greater Cambridgeshire including South Cambridgeshire was seen by peers and partners as being too focused around planning and could strongly reference more around the wider economic development and community benefits. At

present there is no single specific economic development strategy, instead the council is driving economic development at a strategic level through understanding the industry and sector needs by engaging with the development community and specific economic clusters for example life sciences, academic research and their associated bodies. The council is working with consultants and groups such as 'Innovate Cambridge' and 'Cambridge Ahead' to understand the sectoral requirements in terms of growth. Peers understand that an economic development strategy will follow once an evidenced based understanding of sectoral needs are established including more detailed discussion with Government's Cambridgeshire 2040 vision.

The council's leadership in delivering the objective of 'green to the core' is well embedded in all service delivery demonstrating that where the council has invested in prioritising an agenda and communicating about it, it has been beneficial. A similar approach could be applied to wider vision and priorities for the council.

Ermine Street Housing is another example of direct investment by the council in properties that also yield social and community capital, helping to address wider challenges faced by the place and people of South Cambridgeshire. Such integrated approach in delivering social and community infrastructure, led by the council, funded through the growth and Local Plan aspirations and delivered in partnership with voluntary sector will help creating cohesive communities across the district.

Throughout the peer challenge process peers met with a broad range of colleagues representing various levels and from across the council including those based at the depot. Most colleagues like working for the council and have confidence in the leadership of the chief executive. The involvement of apprentices in planning and transformation team is very positive and other core council services could benefit from the involvement of fresh graduates to encourage diversity of views and practices.

Colleagues value the communication and updates from the chief executive, although conversations with colleagues suggest that the cascading of leadership messages needs to be consistent throughout the organisational structure.

The council's emerging people strategy should be delivered at pace to support the council in strengthening specific organisational performance in areas such as

equality, diversity and inclusion which is in need of greater leadership and embedding in service delivery and organisational culture. The emerging people strategy will be a core building block for future transformation and an enabling empowering culture.

There were some strong examples shared by teams in planning, climate and environment, cost of living, apprentices and Homes for Ukraine where there is a good team culture, where colleagues feel supported, have opportunities for learning and development, teams aligned with modern day values and where colleagues feel valued and recognised. These work areas are delivering positive projects and initiatives with good outcomes with active member engagement and a partnership approach.

The council's shared services are generally working well, however there are opportunities to further strengthen delivery outcomes for example ensuring the ICT client side role is effective in communicating satisfaction with ICT service performance as well as clearly articulating current and future ICT requirements to support future transformation and the council's target operating model.

The recent investment in transformation capacity is seen as positive by peers. It is providing the council with skills and resources to focus on specific transformational projects to deliver on a range of objectives for example customer experience, cost efficiency and improved accessibility of services. Despite some teams engaging positively with the transformation team, there is still some resistance from teams when projects are started in service areas. Service areas, teams and the transformation team need to work together to improve their understanding of why transformation is required, understanding the benefits and connection with the business plan and council budget position. There should also be an increased focus on celebrating the successes of the transformation team with service areas highlighting the achievements, outcomes and benefits. There also needs to be greater integration between the two transformation teams to ensure capacity and capability is fully maximised.

Some members and partners have highlighted to peers' the difficulty in accessing colleagues for partnership working and also when responding to member case management queries. Peers recommend reviewing current arrangements to ensure

there is an agreed approach developed and communicated which offers increased and timely accessibility to services and colleagues, where possible avoiding the need for senior management escalation.

Peers were informed by colleagues, members, Trade Union representatives, partners and residents that they were not engaged in the initialisation of the four-day working week pilot. Greater engagement and communication should be put in place for the next phases, especially ongoing evaluations, to ensure everyone is on the same journey creating ownership for the future model of working.

4.3 Governance and culture

Since the administration took control in 2018, the council has been on a journey to transform the culture of the organisation. Senior leaders of the council are aspiring to create an organisational culture that is empowering and where services are subject to continuous improvement and driving up value for money. The cabinet has a number of members that work outside of their democratic roles in prominent business positions. The council describes itself as taking a commercial business model approach to leading and running the council.

There are respectful member and officer relationships that have helped the council move forward and actively work towards changing the organisational culture.

The chief executive was consistently described as being approachable to both members and colleagues. Colleagues provided examples where they are able to talk directly with the chief executive as well as having confidence if they communicate for example by email, they will receive a prompt response and engagement on their issue.

