


# LGA Corporate Peer Challenge

North Kesteven District Council

Monday 1 November to Thursday 4 November 2021

Feedback report





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# 1. Executive summary

North Kesteven District Council (NKDC) is a strong, financially secure and stable council, and all of its work is informed by its strong suite of corporate plans and strategies. The most notable of these are the NK Plan (the council's corporate plan) and the NKDC 2030 Community Strategy.

Following its establishment after the May 2019 local elections, the North Kesteven Administrative Group (NKAG), continues to work well as a political group. The majority of NKAG members are Conservative members but together with the Independent members on the Group, they collectively describe themselves as NKAG members, and work positively and collegiately together via an inclusive approach to decision making, which they adopted from the outset. The 11 current NK Independent (Lincolnshire Independents and Independents) and two unaligned Independents form the opposition. Relations across the political groups, ie between NKAG and various Independent members, are sometimes difficult and tense. The council therefore needs to consider how those difficulties can be resolved.

The council's operations are run by a strong, competent Senior Management Team (SMT), which understands the strategic direction that NKDC needs to and is taking. There is however particular reliance on the Chief Executive, which raises the issue of a 'single point of failure'; that is to say that if the Chief Executive was to be unexpectedly absent for any length of time, this could significantly impact the managerial organisation of the council's work, if there is not sufficient preparation for such absence. The council should therefore consider succession planning for its senior leadership to help ensure the council is prepared for any such changes that may occur over time. It should also look to spread its workload with other officers to develop wider corporate and strategic leadership by sharing those roles and responsibilities.

Governance arrangements are robust and well established. NKDC's audit function and committee for example are performing strongly, and the Annual Governance Statement is self-reflective and sound. The council has an experienced, competent and well-respected Section 151 Officer, Monitoring Officer and Independent Person.

The council is risk averse and conservative in a positive way in relation to how it

manages its finances, and its Medium Term Financial Plan includes balanced budgets from 2022 to 2025, which are supported by programmes and an income volatility reserve. The council has a 10-year financial plan and a range of potential scenarios over that timescale.

Given the relative strength of the council's finances overall, NKDC can afford to, and should be bolder in their spending plans, investments, commercialisation, etc.

There is a positive, collegiate and supportive working environment at the council. Many staff have worked at the council for a long time, they like working at NKDC and want to continue working there. CMT has been supportive, responsive, willing to listen and help, accessible, flexible both generally and throughout the pandemic.

Staff wellbeing was particularly recognised as a key priority at the beginning of the pandemic and continues to be, especially given increased staff workloads and commitments throughout the pandemic and council. CMT is good at understanding and consequently allocating additional capacity to meet emerging service demands.

NKDC has effective, recognised, positive relationships with partners. All the partners the peer team spoke to regard the council as a strong and positive partner to work with. This includes regular, frank and honest discussions about challenges and differences as well as positive conversations to progress plans, all through constructive, respectful, productive and collaborative dialogue. NKDC also provides good place leadership across the district, county and region through roles and positions often held by the council's Leader, Chief Executive and Deputy Chief Executive.

Work is required however to strengthen the roles/effectiveness of members. Executive Board Members' current individual 'areas of special interest' for example could be enhanced by allocating individual members more clearly defined portfolios to increase their accountability and credibility, and strengthen and quicken decision making.

The scrutiny function including panels and task and finish groups are generally seen as being less effective than they could be due to being officer-led, not all scrutiny members attend, call-in powers not being used, the remits of the three scrutiny panels are not always clear, and other issues. An overall, thorough review of NKDC's scrutiny function is therefore required to address such issues.

All 43 members of the council sit on the Planning Committee, which makes it difficult to manage and for it to make decisions effectively at maximum pace. Not all members want to be on this Committee, support all members being on it, or can easily attend it, eg due to the time of the meeting conflicting with work, caring or other commitments. The council should therefore reduce the membership of this Committee to help address these issues.

Carrying forward any changes with members is likely to be difficult because of the contrasting views amongst them on the need for change. Because there is no overall consensus, no changes are made at all. To address this, officers should work with members who would like to see and be part of such changes to gradually introduce or trial small changes before introducing them on a wider scale once proved to be effective.

