LGA Corporate Peer Challenge

Lancashire County Council

12th – 15th October 2021

Feedback report

1. Executive summary

In many ways, this Corporate Peer Challenge could not have been better timed for Lancashire County Council. Recent changes in the Council's operating environment present the perfect opportunity to take stock and receive peer challenge. Examples of which include, but are not limited to:

- the election of a new Leader in May 2021 and the establishment of a new set of corporate priorities.
- the timely opportunity to reflect on the learning taken from the last 18 months and how the Council worked differently, with partners, when responding to the COVID-19 pandemic.
- the efforts to establish a much improved financial footing over the last 3-4 years and the platform this gives the Council, for leading a recovery, renewal and / or reset.

Much of the feedback contained within this report focuses on how the Council can now meet its local ambitions within this new context. Whether those are the ambitions for Lancashire (the place) or the Council's own transformation ambitions.

This Council has many opportunities now available to it from new ways of working, enhanced partnership working, a potential County Deal and corporate transformation. A number of these opportunities are time limited for different reasons. Should the Council be able to capitalise on these opportunities effectively and sustainably there is a particularly exciting future available for the way in which public services are delivered in Lancashire. This can lead to increased productivity and a positive impact on residents but may require new ways of working which includes some leaps of faith, further sharing of decision making, closer alignment and empowerment.

There is a common wish to see enhanced partnership working across all parts of the local government family in Greater Lancashire – including the county, district, unitary

and parish councils. Matching these intentions with genuinely co-designed and meaningful steps has the potential to lead to new ways of working which can accelerate progress towards a set of shared and well informed local priorities for places across Lancashire.

It is important to clearly set out the overarching picture for how the Council will transform over the next 2-3 years. This should incorporate all of the different ways in which the Council will change and the cumulative effects / opportunities this can lead to. Having this clear, overarching picture can help the Council to identify new ways of working from this, which can lead to further efficiencies, increased productivity and new ways of working. Proactively realising these benefits can then help the Council to channel even more of its efforts and resource into delivering against the priorities for Lancashire.

The Council has a new Leader who brings a welcomed drive for closer partnership working, a highly regarded and respected Chief Executive (both inside the Council and across Lancashire) as well as a cohort of staff who are passionate, talented and supportive. These are all important assets that can have a key role in making these ambitions a reality.

Establishing a new rhythm for decision making across the member and officer cohorts with closer working relationships and sequencing will aid pace, insight, challenge and confidence. There is a high quality and committed senior officer cohort at the Council – including heads of service, directors and the corporate management team. This wider cohort of senior officers can play an important role in the new rhythm of decision making the Council establishes as well as an important role in leading and implementing the Council's transformation ambitions. This will require giving these cohorts distinctive collective roles, responsibilities and expectations as well as an identified forum in which to connect regularly.

Realising all of the benefits from the opportunities now presented and successfully navigating through the challenges that inevitably come will help the County Council and its partners to lead a lasting recovery, reset and/or renewal from COVID-19 across

Greater Lancashire. This has the potential to impact positively not only on how public services are delivered in future here, but on the outcomes and life chances of a generation of Lancastrians.

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.   **Following the change of Leadership in May, refresh the use of the existing decision making structure within the Council, ensuring this fits with the distinctive roles of members and officers and supports a closer working alignment.** This will add pace, consistency, insight and strategic orientation. It includes the sequencing of information sharing and decision making across Cabinet member and senior officer cohorts

2.2.   **Define the Council's overarching transformation programme and communicate this clearly to members, officers and partners.** This includes linking together the existing 'Ways of Working' programme with the 'Our Improvement Journey' document, as well as any other transformation initiatives – not least those presented by the changes in context over the last 18 months. Clearly communicating this can assist more members and officers to understand and plan for the opportunities, risks and challenges this combined future picture presents.

2.3.   **Connect up, further empower and state a clear function for how the Council's collective cohorts of senior officers (including heads of service and directors) can be a driving force in leading the Council's transformation ambitions.** The Council benefits from a highly capable cohort of committed senior officers who are highly supportive of each other. Doing this can bring new perspectives and further release capacity at the Executive Director and Chief Executive level.