Colleagues highly value the senior manager Vlogs (video blog) although would like to see more engagement with two-way face-to-face communication. Peers were informed that larger impactful decisions taken by the council for example the four-day working week pilot were not communicated promptly and were inconsistent with the developing organisational culture and subsequently this has had an adverse impact on colleague engagement.

Peers met with a range of colleagues who are committed to the council and are wanting to support the achievement of the political priorities and business plan

objectives. Many colleagues have different experiences and perceptions working for the council, this is dependent on when they joined. The workforce is made up of some long-serving colleagues through to those that started during the pandemic, after the pandemic and since the four-day working week pilot. Newer colleagues and members who do not have the benefit of pre-pandemic office based working are therefore potentially less networked and with fewer established relationships. This group of colleagues describe the organisation as having lost its welcoming environment and see the relationships at a transactional level.

Peers recommend reviewing the corporate induction processes for both members and colleagues including on-boarding to ensure it brings the most impact and is aligned to the culture of the organisation. Peers are aware the council is on a journey with developing and embedding behaviours, values and equality, diversity and inclusion. A people strategy is in early stages of development and should be delivered at pace to ensure all policies, training and development, processes, working practices, models of leadership and management are aligned to delivering a culture of empowerment.

Peers heard from some members who describe access and contact with officers more difficult since hybrid working has been implemented. A clear member engagement plan is required to ensure access to key colleagues at the right level in the organisation is established to improve the responsiveness with member's case management and democratic duties.

Peers were informed that various examples of silo working have appeared which are further exacerbated by working practices. As the council seeks to achieve greater efficiency through the embedding of a new target operating model and supported by the transformation programme, opportunities to create greater cross-organisational working should be explored.

Peers heard how the previous approach to risk management was not having the desired level of impact or being consistently owned across the organisation. Recognising this issue, steps have been taken to strip back the approach and to drive a more accountable style. This has included removing the ownership of risk from finance to all service areas. Peers were informed how the refreshed approach has strengthened risk management which now needs to maintain momentum and be

closely monitored to ensure the approach continues to manage risk and has the desired impact. Peers recommend the risk management policy and strategy is refreshed to ensure the council's risk appetite is embedded in the organisation. This can be strengthened further by the risk officer undertaking a formal learning and development risk management qualification or industry recognised course.

The Audit and Governance Committee was consistently described as being effective with a strong and well respected chair. This is demonstrated by the support of the chair to engage an independent member on the committee to help strengthen the governance process. There is a close working relationship with the council's shared service internal audit team to drive improvements to governance and risk. The Audit and Governance Committee completed a self-evaluation process using best practice guidance from CIPFA to ensure the committee provides robust challenge and remains impactful, this was seen as notable good practice by peers.

During the peer challenge process, the council provided a number of requested documents to peers. Some documents received were reports to members requiring key decisions however appeared light on detail, and peers would have expected more information to be provided. These should be reviewed to allow committees such as Audit and Governance and Scrutiny and Overview to robustly understand the risks and rewards on taking those decisions.

The council operates a pre-scrutiny model with the Scrutiny and Overview Committee being chaired by an opposition group member – as is best practice. The pre-scrutiny model provides the Scrutiny and Overview Committee the opportunity to inform and shape policy development before formal decisions are taken. Peers were informed that as a result of pre-scrutiny the council does not receive many 'call ins', supporting more timely decision-making.

To ensure the Scrutiny and Overview function continuous to function well and be impactful, peers recommend that an independent review is commissioned to examine effectiveness. Alongside the review consider if the allocation of a senior officer would

further support the chair and ensure the scrutiny forward plan is representative of the council's risks, further driving the linkage between the council's risk culture and level of scrutiny. Colleagues also discussed with peers how they would personally welcome more scrutiny from members to drive further engagement and challenge in the development of their work areas, this was seen as positive by peers providing an opportunity for further scrutiny and oversight.

Peers heard a positive example from members regarding the effectiveness of task and finish groups, where work had been recently undertaken to examine how the council can improve engagement with younger people. This has provided the council with an improved position going forward.

A further improvement to governance would be for the council to consider a statutory officer group to include the Chief Executive, S151 Officer, Monitoring Officer and Head of Internal Audit. Peers understand there has been some previous statutory officer group working and recommend setting this group up again to further strengthen governance across the council and to support achieving a better risk management culture.