NKDC has excellent ambitions for tackling climate change but needs a realistic, strategy roadmap to deliver them. Various elements of the current Climate Emergency Strategy and Action Plan are not strategic, and the Plan is not costed, but these points need addressing, given that it is key to the council's Our Environment and other core priorities.

The council also has good intentions, but more work is required to understand and respond to the needs of all young people, ie those under 30 years old, whereby the peer team found little evidence of the council's approach to do this. NKDC therefore needs to devise a plan to ensure a wide range of young people are consulted and engaged with.

## 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:

**Recommendation 1 - be bolder in your spending plans, investments, commercialisation, etc** – the council can afford to do this given the relative strength of its finances overall. It will also make the most of NKDC's momentum, in taking forward its strategies and plans, to speed up and increase its delivery and ambitions through bolder financial planning.

**Recommendation 2 - work and review with a wide range of young people, ie those aged under 30 years old from a range of demographic groups, their needs and aspirations - to understand and respond to them** – NKDC aspires to do this but the peer team found little evidence of how this is happening in practice. Any approach needs to support all young people, ie of different demographics. The council therefore needs to work with a wide range of young people to achieve this aspiration.

**Recommendation 3 - develop a costed and funded roadmap with your members, staff, communities and partners on how you will deliver your climate emergency aspirations and priorities** - various elements of the current Climate Emergency Strategy and Action Plan are not strategic, and the Plan is not costed, and staff and partners do not know how the Plan will be achieved. Such a new roadmap will help ensure the Plan is delivered.

**Recommendation 4 - make the most of your consultations and surveys – from question design re equality, diversity and inclusion, to using the segregated data to inform future service delivery** - NKDC clearly undertakes a variety of regular consultation and surveys with customers, residents, communities and staff. More could be done however to seek, extract, analyse and use the maximum amount of information from them to enhance service delivery for the wealth of the district's Flourishing Communities.

**Recommendation 5 - consider reinstating your local business forum to assist local businesses and your economic development work** – this is because local businesses and social enterprises face a range of stark recruitment and retention challenges, and are therefore seeking your support.

**Recommendation 6 - consider the equalities standard for local government as a means to benchmark commitment to equalities that officers have clearly articulated** – this would help measure the difference council initiatives are making to improving diversity in all the council's work to reflect and respond to its communities' differing needs.

**Recommendation 7 - consider a succession plan for your senior leadership** to help ensure the council is prepared for any senior management changes that may occur over time. The Chief and Deputy Chief Executives represent the council on

various partnerships, and there is particular reliance within the council on the Chief Executive generally. This therefore raises the issue of a 'single point of failure', as defined above, which succession planning would help to address in advance of any such changes.

**Recommendation 8 - undertake a fundamental review of scrutiny** to ensure the scrutiny function including panels and task and finish groups are as effective as possible. The scrutiny panels are currently officer led, and members do not challenge reports as strongly as they could. Not all scrutiny members attend, call-in powers are not used, the remits of the three scrutiny panels are not always clear and there is some overlap between their work. A thorough review and challenge undertaken appropriately in a helpful and supportive way would help address these issues.

**Recommendation 9 - consider the introduction of portfolios for Executive Board members to increase accountability and credibility, externally and internally, and to speed up areas of decision making** - there are clear opportunities for Executive Board Members' current individual 'areas of special interest' to be enhanced by allocating defined portfolios that are clear to all members, staff, the public and partners.

**Recommendation 10 - in relation to gender, age and other equality dimensions, consider how to further encourage councillor candidates from broader demographics and upskill members to take up more senior positions** - NKDC's members broadly represent the district geographically but the demographics of its Flourishing Communities are slowly changing and will continue to do so. It would therefore be beneficial to encourage a more diverse base of councillor candidates and upskill members to better reflect and respond to the district's communities and their differing needs.

**Recommendation 11 - reduce the membership of the Planning Committee** – having all council members on the Planning Committee makes it difficult to manage and for it to make effective decisions at maximum pace. Not all members support the current membership or want to be on or engage with this Committee, or can easily attend it. For all these reasons, this Committee's membership should be reduced.