2.4.   **Align   the   enabling   functions   and   resources   underpinning   the**

Transformation Programme. Doing so can help support pace and implementation success.

2.5. **Clearly state the Council's position on future 'Ways of Working' and ensure that the approach to estate and digitisation suitably supports the roll out of this approach pan-Lancashire.** Officers have indicated a clear preference in this regard for the flexibility to work in ways which suits the productivity of their individual service areas and the impact they can have.

2.6. **District and unitary council partners across Lancashire welcome the message from the new Leader of the County Council for closer partnership working. Act now to co-design with those partners the steps that can be jointly taken to make this a reality.** There are suggestions throughout the body of this report which may be considered in this regard. Delivering on these commitments will then be the major test of improved partnership working and potentially help in building momentum for ever closer working partnerships in future.

2.7. **Review the Council's approach to Overview and Scrutiny. Look at how Overview and Scrutiny can have increased impact both in terms of policy development and accountability.** There is an opportunity in doing this to consider whether different approaches to scrutiny (such as opposition chairing of scrutiny) could bring further benefits as a feature of the system in future.

2.8. **Take steps to ensure that the local government voice across Greater Lancashire is suitably positioned in the movement towards an Integrated Care System from April 2022.** This includes having suitable representation from local authorities across the system at both the strategy and delivery ends of this interface. Given the health inequalities experienced in Lancashire and the links to productivity, the impact of this can be significant and cross cutting.

2.9. **Building on the steps taken to date to further prioritise climate change, develop a more detailed action plan with clearly identifiable corporate and place-based actions and milestones.** This should prioritise and incorporate the various opportunities available to Lancashire including

investment opportunities and reflect the corporate implications of these changes to the Council and fit together with the contributions of partners – both in the design and delivery stages.

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:

- **Cllr Rob Waltham MBE** (Leader – North Lincolnshire Council)

- **Yvonne Rees** (Chief Executive – Oxfordshire County Council and Cherwell District Council)

- **Cllr Sue Woolley** (Executive Councillor: NHS Liaison, Community Engagement, Registration and Coroners – Lincolnshire County Council)

- **Tom Beattie** (former Leader – Corby Borough Council)

- **Chris Bally** (Deputy Chief Executive – Suffolk County Council)

- **Tracy Darke** (Assistant Director of Economy and Place – Shropshire Council)

- **Sheila Oxtoby** (Chief Executive – Great Yarmouth Borough Council)

- **Katie Hawthorn** (Skills and Employment Officer – London Borough of Barnet Council)

- **Dan Archer** (Programme Manager – Local Government Association).

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?

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

- Partnership working with district councils across Lancashire and how this might be strengthened.

- The approach to decision making and in particular, member engagement in decision making.

- The Council's approach to Economic Growth.

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 Lancashire County Council and:

- gathered information and views from more than 55 meetings, in addition to further research and reading.
- spoke to more than 120 people including a range of council staff together with members and external stakeholders.

The team collectively, in total spent over 340 hours to arrive at these findings, the equivalent of one person spending over 8 weeks in Lancashire. 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

Lancashire is the 4th largest county in the country with a population of 1.2m people living in an area of 3,000 square kilometres (which is approximately three times the size of Greater Manchester). The county does not have one urban core but a polycentric set of towns, cities, agricultural land, industrial zones as well as 137 miles of coastline. This area includes some of the wealthiest districts in the country – as well as some of the most deprived. Nine of the twelve Lancashire authorities have become more deprived on the IMD rankings since 2015.

The Council is clear on the local opportunities and challenges for Lancashire. Whilst within the county there are some of the poorest economic, social and health outcomes in the country, there is a clear sense of the potential that exists also.

Children's Services at the Council moved out of OFSTED intervention in 2018 and are

currently graded 'Requires Improvement'. A positive direction of travel since this point is observed by the Council and external recognition has also been evident. A further OFSTED review of Special Educational Needs and Disability services (SEND) in September 2021 highlighted progress made since an adverse SEND inspection in 2015, whilst also highlighting four remaining areas where further progress is still required.