The finance section of this report details the position with the delayed production of the annual accounts. Despite the delay, peers recommend the council considers completing and publishing the draft Annual Governance Statements (AGS) for 2021/22 and 2022/23 to ensure the resulting action plans can be implemented and monitored to ensure continuous improvement can be driven in the areas identified.

4.4 Financial planning and management

South Cambridgeshire is in a thriving economic area which has enabled the council to achieve a balanced budget through to 2024/25 with significant reserve levels of £61M at 1 April 2023 (provisional figure pending audit) and limited investment risk. This has enabled the council to successfully allocate resources to emerging issues

such as the cost of living and green to the core, to enable positive community outcomes. The positive financial position gives the council time to plan for economic pressures which are currently leading to a projected annual deficit from 2025/26 of approximately £3M.

The council is aware of budget pressure challenges in future years and the need to embed a culture of efficiency. However, as there has not been the need for significant savings to date it will be challenging to overcome a feeling of complacency. It is recommended that an efficiency strategy is drafted to identify the measures needed to meet the future budget gap. This will include future transformation initiatives, reductions in expenditure and increases in income. The council has started to identify these initiatives in areas such as recurring underspends and reviewing fraud areas such as single person discounts which generates significant additional income. The identification of “quick wins”, particularly when achieved as early as possible, will help to mitigate the need for reductions in service provision.

The savings anticipated from the transformation programme are already included within the Medium Term Financial Plan (MTFP) and therefore it is important that the effective delivery of these is monitored.

There is a governance process in place looking at capital investment projects for the council and this appears to be well structured and robust, including officer meetings of the Investment Selection Team escalating to meetings of the Investment Governing Board which involves cabinet members. There is a process for carrying out due diligence which is reported to and discussed at the relevant team and board meetings. For full transparency, it is recommended that reports supporting decisions are reviewed for completeness, including reference to due diligence and full business case information.

There are concerns over the delays in the completion of final accounts and therefore the subsequent external audit reviews and opinions. With 2020/21 being the last year

concluded, this has led to difficult relationships with the external auditor and indicates weak governance with the council vulnerable to taking financial decisions without complete information. It is acknowledged that improvements have been made over the last few years with improved systems and the finance team being better structured with interim staff being engaged to bring the accounts up to date. There is still a volume of work to be completed and the council should consider introducing additional temporary resource to clear the backlog alongside a comprehensive training plan to ensure the finance team is suitably resourced and skilled into the future. This should include a review of resilience to ensure that there isn't a single point of failure in the team.

It is recommended that the policy for MRP (Minimum Revenue Provision - the sum set aside from the revenue budget each year to repay outstanding debt principal) is reviewed to ensure that it is in line with CIPFA guidance.

As part of improvements in the finance team there has been a move towards a business partnering model. This is a positive move and will enable the introduction of the financial forecasting model in the new financial year to be embedded with ownership of spending officers. It is important that budgets and monitoring are owned by service areas rather than the current model where there is too much reliance on the finance team to interpret and report on the financial information rather than providing and interrogating the data. Regular financial reporting with robust forecasting will enable the council to have better sight on the financial performance for the year, allowing better management of services with early indications of likely budget variances. This should encourage a culture of financial control and will aid the achievement of the future continuous improvement strategy.

When looking at the financial monitoring model into the future, consideration should be given to integrating this with the council's qualitative performance monitoring. This holistic approach will enable the council to take all impacts into account when considering service performance.

Member engagement on finance is a strength with the responsible cabinet member being well engaged in the organisation and aware of the key areas within the budget and from emerging decisions.

4.5 Capacity for improvement

There is an organisational understanding and consensus for improving services and awareness of the council's journey to work towards a target operating model that is designed to manage customer interactions through digital and self-service channels (60 percent), through a customer contact centre (30 percent) and the remaining (10 percent) through a technical expert. Despite the consensus some colleagues in the council are unclear of the need for transformation and need support to understand how they can play an impactful role in this change. Peers recommend a review of the transformation approach ensuring the engagement, narrative, team structure, communication and methodology are aligned to the vision and outcomes for transformation. The investment into the transformation team has enabled some measurable improvements, although capacity was discussed as an emerging issue indicating a potential need to review the prioritisation of the transformation teams work programming.