**Recommendation 12 - use newer members, the Chief Executive and external support, eg the Local Government Association (LGA), the Planning Advisory**

**Service and the Centre for Governance and Scrutiny, to encourage and/or lead on political changes, eg those recommended in this report, and introduce those changes gradually** - carrying forward any changes with the council's members is likely to be difficult because of the contrasting views amongst them on the need for change. Some are very resistant but often newer members are open to change. Therefore use those newer members, the Chief Executive and external support to introduce changes gradually.

**Recommendation 13 - keep Covid-19 instigated decision making protocols via the council's constitution** - elements of decision making became quicker and more agile during initial stages of the pandemic. Other decisions however took, and still take, unnecessary months to agree. NKDC should therefore consider how to retain and formally adopt Covid-19 instigated decision making protocols that worked well via the council's constitution, alongside the review of the council's scrutiny function, to best support such decision making.

## 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:

- Larissa Reed, Chief Executive, Swale Borough Council
- Cllr Marc Bayliss, Leader, Worcester City Council
- Cllr Adam Paynter, Deputy Leader of the Opposition, Cornwall Council
- Mark Horan, Continuous Improvement & Democratic Services Manager, Hastings Borough Council
- Siraj Choudhury, Head of Legal, Governance & HR, Crawley Borough Council
- Vicki Goddard, LGA Peer Challenge Manager
- Millie Adkins, LGA Project Support Officer.

### 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 and were further tailored for NKDC.

1. **Local priorities and outcomes** - Are the council's priorities clear, particularly through its NK Plan (corporate plan) and community plan, and informed by the local context? Is the council delivering effectively on its priorities and achieving improved outcomes for all of its communities, including its economic development sites in North Hykeham and Sleaford, and its commitment to addressing climate change, eg through the latest Local Plan's net zero targets relating to housing?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities that could be developed further, particularly with its NHS partners on their integrated care system and health and wellbeing generally, and to develop a single county waste authority using the council's political and strategic will and influence with the county and other councils and partners involved?
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 good understanding of its current financial position? Does the council have a strategy and a clear plan to address its financial challenges? Is it maintaining and further enhancing its financial stability, and developing its capital programme?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve? How is the council building on its Investors In People Gold award achievement, developing its people strategies, investing in IT, responding to the LGA's Recovery and Renewal Panel report, and maintaining its general drive to continually 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.

This Corporate Peer Challenge was originally scheduled for 17 to 19 March 2020. As the Covid-19 pandemic took hold however, NKDC and the peer team's councils had to prioritise their preparations for the first national lockdown that commenced on 23 March 2020. It would not have been possible to undertake the Challenge at the same time to the degree or depth required. NKDC, the peer team and the LGA therefore decided to postpone this Challenge.

The peer team prepared for this rescheduled Corporate Peer Challenge 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 three and a half days onsite at NKDC, with one of the team participating wholly online, during which they:

- gathered information and views from more than 48 meetings, in addition to further research and reading
- spoke to more than 111 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**

All of NKDC's work is informed by its strong suite of corporate plans and strategies, ranging from finance to governance, service plans to economic recovery. The most notable of these are the NK Plan (the council's corporate plan), the NKDC 2030 Community Strategy and the strong alignment between the two as evidenced through documentation and feedback throughout the peer team's visit. The NK Plan outlines the purpose, vision, values and priorities, which map out the next steps to be taken in

pursuance of the aims and aspirations set out in NKDC's longer-term community strategy to shape life through to 2030. Other plans and strategies align with these key documents each other, like a complete 'jigsaw' with all the required pieces in place.

The council has a well-developed performance management framework. It includes a structure of tiered key, service and operational indicators. The peer team heard how this also includes the service plans and performance narrative behind them, which are regularly monitored, reviewed, challenged and amended as required by Executive Board and Overview and Scrutiny members, the Corporate Management Team (CMT), the Divisional Management Team and service teams to help achieve the NK Plan's five core priorities.

There is commitment throughout the council to deliver its services how residents want them. The customer engagement team for example continually encourage and respond to feedback. A particular quote was that, 'You don't always speak to the person you want to but you always speak to the person who can help you.' Council tenants speak highly of NKDC's customer tailored housing services, as also evidenced through high tenant satisfaction surveys.

