


LGA Corporate Peer Challenge

Lewisham Council

15 - 18 November 2021

Feedback report





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1. Executive summary

Lewisham has a strong sense of place. There is an ethos of inclusion, welcoming and community that runs as a thread through the council and the borough. There is a lot for staff and elected members at the council to be proud of and the resilience, innovation, and culture of the workforce during the response to the Covid-19 pandemic should be celebrated.

Being the London Borough of Culture 2022 is an opportunity to showcase the borough's rich diversity and historical and present contributions to culture and debate for equality. The positive outcomes and a lasting legacy will best be achieved through fully engaging with community partners, residents and businesses however, some said this hadn't been the case, and they weren't aware of plans or been party to developing them.

There is widespread recognition of the race equality work internally and externally in Lewisham which has built a coalition of those willing to work with the council on other strategy creation and delivery. This work has set a high bar for what happens next, and the council needs to remember that it is countering years of mistrust. It is important to use data and insight to continue to be clear about what happens next and how the energy and commitment to this agenda will be maintained and the council should continue to develop the engagement work with black-owned businesses in the borough, and relentlessly communicate the council's position and progress towards race equality.

The council has strong political and executive leadership, and the direction of travel is well understood in the organisation. The refresh of the Senior Leadership Team (SLT) has been welcomed and there is clarity and commonality of purpose. While there has been work done to build capacity, the council needs to ensure that this leadership is supported by its central infrastructure – particularly around IT capability and how the council leads and coordinates its policy and partnerships, which will enable a shared vision for the borough in which the council and partners all play a role in delivering.

After a long period of limited change, Lewisham is now on a rapid transformation journey across large parts of the organisation. Officers, members, and partners agree that the changes underway are positive and have begun to bring greater innovation, opened up political decision making, and created a more collaborative council focused on delivering for Lewisham residents.

The Mayor and Chief Executive's leadership of this journey is a great strength. The Mayor was described as authentic, dynamic, approachable, thoughtful and connected by community partners and members, there was praise for the ambition he had brought for Lewisham and stronger sharing of power with cabinet. There was

praise for his authentic leadership around race inequality. The Chief Executive has had a hugely positive impact on the Council and place. Staff, partners, members and voluntary and community sector colleagues repeatedly and specifically referred to her in positive terms. She is seen as authentic, visionary, committed and approachable and the right Chief Executive for Lewisham.

There is a strong understanding of the council's financial position across members and officers. The council has robust spending controls in place, however there is a historic culture in Lewisham of not meeting savings targets which has left some mixed messages and confusion around the plan to meet the council's savings targets and invest in areas needed to deliver the ambitious change underway. We saw positive signs that this is changing under the new administration, but the council's leadership needs to consider if the current financial controls are stifling staff's ability to plan deliverable savings targets.

The council should consider if it is doing enough to get to grip with the biggest areas of spend in those services focused on "people" – such as Children's and Adult's Social Care. There is evidence of a transformation programme within children's services following the 2019 OFSTED report which has improved both the quality and the financial sustainability of the services; however, the team did not see the same level of innovation or financial planning for adult's services.

The Covid response is universally seen as a very positive response from the council, and it is important to capture the learning and build on the opportunities that this presents, for example partnerships with communities, community organisations and the good work for people who are sleeping rough. Community partners felt that in the response there was true cross council working and they were treated as trusted partners, but the council could be retrenching to a traditional commissioning/provider relationship and taking central control. It is important for the council to consider the opportunity of this and learning from previous engagement that has not been as successful as hoped, to make these aspects of the Covid response a more permanent culture change for the borough.

The combination of strong political and executive leadership, the opportunity of the Borough of Culture, the success of recent community partnerships in the Catford regeneration scheme, and the partnerships formed during the Covid response mean the conditions are there for the council to step into being a leader of place and work on a truly collaborative way. To take this opportunity the council needs to recognise this current picture and the willingness and enthusiasm of partners to work in a different way. The council needs to ensure that its current partners are on board and supportive of the council's cultural change programme. The team felt that Lewisham Homes posed a risk to the reputation the council is trying to build, both in terms of residents' experience and supporting the council's change programme which could impede the council's ambitions.

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: Continue to capture learning from the Council's excellent Covid-19 response and do not miss the opportunity to capitalise on the partnerships and innovation put in place.

Recommendation 2: Develop a more formalised approach to partnership working outside statutory partners, building on the great work engaging with black-owned businesses, and the strong work on one public estate. Lewisham has more capital outside the organisation than it thinks.

Recommendation 3: Look for opportunities for the council's energetic directly elected political leadership to take an even stronger leadership of place role, convening residents and partners around key challenges for Lewisham.

Recommendation 4: Ensure that the council is focussing externally as much as internally, think about how to build on the local assemblies to ensure that residents are front and centre in policy/strategy and service decisions. Could there be more clarity about where this sits in the organisation and better links to member priorities? There is an opportunity to build on strengths such as the health inequality work, the devolving of NCIL and work on Catford regeneration.