Following the elections in May 2021, a refreshed set of corporate priorities for 2021-2025 have been developed by the Cabinet and agreed by the Council which sit alongside the previous vision and objectives. Communicating the new corporate priorities clearly alongside the vision and objectives is important both inside the organisation and with local partners.

The Council has well established mechanisms for performance monitoring and can demonstrate a good understanding of service performance against similar councils elsewhere. This is used routinely as well as to inform 'deep dive' work – such as the work to develop spending decisions in the period between 2019 – 2021. Members of the Cabinet Committee on Performance Improvement actively engage with performance information. Senior officers also scrutinise performance at a corporate level and directorate level. Aligning performance reporting to the newly established priorities of the Council will be an important next step as well as reviewing the measures and milestones on an iterative basis to closely reflect the intent of the Council and the outcomes it seeks to achieve.

Beyond the new corporate priorities for the County Council, there are opportunities to further co-design with partners on a localities basis some shared place based priorities, which benefit from a deeper understanding of the different, locality specific contexts. This can lead to clear, system wide, evidence based priorities for Lancashire. Doing this in a collegiate way can help to lay foundations for new ways of working and innovations which cut across partner organisations (local government partners and more widely).

This can be one of the ways in which partners across Greater Lancashire are able to build a legacy from ways of working established in responding to the COVID-19 pandemic (e.g. community hubs). This might involve hosting conversations with the

Voluntary, Community, Faith and Social Enterprise (VCFSE) sector which can release further capacity. Establishing mechanisms to engage residents can be a shared role with partners. How this is done can create conditions whereby additional community capacity is made available which can help in developing new ways of working. To achieve this meaningfully, the Council will need to ensure it has the necessary skills and expertise available locally – whether this is within the County Council or shared across partners in Greater Lancashire.

To further advance the work on climate change as a corporate and Greater Lancashire priority, the Council is encouraged to work closely with partners (public and private) including those at a district and unitary level. This is a great opportunity to co-design a shared response to this challenge, which can also bring significant longer term health, wellbeing and economic benefits for Lancashire.

Further into this report, the importance of ongoing staff engagement within the Council throughout the transformation programme is highlighted. This can have an important role, not only in ensuring internal change programmes are delivered robustly, but also in identifying early any unintended consequences and further opportunities. The Council currently has in place a network of digital champions which are an example of this.

The Council have taken steps to advance equality within the organisation, which needs to be further embedded. New equality objectives were agreed for the Council in April 2020 and Executive Director sponsorship for this has been put in place. Should the Council wish to seek a detailed assessment of the progress made and steps which can accelerate this progress further, dedicated support and external challenge can be provided to the Council via the LGA.

4.2.   Organisational and place leadership

Lancashire County Council is Conservative-controlled and saw an increased Conservative majority during the last set of four-yearly elections in May 2021. The number of "twin-hatted" county and district councillors increased at the May elections and is now particularly high with 44 / 84 members in total being both county and district councillors. There are 13 / 84 County Council members who are also parish

councillors.

A new Leader was elected in May 2021 following the retirement of the previous Leader. The drive and commitment of the new Leader to engage with all district and unitary leaders on a one-to-one basis is recognised consistently, cross party by those the team spoke with. They want to see these discussions followed with action and are open to exploring closer working between the different councils in Greater Lancashire.

When the COVID-19 global pandemic struck in early 2020, Lancashire was hit particularly hard. Over 162,000 positive cases, 14,000 hospitalisations and most sadly 3,500 deaths were recorded up to the time of this peer challenge. In Lancashire, only Lancaster saw less deaths due to COVID-19 than the national average.

COVID-19 threw the place leaders of Lancashire under unimaginable pressures and relatively unforeseeable new challenges. The County Council was the lead agency for most of the pandemic response, working with partners through the Lancashire Resilience Forum structures. Blackburn-with Darwen Council and Lancashire Police similarly led the response at different stages. How closely the Council worked with local partners throughout the last 18 months on this, is consistently recognised by all those the team spoke with. A recent review of the Council's response and resilience during the pandemic highlighted how the Council demonstrated strengths during this period, including its willingness to use its resources flexibly to reflect local need.