There is clear commitment from the council to build homes for local people. The peer team particularly noted the speed at which NKDC is building, expanding and improving the sustainable design of its social housing stock through its wholly-owned arms-length company, Lafford Homes Limited. These numbers are evidenced in NKDC's [LG Inform Headline Report](#), highlighting how the council built 235 additional homes in 2019/20 compared to the English district council average of 135. NKDC should celebrate and share this work more widely, eg internally, locally, and nationally via the LGA [case studies web page](#) in discussion with the LGA Peer Challenge Manager.

The LG Inform Headline Report also highlights, in relation to this Corporate Peer Challenge and compared to all English district councils, its positive council tax and non domestic rate collection, contributing in part to its strong financial position, the quick time taken to process new housing benefit claims and change events, the relatively low number of households in temporary accommodation, and its high rates of processing major, minor and other planning applications. The Report also

highlights the council's need to improve the amount of household waste per household, which it is addressing as part of its waste partnership approach and new household waste recycling programme outlined below.

Improving housing design is just one example of clear member and officer commitment and action to tackle the climate emergency locally, throughout NKDC's individual services right through to the council's Climate Emergency Strategy and Action Plan and NK Plan Our Environment priority. The peer team heard throughout its visit of a 'green' as well as a 'golden' thread, making the connections between what staff are delivering to their communities at service level and how that helps achieve NKDC's corporate green as well as overall priorities.

Whilst the peer team heard from many members and staff who support the council's overall green agenda, there was far less understanding of the strategy behind it, the actions required to meet related priorities, who will do what and how it will be funded. The Climate Emergency Strategy and Action Plan therefore needs a wholly strategic, fully costed, funded roadmap including activities already identified and possibly others, to deliver it.

The council has a strong economic development team that delivers with clear aspirations, knowledge, ideas, passion and commitment. The team knows the district's businesses well, and particularly got to know them through the initial stages of the Covid-19 pandemic, whereby they supported them with grants etc, but also liaised with them regularly to find out what they further needed. As a result of all their work, they are delivering strongly on current projects, such as the Sleaford Moor Enterprise Park, they know and use their data well to support their plans, and they continually seek solutions to challenges that arise.

Local businesses and social enterprises themselves however face stark recruitment and retention challenges. This is for example due to the increased number of vacancies (which is also a wider national issue), businesses' geography, ie rurality, poor public transport links, a wider issue with low unemployment but a low wage economy, weak broadband, which affects the ability of staff to work flexibly. Local businesses are therefore looking to the council for support. NKDC should therefore consider reinstating its local business forum to assist these businesses, enterprises and its economic development work, particularly as part of post Covid-19 recovery.

The council should also further develop its webpages to signpost local businesses to additional support.

NKDC undertakes a variety of regular consultation and surveys with customers, residents, communities and staff. These most notably include its consultation: throughout Covid-19, as part of its initial District of Flourishing Communities work within its Community Strategy, and the forthcoming consultation with its staff on its Agile by Design approach to future flexible working. The council also uses ward profiles to inform service delivery.

The council would benefit generally by improving diversity in all its work to reflect and respond to its communities' differing needs. This includes for example a broader representation of the district's demographics on CMT, which is currently all male, and the Council. It also includes enhancing the council's engagement and consultation work, eg through enhanced question design to seek, extract, analyse and use the maximum amount of information, and contact and engage with hard to reach groups further, to enhance service delivery for the wealth of Flourishing Communities.

The peer team noted and heard how these Flourishing Communities currently focus on geography rather than identity. The bespoke needs of those individual communities however require recognition and response, whilst recognising that individuals belong to more than one community and therefore have a variety of needs. A particular example of this was NKDC's aspiration to understand and meet the needs of its young people, ie those under 30 years old, but the peer team found little evidence of the council's approach to support all these young people, eg of different demographics through engagement and consultation. The council therefore needs to devise a plan to ensure a wide range of young people under 30 are consulted on and engaged with. This includes those from a range of demographic groups. The peer team also heard that whilst NKDC's members and staff are broadly representative of the district geographically, its Flourishing Communities are slowly changing in terms of demographics and will continue to do so. The council should therefore promote the benefits of a more diverse council – both politically and in terms of workforce – to its members and officers. NKDC should also encourage a more diverse base of councillor candidates, upskill members and otherwise do all it can to clearly represent those changing communities and respond to their needs through its members and workforce.