Recommendation 5: Lewisham has great practice that should be shared outside of the borough and 'Borough of Culture' is a huge opportunity to tell the story and contribution of Lewisham's diverse community and create a jointly developed legacy. Lewisham has an important contribution to make to the debate in London and nationally.

Recommendation 6: Develop the Council's communications strategy and plan such that opportunities to build on and celebrate success; amplify great work and ensure residents, partners and staff are always clear about next steps and action to be taken following consultation or engagement exercises.

Recommendation 7: Review the constitution to align it to the ambition of the Mayor and his Administration regarding senior appointments, scheme of delegation, scrutiny and member officer working and roles.

Recommendation 8: Ensure that there is a strong leadership and management plan to provide mentorship/ coaching for those who are stepping into larger roles with broad portfolios. The Council should consider a refreshed employee wellbeing programme that is clearly communicated to recognise impact of service delivery demands, Covid recovery and change fatigue.



Recommendation 9: Review the Council’s relationship with Lewisham Homes and the options for bringing them more in line with the new culture and resident focused practice in the Council.

Recommendation 10: Post May provides the opportunity to engage with 3-year budget planning and plan to transform the large service areas in the borough such as adults and children's services. The council as part of this may want to consider whether it could benefit from a zero based or outcome-based budgeting exercise to ensure spend is aligned with priorities. In setting those future year budget’s the council will want to jointly plan its longer-term sustainability with elected members, external partners (statutory and non-statutory) and communities.

Recommendation 11: New projects or initiatives over a financial threshold across the organisation should follow a consistent programme management approach that clearly articulates cost, risk and potential benefits before proceeding.

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:


- Althea Loderick, CEX London Borough of Newham, Lead Peer
- Cllr Georgina Gould, Leader of Camden Council
- Anisa Darr, Executive Director of Resources, Barnet
- Mark Bradbury, Director Economy and Property, Enfield Council
- Claire Kerswill, Head of Human Resources, South Gloucestershire Council
- John Tench, LGA Peer Challenge Manager
- Jacqueline Smale, London & SE Team, LGA
- Rachel Stevens, 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.

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 how the Council is leading and embedding a shift in workforce culture, engaging and



motivating staff across the organisation to deliver corporate priorities at pace.

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 three days onsite, during which they:

- Gathered information and views from more than 46 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.

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

4. Feedback

4.1. Local priorities and outcomes

The Future Lewisham ambitions provide a simple and clear base for Covid recovery, with a focus on a greener future, a healthy and well future, an economically sound future and a future we all have a part in. Whilst recognising that the ambitions have recently been published, the team did not feel that they were articulated and understood well across members, officers, and partners. The Corporate Strategy in development for 2022 onwards should use robust data, and input from members, officers, partners and residents and align with the ambitions set out. The peer team understood from our conversations that more robust performance management arrangements were being designed to be put in place to deliver the next corporate strategy, however in the meantime the council needs to be able to assure itself that reporting is leading to improvements in services and getting the basics right. Recent changes in leadership and management have led to improvements in some of the Council's core services, as highlighted in the recent Ofsted Focused Visit [report](#). However, in other areas performance reporting shows that improvement is needed, particularly in adult social care and housing management, where performance against resident satisfaction with landlord services have decreased year on year since 2018 (now at 67% satisfaction with the overall service compared to 80% in 19/20) and with responses to complaints from tenants also decreasing in performance in the same period. Improvements need putting in place based on the evidence from the council's performance data.

The Council has shown great purpose and clarity with its race equality work through the Mayor's Actively Anti-Racist Commission and the impact of this has been felt from the leadership through to the frontline staff and external partners. Everyone the team spoke to understood that the commitment to equity and fairness was the defining feature of the new culture at the council that the leadership is working to instil. We heard good examples from frontline staff of feeling listened to, able to challenge and participating in conversations that would move the organisation forward with race equality. Staff were also very proud of the community facing work, particularly with black owned businesses, that the leadership had empowered to happen.

The team felt that members and officers understood the communities they are serving and could readily articulate demographic information, such as 47% of residents being from non-white backgrounds, and intelligence such as over 12,000 more people claiming out of work benefits than before the start of the pandemic. Within service areas, there was some evidence of ward-level data being used to influence service planning and outcome monitoring although it was not immediately clear how services were all able to access data from a single source. In order to deliver the ambitions set out in Future Lewisham and the priorities in the next corporate strategy the council needs to consider how to strengthen its approach to

using data and intelligence across services and develop a sophisticated approach to understanding specific localities and consider how to build intelligence to support priority areas such as local economic data and data on climate change and the environment. The council can draw on good practice from within London local authorities and nationally to understand how to develop its approach.