The Council was proactive in protecting the local care sector during the COVID-19 pandemic, which was a key priority throughout this period. The 'Capacity Tracker' is one example of this, which is a creative local digital data solution which had a key role in supporting the fragile residential care home sector in Lancashire through the last 18 months. This has been recognised regionally, nationally but most important locally as an act of strong place leadership.

COVID-19 created a shared, relentless focus on a singular, common goal. The peer team heard how this led to closer working relationships between partners in Lancashire than has been seen for many years. The Council should now build on these improved relationships and the commitment given by the new Leader to build closer working relationships across Greater Lancashire.

The actions to build this closer working relationship should be co-designed with those partners as equal stakeholders. This should be based upon the shared principles and actions that can make a real difference in the County/District/Unitary partnership. Delivering on these commitments will then be the major test of improved partnership working and potentially help to start building momentum for ever closer working partnerships in future.

In order to do this, the commitment to partnership working and collaboration must now become a recognised, modelled, challenged and rewarded trait across all of those in a position of 'leadership' across Lancashire. This includes those in junior and more senior roles – essentially – a key tenant of how Leadership is seen across Lancashire. Putting this commitment into action will mean behavioural changes to the ways in which partners across Lancashire engage, share and design - at earlier and more open stages in decision making. As is often the case – consistency, perception and trust are crucial for sustained commitment.

Building closer working with partners across Greater Lancashire may require further working on area based priorities and a shared outcome focus. An example of what this can lead to might be the potential for the different councils locally to devolve aspects of decision making, resource and responsibilities to shared locality based footprints rather than a county or district footprint, for example where it suits the challenges each are trying to address and the strategies required to do so. The balancing of risks and rewards from doing this would clearly have to be considered in detail.

To support closer working relationships with partners across Greater Lancashire, there may be a role for resetting the nature of the conversations that CEXs, Leaders and other peer networks within Greater Lancashire are able to have. Building a more granular, current, shared understanding of how and why partnership does and doesn't work as well as then co-designing the actions which will help realise a closer working relationship across Lancashire can be a starting point for this. Equally being able to share in a safe way at different junctures, when partnership working hasn't worked as well and finding ways to correct this will be important.

The opportunity to build any new way of working is very much now. The Council has received a level of respect from partners for the way in which it operated and the closer,

more open and informal relationships this enabled in responding to the COVID-19 pandemic. There are examples that any delay may lead to missed opportunities to build an operating legacy from (e.g. Community Hubs).

Whilst doing this, looking at how the Council and county utilises the capacity and engagement of the third sector also presents an opportunity. Currently the approach appears somewhat fragmented and a more co-ordinated, corporate approach would be welcomed by the VCFSE sector.

The particularly challenging experience of COVID-19 in Greater Lancashire brought further into focus the underlying health inequalities and socio-economic challenges experienced locally. This is also the very challenge that brought partners much closer together in responding to this public health crisis. In leading a local health recovery and renewal from COVID-19, there is an opportunity to work with partners including district and unitary councils more closely on health inequalities and prevention. This can help to make this closer partnership working a welcome legacy from this period, with an opportunity to carry this into the future. This can also support activity to improve Public Health using the levers that exist more widely across Lancashire. Examples of which might include local housing sufficiency and quality which are known challenges in many parts of Lancashire.

The health partnership landscape in Lancashire is particularly complex. The Lancashire and South Cumbria Integrated Care System is not co-terminus with county boundaries, covering all of Lancashire plus Barrow and South Lakeland in Cumbria. Local government in Cumbria is also currently working through Local Government Re-organisation. There are five local partnership areas that make up this Integrated Care System – covering a total population of 1.8 million people.

Given the scale of change presented by the shift to Integrated Care Systems and the implications this can have for place leadership of health, the Council should move quickly to decide how it wishes to step closer into the Integrated Care System (ICS) structure. This includes acting early to ensure the realistic benefits and challenges of doing this ahead of April 2022 are met. Doing this is likely to require new, shared responsibilities across the member and senior officer cohorts. Providing suitable representation at each level – both strategic and delivery will also be important. The

Council has a very strong cohort of senior managers. This includes both the wider cohort of directors and heads of service; this is considered in more detail further into this report although it is important to highlight the role that this cohort could take in representing the Council at this interface with health and helping to identify and capture the wider benefits / opportunities and risks. There are also clearly opportunities to include this as a feature of closer working relationships with district and unitary colleagues.