In light of all the focus outlined above on equality, diversity and inclusion, the council should consider using the equalities standard for local government as a means to benchmark and measure its commitment to and delivery of equalities throughout NKDC's work that officers have clearly articulated. This will help the council to further reflect and respond to its communities' differing needs.

Given the strong, overall position and momentum of the council's strategies, plans and finances (which are outlined below), there are significant opportunities to speed up and increase delivery and ambitions to make the most of all NKDC's positive work to date. This includes the council thinking longer term about its ambitions and delivery, as it has done so with its 10-year financial plan, as outlined below.

#### **4.2. Place leadership**

All the partners the peer team spoke to, within Lincolnshire, Central Lincolnshire and Greater Lincolnshire, including those in the voluntary and community sector, regard NKDC as a strong and positive partner to work with. This includes regular, frank and honest discussions about challenges and differences as well as positive conversations to progress plans, all through constructive, respectful, productive and collaborative dialogue.

NKDC provides good place leadership across the district, county and region. Partners recognise that the council's first priority is to represent and lead on the best interests of its own district and does so successfully. Partners also recognise however that NKDC represents, advocates and leads wider Lincolnshire interests in a similar vein through its many leadership roles on county and wider regional partnerships, roles often held by NKDC's Leader, Chief Executive and Deputy Chief Executive.

Given its strong leadership role within the county, NKDC is well positioned to provide place leadership on tackling climate change, especially with this being key to the council's priorities. It does however need to be more proactive, especially as Lincolnshire County Council has committed to be net carbon zero by 2050, whilst NKDC is working towards reaching net zero carbon emissions by 2030. These time differences mean that respective plans towards these goals are unlikely to be as aligned as they could be. Therefore whilst difficult, NKDC will need to enhance its leadership in this green and county-wide area.



Local government reorganisation discussions have not been easy within the county and have been in the public domain. Partners including NKDC, other councils within Lincolnshire and the public recognise the issues and challenges that are not going away, and the whole concept of local government reorganisation and the related discussions around it within the county are leaving 'scars' between councils, even at this relatively early stage, especially with Lincolnshire County Council. NKDC's strong strategic and financial basis, and its recognised leadership role within the county do however enable NKDC to choose the partners and partnerships it wants to work with and set its required direction of travel.

The NHS Integrated Care System and health and wellbeing work is however progressing well and moving forward as far as the peer team could identify through its limited conversations on this. This includes the positive, collaborative work between NKDC, the NHS and other partners in planning the new integrated care and health facility next to the main council building in Sleaford, whereby NKDC is making relevant links to its green agenda, eg exploring how its biomass power station at Sleaford could power health related services. With its years of previously committed health and wellbeing programmes, NKDC is also one of the delivery partners of the county-wide Wellbeing Lincs programme that helps people live independently, which is working well.

The waste partnership has worked hard to overcome challenges related to this very public facing work, ie through household waste collection. The work has not been easy but it is recognised that there is capacity for progression, and NKDC's role and work within this has been seen as positive and productive by partners. The new recycling system has caused problems within the district but these are being overcome, and the positive work needs to continue to ensure the issues are fully resolved and learned from.

The peer team also heard that the council needs to continue building positive relationships with its 60 parish and town councils to address ongoing issues and to make the most of opportunities to work together. Some of these issues are raised below in terms of parish, town and NKDC council meeting times and the implications of those timings. There are also concerns at parish and town level about anti-social behaviour of young people, which are not always informed. Such issues need resolving to ensure that all councils best work together in terms of service delivery

and representing and serving their communities.

### **4.3. Organisational leadership, governance and culture**

Following its establishment after the May 2019 local elections, which saw the election of 20 new members, NKAG continues to work well as a political group. Comprising mainly previously Conservative members and led by Cllr Richard Wright who has been the Leader of the Council since March 2017, all 27 describe themselves as NKAG rather than Conservative and Independent members. This reflects their positive, collective, inclusive approach to decision making, which they adopted from the outset. One Independent member sits on the Executive Board as part of this collaborative approach. The May 2021 local elections saw a new narrow Conservative majority but NKAG continued as the political administration, with the 11 current NK Independent (Lincolnshire Independents and Independents) and two unaligned Independents forming the opposition.