The review should include examining if the transformation governance arrangements can be streamlined as there are currently multiple levels with a transformation board, cluster boards and project boards.

Peers heard how the transformation team considers learning from the methodology employed and also through formal lessons learnt captured through the PM3 project management system. Peers recommend continuing with this practice to ensure the capability of the transformation team evolves and organisational learning can be maximised.

The council has taken positive steps to strengthen project and programme management, this includes implementation of the IT application PM3 as well as a range of project documentation coordinated by the PMO (Project Management Office). Those steps and disciplines should continue to be embedded including the role of the PMO to ensure a widespread and consistent application of project and programme management methodology.

Peers met a number of colleagues in a range of meetings where most felt motivated to deliver within their service area. There were examples shared highlighting the organisational flexibility around adapting to changing working practices to accommodate hybrid working and impacts of the four-day working pilot with the development of local team charters that set out local team based working protocols that define how service delivery will be supported through agreed working practices.

Despite team charters being developed and encouragement from managers to reach out across teams to break down barriers, there were examples cited where hybrid working and the policy of attending the office environment once a fortnight was driving limited engagement across teams and with some members who find it difficult to discuss issues with colleagues who reported 'feeling completely lost and unsure where to go', resulting in the escalation of their case work or enquiry to a senior manager. This is eroding capacity at a senior level. Response to case management enquiries should be reviewed to ensure members are fully supported in their democratic duties with communities and done so in a timely way.

The council has recently invested in some fixed-term resource in learning and development. Previously learning and development was a small part of all HR practitioner roles. Accountability for learning and development is now within one role which has given an increased focus along with a dedicated budget to deliver development interventions such as the recent Leadership Academy targeting middle managers and carbon literacy training which has been well received.

The council should review the strategic capacity of the leadership team, considering the spans of control and number of direct reports reporting to the chief executive. Integral to the review, ensure there is further building of skills and capabilities to enable the senior leadership team to be in a strong position to support the requirements of the business plan and direction of travel of the organisation.

Peers heard a consistent message from colleagues who had opted into the four-day working pilot that they were finding it more difficult to manage their time to participate in learning and development activities and other corporate initiatives such as wellbeing events, as their work delivery is being self-prioritised ensuring as many available hours are focused on operational delivery. Despite the operational delivery being prioritised this may have unintended consequences such as the detrimental

impact of learning, management of personal wellbeing activities and participation in more corporate engagement.

Peers recommend the council develop an organisational development strategy to meet the opportunities and challenges ahead, for example ensuring there is a stronger focus on equalities diversity and inclusion which require strategic leadership and embedding across the organisation. Peers were made aware that the council is developing a people strategy, although were uncertain of the timeframe for delivery. The people strategy should include reviewing the organisational values which do not appear to be embedded consistently across the organisation or integrated in a meaningful way with employee performance.

To support the continuous development of members, peers recommend establishing a member training and development plan to ensure all members are supported in their respective roles and are reviewed regularly to pick up ongoing development needs. This approach was welcomed by the members peers met.

To achieve the councils target operating model, there is a dependency on the ICT shared service to deliver the transformation in the areas of digital and channel shift. Peers recommend that all shared service relationships are reviewed to ensure they are delivering best value and actively support the council's business plan objectives. Peers recommend strengthening the ICT client-side function to ensure there is an increased focus on ICT shared service performance as well as ensuring the current and future ICT requirements are captured in a structured way. This will ensure the capacity and expertise to deliver ICT related transformation is aligned to delivery plans.

Peers met with a selection of the council's tenant board who are working with the council to represent the views of tenants to shape future policy and operational performance. Peers recommend giving this area increased focus to ensure there is a clear strategy to ensure a greater representative sample of tenants, which will provide the necessary scrutiny and is functioning well to ensure the council fulfils its role under the new housing consumer standards.

Given the councils trajectory for housing growth and service delivery transformation, the role of the communication function is critical, ensuring effective engagement with communities. To support the council maximising the opportunities through

communication, peers recommend the council undertake a LGA communications review to ensure there is an external challenge and expertise to advise on areas of strengths and potential areas of improvement ensuring the function continues to provide value and the necessary impact on the business plan.

5. Next steps

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

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 session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, 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.

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