The Council has worked to build relationships with Government in recent years, both before and during the COVID-19 pandemic. Colleagues at the Council now observe a new relationship with Government and feedback the sense of becoming a more credible partner with Government. The benefits of this will be important for future devolution and economic recovery / renewal. The Council should continue to purposefully build this trust, capitalising on it is an important feature of how the county is able to support longer term socio-economic prosperity and "levelling up" across Greater Lancashire.

4.3.   Governance and culture

The County Council operates a cabinet model with executive decisions taken on a monthly basis. The Cabinet is made up of the Leader and nine portfolio areas. Two new portfolios were created following the May 2021 elections, one of which included separating Education out from Children's Services and including this with Skills. A portfolio was also created to focus on environment and climate change to reflect the Council's increased focus on these areas.

Lancashire is unquestionably a large county area with an increasing number of opportunities and some significant socio-economic challenges. This includes a COVID-19 recovery, a potential County Deal as well as health and social care integration across a complex footprint. This highlights a significant amount of strategic space in which members, advised by officers are required to lead the Council through.

To maximise on these opportunities and to meet these challenges, reflecting on how

councillors and officers can best work together will be an important step. This is a normal step to take following new leadership, particularly where this comes with a change in working preferences. Establishing the right rhythm for decision making across both members and officers at the Council under the new leadership will support pace of delivery and consistent strategic alignment.

There is a recognition within the Council of the steps taken by the Leader to put in place meetings with the Leader and Deputy Leader of the Opposition on a six weekly basis. At these meetings members are able to discuss current and forthcoming strategic decisions for the Council as well as the roles of different members and how they are supported.

Ensuring all councillors receive timely responses and are able to access suitable information is important to their roles in decision making as well as within ward activity. The newly published Communications Strategy has reference to this. This is key to ensuring all members are able to fully play their role in decision making and should avoid the need for members to resort to Freedom of Information requests (FOI) to access information. Avoiding situations like this can help to build further trust between the wider member and officer cohort at the Council.

The Council operates its scrutiny function through five committees and two joint health committees with neighbouring authorities. Many councillors (cross party) would welcome a refresh of the approach to Overview and Scrutiny at this stage. In doing this, the Council should consider the role of scrutiny in policy development, the outward looking role that scrutiny can play, how it can further contribute to place based issues and whether Scrutiny would benefit from some opposition chairing in future.

Further capitalising in this way on the contribution from Overview and Scrutiny can help the Council to receive clearer cross party input, challenge and consensus. There is an acknowledgment from the opposition that opposition chairing of scrutiny is something that should have been in place previously (when the opposition were last in administration) and a commitment to sustaining this as a principle should the opposition take control of the Council at some point in future.

Internal member development is generally well regarded by those members the team

spoke with. This includes new members to the County Council and those who have been County Councillors for longer. More councillors would like to access external member development (including LGA programmes) to complement their development. This includes those in opposition. There is an extensive programme of support available from the LGA, a significant proportion of which is free to access or subsidised, and a large amount which is delivered remotely which more members could access.

4.4.   Financial planning and management

Lancashire County Council has made significant improvements to its overall financial position in recent years.

The Council has managed to move itself away from the use of reserves to balance the budget over this period by identifying additional, permanent savings. In 2018/19 the Council budgeted to use £44.7m of reserves to balance the budget, this reduced to £10.245m in 2019/20 and there was no budgeted use of reserves to balance the budget in 2020/21. The Council has a small draw of £4m on reserves in 2021/22 (against an overall net revenue budget of £877m) and this should be considered in light of the disruption and pressures presented by COVID-19.

The Council is now in a much a more sustainable position with a multi-year savings programme and a healthy level of reserves, including a Transition Reserve which stood at £202m on 31st March 2021.

The Council has been able to deliver underspends against budget in 2019/20 and 2020/21, with the Council forecasting an underspend against budget of around £5.219m in 2021/22. This has meant that the Council has not been forced to use all of the reserves identified in setting those budgets, subsequently making these reserves available for other uses.