It was evident to the peer team throughout its visit that relations across the political groups, ie between NKAG and various Independent members outside of NKAG, are sometimes difficult and tense. Given the sensitivities of those relationships within the council, the peer team have advised NKDC to itself consider how those difficulties can be resolved. This would improve not only effectiveness between members and political groups within the council but also that of the various committees, task and finish, and other groups of members, ultimately benefiting decision making on behalf of the council and communities of the district.

The peer team heard throughout its visit that relationships between members and officers are positive and respectful. Members are very supportive of their staff and their work.

The council's operations are run by a strong, competent SMT, which understands the strategic direction that NKDC needs to and is taking. The Leader of the Council, Chief Executive and Deputy Chief Executive represent and lead the council and the county on many partnerships as mentioned above. There is however a reliance on these individuals to lead on such work, which raises the issue of a 'single point of failure', as defined above, especially in the case of the Chief Executive who is particularly (although not exclusively) highly respected by members and staff alike. The council should therefore consider succession planning to help ensure the council



is prepared for any changes that may occur over time, and should look to spread CMT's workload with other officers and partnerships to develop wider corporate and strategic leadership by sharing those roles and responsibilities.

Governance arrangements are robust and well established, including a solid council constitution that is adhered to and reviewed periodically. The Code of Conduct operates effectively as overseen by the Monitoring Officer in consultation with the Independent Person who is suitably qualified and experienced for the role. In the future, there may be scope and benefit (eg consistency) to developing a code that can serve NKDC and its parish councils.

The overall suite of cyclical governance documentation is in place including the Annual Governance Statement and the Code of Local Governance which are self-reflective and sound.

On a quarterly basis, Executive Board members consider 'NK In Numbers', a compendium of latest local data and other intelligence, which includes ward profile information, service and community 'pinch points' and current interventions to consider further actions. This informs policy as well as service development.

NKDC's internal and external audit functions and are performing strongly with the council receiving an unqualified audit report. The Audit Committee has a strong chair, holds officers to account and applies acceptable and strong challenge. The committee has strengthened its membership and its effectiveness has improved in recent months.

The peer team heard throughout its visit that the council has experienced, competent and well-respected colleagues fulfilling the statutory Section 151 Officer and Monitoring Officer roles. These two officers have good visibility and are working well with members and officers.

Executive Board Members' current individual 'areas of special interest' give each member a role in all the decisions they make, understanding risk, etc collectively. The peer team heard throughout its visit however that here are clear opportunities for these roles to be enhanced by allocating Executive Board Members stronger, more clearly defined portfolios. This would provide more clarity of their role, increase their accountability and credibility including to residents, as well as all members, staff, partners, and strengthen and quicken decision making. This does not mean that their

existing effective, collective decision making needs to stop but there are opportunities to strengthen these roles.

The scrutiny function including panels and task and finish groups are generally seen as being less effective than they could be. A key reason for this is that they are officer led. Members' trust in and reliance on their officers mean that they do not constructively challenge reports and decisions as strongly as they could, so members need to feel able to and challenge more. This could be achieved through further support and training for those members, and officers presenting reports, so that challenge continues to be provided and received constructively and respectfully. Not all scrutiny members attend, which weakens decision making. Call-in powers are not used, and officer reports are often long and can be late, making it difficult for panels to read and scrutinise them effectively. The remits of the three scrutiny panels are not always clear and there is some overlap between their work. Each of the panel's roles, responsibilities and remits therefore need realigning and clarifying. For all these reasons, the peer team recommends an overall, thorough review of NKDC's scrutiny function. Such challenge undertaken appropriately in a helpful and supportive way would help the council address these issues.

All 43 members of the council sit on the Planning Committee, as was raised through the LGA's Recovery & Renewal Panel in February 2021. This peer team similarly heard during this visit that this makes it difficult to manage the Committee and for it to make decisions effectively at maximum pace. Not all members want to be on this Committee, support all members being on it, or can easily attend it, eg due to the time of the meeting conflicting with work, caring or other commitments. Many do not engage in it when they do attend, eg because there are too many attendees for all to participate, the reports are too long or because they do not feel they have anything to say. The peer team therefore recommend reducing the membership of this Committee to help address these issues.