Treasury Management has played a significant role in achieving this position. In 2020/21 Treasury Management contributed a £24m surplus to the Council's financial position.

The Council has been recognised for the way in which it has managed the cost pressures of COVID-19 particularly well. Continuing to monitor any subsequent or latent impacts of COVID-19 on financial forecasts and future saving delivery will remain important, although it is noted that the Council has managed to build up a level of financial resilience to this in recent years.

The Council's approach to financial planning and management is viewed positively by the External Auditor and a good working relationship is clearly evident. An unqualified opinion on the financial statement can be seen and the view of the finance service from the External Auditor is that this is an area of strength at the Council with a good level of capacity observed.

The financial stability the Council managed to create in the last three years is a positive story of purposeful improvement. It has created a more stable platform for the Council to take considered, strategic steps in delivering further transformation. The Council are encouraged to capitalise fully on this opportunity and not waste the hard work done to create it.

The Council included £43m of savings within the 2021/22 budget. The largest proportion of which sit within adult social care. A number of these savings slipped from the financial year 2020/21 due to COVID-19. Any further slippage on savings will need to be carried forward into 2022/23 and beyond. The level of underspend reported year on year is a positive story at the Council although this can have the potential to undermine the Council's overarching transformation ambitions.

A further future funding gap of £63.958m can now be seen between 2022/23 - 2024/25. How successfully the Council can implement the wider transformation programme can have an important role in bridging this gap. There are many direct and indirect opportunities for efficiencies and savings from the work on transformation, not least the shift to agile supported ways of working. The costs saved from reduced mileage (as seen in 2020/21) were significant. Whilst this level of efficiency is not realistic year-on-year, depending on how extensively the Council backs locality based, remote and/or agile working, a significant contribution could be made.

The Council also has a significant asset base, in particular the corporate estate. The

further realisation of assets across this extensive footprint can create another number of opportunities for the Council and County. How the Council capitalises on the future use of this estate can mean releasing estate for new jobs, homes, approaches to service delivery, additional commercial income or one off capital income. Fully appreciating the extent of the estate and the strategy for its usage can help to realise the various benefits in a strategic and considered way – to reflect the priorities of the county overall (for example climate change) as well as the priorities for individual areas within the County. Within this strategy, the Council has to consider how it will continue to provide local services in collaboration with partners and there is scope for significant 'One Public Estate' partnership working.

The Council is taking more steps to reduce its Carbon footprint. A new Carbon Strategy Team with responsibility for the development of mitigation and adaptation measures across the asset portfolio is now being created. Further to this, the Council is also included within the LGA 'Pass the Planet' showcase at the COP26 conference in November 2021. This highlights the extent of LED streetlight conversion across Lancashire. This will save an estimated 84,400 tonnes of Carbon (and a saving of £40m in energy costs). As the Council further progresses with its intentions to reduce its Carbon footprint, carefully considering and planning for the wider implications of this financially will be important.

In recent years, the Council has operated with a combined CEX and Executive Director of Resources (s151) role. This was to reflect the largest challenge to the Council at that point being identified as the financial challenge. Given the improved financial outlook for the Council and given the capacity demands of recovery, transformation and the ambitions to develop partnerships, the Council may wish to consider whether this remains the right model for Lancashire looking ahead. This is not a recommendation from the peer team but highlights an area the Council may wish to look at again and choose its own preferences in light of its improved position, future opportunities and planned direction of travel.

4.5.   Capacity for improvement

The Council has demonstrated its capacity to improve in recent years in a number of different ways. Examples of which include the improvement in the Council's financial position, improvement in children's services as well as achievements in adult services, culture and place.