The council should also further consider how collective agreement and actioning decisions through its scrutiny panels, Planning Committee and possibly other committees and boards could be faster and strengthened. This could include for example producing shorter or more appendix reports, and holding more timely meetings that more members can attend. Many NKDC meetings take place during the day including afternoons, whereas many parish and town council meetings take

place in the evenings. Many members therefore feel they need to leave NKDC meetings early, or not attend them at all, to attend their evening meetings when they take place at similar or overlapping times. This is impacting on NKDC meetings, especially on those members who work, or have parenting or caring responsibilities. The council should therefore work with its parish and town councils to review the timing of all their meetings so members can undertake respective council roles to best effect. NKDC also needs to work with and encourage its own members to focus more on district rather than parish and town council business when on NKDC business including meetings.

Elements of decision making did become quicker and more agile during the initial stages of the pandemic. This was due to NKDC, as well as many other councils across the country, exercising and amending their delegations and other protocols, including online meetings, whilst Executive Board and other committee meetings were not able to take place in person. A particular example of this was two planning committees operating with half the number of members on each. Other decisions however took, and are still taking, unnecessary months to agree. Some reports have been back and forward to the Executive Board for much discussion, without maximum drive and agreement that could be achieved through portfolios and effective scrutiny. The council should therefore consider how to retain and formally adopt the Covid-19 instigated decision making protocols that worked well for NKDC via the council's constitution. This needs to be done however alongside reviewing and enhancing the council's scrutiny function so that that improved function can best support such decision making.

Carrying forward any changes with members is likely to be difficult because of the contrasting views amongst them on the need for change. Some are very resistant to change because 'we have always done it like this'. Others, particularly newer members, are more open to change. Because there is no overall consensus however, no changes are made at all. To address this, officers should work with those members who would like to see and be part of such changes to gradually introduce or trial small changes before introducing them on a wider scale once proved to be effective. This could be through the Chief Executive who is held in high regard by members and therefore could persuade them to embrace such changes. External support, eg through the LGA, the Planning Advisory Service and the Centre

for Governance and Scrutiny could also support the council in these regards.

The peer team strongly believes that the Monitoring Officer should be on CMT by default, rather than as an open invitation for her to attend any meeting. This would ensure and promote her oversight on a continual basis that the council is doing ‘the right thing’. It would also present a broader demographic profile of CMT, internally and to the public, illustrating albeit in a small way, the council’s commitment to equality, diversity and inclusion. The council should also however consider other ways to increase the diversity of its senior management, beyond gender.

The Internal Audit Annual Report 20/21 indicated a low assurance for procurement on the basis that the contracts register was not up to date and improvements in knowledge and experience were required. Officer awareness around contracts, procurement and publication rules is not as high as it should be. This is not uncommon as some officers may only occasionally run a procurement process or enter into a contract as part of a project or one-off piece of work. Although expertise is likely to be better for officers who procure more regularly, training on these topics would be helpful at all levels across the organisation.

#### **4.4. Financial planning and management**

NKDC is in a relatively strong, mature and low risk financial position. The council for example had £37.7 million in useable reserves in March 2021, which it intends to deploy to support the revenue budget in the short to medium term. The council’s robust financial management systems were recognised in an unqualified audit report for 2019/20.

There were unexpected costs of £100,000 relating to the pandemic to the council in the last year, although these will largely be met by additional government funding relating to such costs.

The council’s capital programme was significantly impacted by the pandemic. The capital outturn for 2020/21 was £14.7 million, resulting in an underspend of £22.5 million for that financial year. This has had a further knock on to the capital programme for 2021/22, which is ambitious and has increased to £50.4 million and is largely financed through significant prudential borrowing. The council recognises that it may have difficulty in delivering this scale of capital programme in practice, and the

programme is currently being re-profiled.

Much of the council's strong financial position is down to the continuous, robust and detailed work of the council's experienced Director of Resources/Section 151 Officer, who is well regarded throughout the council, and his thorough finance team. The council is viewed as being risk averse and conservative in a positive way in relation to the way it manages its finances.