During the response to COVID-19, a spotlight was firmly shone on how the Council can adapt quickly to new working practices and challenges. This included adapting to new ways of working such as the 'Capacity Tracker' and the creation of a temporary staffing agency. The Council was also able to show how it quickly shifted to equip 1,000 extra staff with laptops and devices, as well as rolling out Office 365 to over 8,000 staff in particularly quick time. Officers have welcomed the flexibility this has presented them with indicating that *"Remote working really works – let's not lose it".*

When speaking to officers at all levels of the Council, they give a consistent and clear message on their future working preferences. Officers don't want a 'one size fits all' approach but seek genuine flexibility which allows within reason, services to decide the most appropriate balance of agile, remote and office based working. Empowering service leads to make the right decision for service delivery can further maximise productivity and increase the impact that services have on local outcomes. Doing so would also mean ensuring that methods of accountability (whether formal or informal) must become more focussed upon impact and outcomes rather than 'presenteeism'. Sending out a clear message is an important step, remaining true to this message and modelling this culture must go with this to realise the real benefits.

To make agile working really work for Lancashire, ensuring the estate county wide supports this is crucially important. This cannot be overly focussed on Preston and the County Hall building at the expense of office locations elsewhere in the County. Ensuring that teams based out in localities are able to access office / desk space when required and that this estate aligns to the needs of the entire county is an important step.

As the Council further develops its future ways of working programme, ensuring digital and technological leadership is integral to the design and implementation of this is

important. This can help to ensure that the technological and digital requirements of services are implemented in line with most modern practices and not only creates the conditions for effective agile working now, but also responds to how the use of technology and digital can continue to support further future service innovations. Ongoing engagement with staff throughout will also help to expose any issues, risks, unintended consequences or opportunities as services adapt to new ways of working.

The Council successfully brought digital services back 'in house' from April 2021 following the end of a previous contract with British Telecom (BT). There is an ambition to further accelerate digitisation at the Council. Having a senior officer sponsor at the Council, active at Corporate Management Team, can help to further advocate for digitisation across the Council and plug into opportunities where this could be utilised further at a strategic level. Political leadership on maximising the use of technology both internally and externally would also support this ambition.

The Ways of Working programme is one area of transformation that the Council is currently heading into, with other transformation opportunities also becoming more of a feature. Examples of other transformation work the Council is entering into include, but is not limited to:

- Carbon reduction

- digitisation and use of technology

- agile ways of working

- a new approach to partnership working

- realisation of the estate

Clearly defining the overarching transformation programme, including and incorporating updating work completed pre-pandemic, will enable members and officers to look ahead and see the cumulative opportunities, risks and challenges this presents. This means not necessarily thinking of the individual opportunities presented by services adopting agile ways of working alone (for example). Rather, the operating

environment and opportunities presented when each of these transformation ambitions are overlayed. For example, how services may operate in an environment which has an increased drive for Carbon reduction, with a new approach to partnership working and the benefits of estate realisation. This might mean looking further at the benefits of One Public Estate, for example. Equally how might the requirements of the estate change as further digital solutions are identified? This can have both back office and front line implications for the estate. By clearly defining this as a cumulative transformation picture, these opportunities, risks and challenges can be planned for in good time to ensure the Council is able to realise the maximum potential benefits for Lancashire – both in terms of productivity and outcomes.

There is a real strength in the head of service, director and executive director cohorts in Lancashire. Empowering and connecting directors and heads of service to take their place as the driving force of the organisation can mean enabling / encouraging them to own and lead the transformation programme. This can help give this programme a lasting legacy as many of those people move further through the organisation. Giving the heads of service and directors a collective role and regular forum (which is connected to the work of the Corporate Management Team) can help to realise the collective benefits of this network. Relationships between officers across these groups are good and supportive, there is an evident willingness from these officers to explore this shared space further for the overall betterment of the County Council and wider county.

More closely aligning the strategy, policy and transformation capacity of the Council (as examples of some of the key levers of change) can also make a difference in how the Council is able to implement the transformation ambitions. This can help to increase the pace required for transformation, which is a risk currently flagged on the Corporate Risk Register.

As the Council moves forward in progressing the above transformation programme, the role and requirements of the Council in some areas may change (not least from closer partnership working for example). As such the corporate wide capacity and capability requirements of the Council are also likely to change as it reaches this transformed state. As part of the work on organisational development, ensuring the

Council is planning to develop the workforce of today into the workforce required of this future County Council is an important step for sustaining momentum into the future and responding at pace to the opportunities this may present.

The Council reports a high level of satisfaction with workforce development programmes (which stood at 96% over the course of the last year). There are further development opportunities that can supplement this externally for senior officers. This includes the opportunity to become LGA peers. This will enable more senior officers from Lancashire to bring back the learning from other councils and feed it into Lancashire as appropriate. Adult and children's services are already well engaged with sector led improvement, something that can be built upon more widely.

The Council launched a new Communications Strategy (2021-2025) over the course of the peer challenge. This strategy articulates a drive to better communicate positive news and developments in Lancashire. This can play an important role in further enhancing the reputation of Lancashire as a place to live, visit and work – as well as continue to build on the perception of Lancashire as a place that delivers, further enhancing the credibility and trust Greater Lancashire has with public and private partners nationally.

4.6.   Economic Growth

Lancashire has one of the largest economies in the north with a GVA of £28.116bn (or £34.109bn for the Greater Lancashire area). Key local employment sectors include manufacturing, wholesale and retail, real estate, human health and construction. Around £15bn of opportunities to invest have been identified across the county with a £1.75bn Development Pipeline now in place.

To help realise the benefits of this, the Council has invested in recent years into the Economic Growth agenda and has expanded its capacity to deliver in this area. Investment in staff resource increases the team from 6 to 20 members of staff.

A strong commitment is evident for developing a Greater Lancashire Plan with partners through the Lancashire Growth Plan. District partners recognise the steps forward the Council has taken in regards to economic growth in recent years and the draft Lancashire Growth Plan provides an opportunity for partners to coalesce around a shared vision for growth, as well as an opportunity to co-produce the requisite delivery plan that underpins this.

The Council has acted proactively to create shovel ready sites and success has been seen in drawing on external funding not least:

- The delivery of the £256m South Lancaster Growth Catalyst which includes major transport investment supported by Housing Infrastructure Fund and has unlocked land for employment as well as the construction of around 9,000 new homes. This is an example where the more sustainable financial footing of the Council has enabled attention to be given to forward funding the economic ambitions of the County.

- Eden North – a £125m landmark investment opportunity which will create 2,000 construction jobs and attract an estimated 1 million visitors per year.

- Preston Western Distributor – which opens up new housing developments as well as improving access to the Warton Enterprise Zone.

- Lancashire Central and Samlesbury Enterprise zone – 3 million square feet of commercial floorspace as well as significant investment in infrastructure and transport improvements. Notably just prior to this peer challenge this site was selected as the location for the £5.6bn National Cyber Security Force campus, bringing in the region of 5,000 highly skilled jobs to Lancashire.

There is ongoing engagement with districts and unitary authorities through forums such as the Local Economic Directors Group and a Major Projects Delivery Group - this monitors progress and delivery on all major projects.

Members and officers at the Council are consistent in identifying the East – West transport issues as a key challenge to overcome in increasing economic productivity across Lancashire. Given the significance of this challenge and the impact this can have on wider socio-economic prosperity this must remain a key partnership priority.

In light of the evolving health landscape, health inequalities locally and the potential to work in new ways to address these inequalities (as detailed elsewhere in this report), the impact of this work can clearly have a significant knock on benefit for local economic productivity and further future prosperity. How the Council steps forward into this new health landscape and frames conversations should therefore be considered.

A resolution to transition the Lancashire economy away from Carbon by 2030 and address the biodiversity crisis has been adopted, with a number of initiatives in regards to the Council estate also evident. Underpinning this resolution for the wider economy, there is as yet an absence of a consistent plan to deliver this by 2030 which now needs to naturally follow.

The peer challenge team were unable to test partnership working with local businesses and business leaders over the course of this peer challenge in any great depth. However, given the feedback throughout this report that the Council is looking to extend and deepen partnership working, factoring in what this means for partnerships with local businesses and business leaders is clearly going to be an important part of this overall direction of travel. This includes the collective as well as bilateral contributions these partnerships can make to increasing local economic prosperity as well as the wider role partners play across the overarching priorities for Greater Lancashire.

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, Claire Hogan (LGA Principal Adviser) is the main contact between your authority and the Local Government Association. Claire is available to discuss any further support the council requires and can be contacted via claire.hogan@lancashire.gov.uk