The council's Medium Term Financial Plan includes balanced budgets from 2022 to 2025, which were considered by the Executive Board in October 2021, and are supported by programmes and an income volatility reserve. The Medium Term Financial Plan also has a mature and well considered list of risks that could impact upon the financial position of the council. On balance, the Plan appears to strike the right balance between optimism and pessimism.

The council has also produced a 10-year financial plan and a range of potential scenarios over that timescale. Such work is relatively rare in local government and NKDC could therefore share this work more widely via the LGA [case studies web page](#) in discussion with the LGA's [Adviser – Finance Improvement](#).

NKDC uses its New Homes Bonus, £2.67 million in 2021/22, as a 'windfall', ie as bonus funding removed from the council's base budget, which further strengthens the council's finances, rather than an amount to be relied upon. It can therefore be used flexibly as the council requires, eg for Lafford Homes and Sleaford Moor Enterprise Park developments.

Whilst NKDC did not achieve its reasonable budgeted levels of income in some of its budgets in 2020/21, mainly due to the pandemic, income streams appear to be recovering well. Parking, housing and leisure income is recovering, and the government's support for lost income has been welcome. Like for all district councils, non-government income streams are particularly important to the future financial health of the council, and therefore the healthy return of most income streams is welcome news for NKDC.

Council strategies and plans are generally aligned with costed and funded deliverables, such as in relation to Lafford Homes, and there is shared understanding between members and officers of the financial position and broad agreement of the reserve levels, through NKDC's various related committee meetings in which

financial plans and reports are discussed and scrutinised, and through ongoing discussion.

The key exception to this alignment between plans and costed funding is NKDC's current Climate Emergency Strategy and Action Plan. As mentioned previously, various elements of the Plan are not strategic, eg around Christmas trees and kettles, and the Plan is not costed, so it does not include key prioritisation of spend. This therefore needs addressing, given that it is key to the council's Our Environment and other core priorities.

Given the relative strength of the council's finances overall, NKDC can afford to, and should be bolder in their spending plans, investments, commercialisation, etc. The council has created much momentum in taking forward its strategies and plans as well as its finances, as outlined above, so there are huge opportunities to speed up and increase its delivery and ambitions through bolder financial planning.

#### **4.5. Capacity for improvement**

The council recruits excellent, ie experienced and productive staff, and has high retention rates. Many staff have worked at the council for a long time, they like working at NKDC and therefore want to continue working there.

Staff describe the council and particularly CMT generally as being supportive, responsive, willing to listen and help, accessible, flexible both generally and throughout the pandemic.

The council has been committed to wider community wellbeing initiatives for many years, and possibly related to that work, staff wellbeing was particularly recognised as a key priority at the beginning of the pandemic and continues to be, especially given increased staff workloads, commitments and examples of exhaustion and burnout throughout the pandemic and council. Staff highlighted how CMT is good at understanding and consequently allocating additional capacity to meet emerging service demands.

There have however been unintended consequences of well-intended initiatives, such as the wellbeing 'shape' hour, which cannot be taken by staff in all teams, especially where they need to deliver certain services at certain times, creating inconsistencies across the council. Staff also want to be better informed about

achievements, issues and solutions, particularly through the intranet.

The council has undertaken significant work, eg via its Agile programme, to enable staff to work flexibly, including work hours, the use of technology including Microsoft Teams and equipment such as laptops and other devices. Much of this work had already been delivered before the pandemic, which meant that staff and members adapted very quickly to working online and otherwise flexibly. There is also a well-resourced digital support approach for staff, eg a 10-year rolling roadmap of programmed and costed work, aligned with the 10-year financial plan, involving partnerships.

There is genuine commitment to build on the council's Investors in People Gold status to achieve Platinum status, as illustrated for example through the council's proactive Our people programme and Our People Strategy 2021-2023. There is also strong appetite to build on and support member and staff development, including drawing further on external support as required, eg via the LGA and the Centre for Governance and Scrutiny.

## 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 meeting. This will be a short, 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.

In the meantime, Mark Edgell, Principal Adviser for the East Midlands, Yorkshire and the Humber, and the North East, is the main contact between your authority and the LGA. Mark is available to discuss any further support the council requires by email at [mark.edgell@local.gov.uk](mailto:mark.edgell@local.gov.uk) or by telephone via 07747 636910.