4.2. Organisational and place leadership

Lewisham is benefitting from strong political and executive leadership of the organisation which has been described as both more visible and more approachable than previous administrations. This strong leadership can be evidenced particularly in the council's Covid-19 response, with Lewisham being singled-out in a report published by the Kerslake Commission for providing an effective multi-agency response to the nationwide 'Everyone In' initiative. Working hand-in-glove with the CCG and local community organisations the council was able to ensure that over 100 people were provided safe accommodation, joined-up support services and a supported housing pathway to enable as many people as possible to transition into secure accommodation and not return to the streets. Whilst under the difficult circumstances of responding to a pandemic, this work was cited throughout the peer challenge as an example of how the council's values can translate into direct action for positive outcomes. Successes of multi-agency working such as this should not be taken lightly, and the peer team would like to see a clearer approach on how learning from the Covid-19 response would continue to shape future planning and delivery.

Statutory partnerships are well embedded across the council, with the council playing an important role in strategic changes to the health system across South East London as well as continuing to ensure that partnership working secures better outcomes for Lewisham residents, evidenced by the 36% increased investment in children's emotional and mental health support services. Outside of statutory partnerships the relationships and outcomes are less clear. The peer team was not always able to understand from some organisations who their strongest relationships are with at the council, how they were coordinated or what the expectations of the partnership were, or what the feedback loops for them into priority areas are. This is however set within the context that partners have a renewed willingness to work with the council to improve outcomes for local residents. The council needs to ensure going forward that there is capacity and a clear approach in place to enable partners to influence local priorities and then to understand what their role is in delivering those priorities and what outcomes they are contributing towards achieving. The council will need to be able to engage when partners offer to support. There is positive work happening to coordinate this through the Assistant Chief Executive's team and through the work of the Mayor's Office.

Lewisham is very clearly prioritising underserved communities through its ambitions and strategy. The Covid-19 response saw council staff empowered to work in a different way with residents, with frontline staff citing engagement work with local

black-owned businesses, which make up two thirds of independent businesses in the borough, as providing new and productive relationships with communities and energising staff to be able to go further. There are some examples of the council engaging with residents in a structured way, such as the 18 local assemblies led by ward councillors, the use of local assemblies and the residents' survey which was underway during this peer challenge. Historically communications to residents have been done by individual services and the council has not had an effective and sophisticated communications function with the digital skills and capacity to support with effective communication and digital engagement with residents. The Peer Team were encouraged by the steps being taken to build communications capacity through the consolidation of a corporate communications team. Going forward, a more joined-up approach to communications and engagement will support the political and managerial leadership of the council with engaging with residents in a meaningful way to further strengthen the council's ability to be an effective leader of place and maximise the benefits of initiatives such as Borough of Culture 2022. The council's new Digital Strategy, which was out for consultation during the peer challenge, should consider how digital technology and skills can be embedded into communications and engagement to allow the council to engage with residents in a more dynamic way.

There is a recognition within the council and its stakeholders that the new Cabinet better reflects the diversity of the borough, and this is received positively. There is work ongoing to ensure that Leadership opportunities within the organisation better reflect the community – could this be better communicated?

4.3. Governance and culture

The Council's culture change programme is visible and well-articulated across the organisation. The implementation of a Change Network is welcomed by staff and there are some good examples of projects emerging from the Change Network, such as the Reward and Recognition programme. Much of the visibility of the council's culture change agenda is owing to senior leadership visibility and needs to be strengthened by emerging plans for internal communications. This report discusses this in more detail in section 4.6.

The elected members that we spoke to on the peer challenge welcomed steps taken by the Mayor towards a more inclusive way of making decisions. The team found that there are some elements of the Council's Constitution which did not feel like they are enabling Lewisham to govern in the way it is aspiring to. Examples of this are the Council and Mayoral Schemes of Delegation which require significant process for the delegation of executive functions and the Recruitment of Head of Paid Service, Chief Officers and Deputy Chief Officers, which does not require the Mayor to participate in that recruitment. The Council's newly appointed Monitoring Officer should undertake work to ensure that the Constitution is supporting the council to deliver and does not hinder progress.

Scrutiny is deeply valued and supported in the organisation and there was strong evidence of impact. Members were passionate about the role of scrutiny and engaged with a wide range of issues. We identified some confusion about the role of different levels of scrutiny and relationships with officers. There was a question given the severity of the financial challenge of whether the organisation could afford to support the current scale of scrutiny and whether there was an opportunity to streamline while building on the strengths. There is also an opportunity for scrutiny to play a role in setting the forward agenda, driving delivery and supporting the council's outward facing ambitions and resident and partner engagement.

Member and officer relationships are good with mutual respect and an understanding of member priorities in the organisation. But there was evidence that more could be done at all levels of the organisation to ensure that the Mayoral priorities set the strategic direction to embed the principle and practice of a member-led Council.

4.4. Financial planning and management

The Council appears generally to be managing within budgets. The Council has a medium-term financial plan and has identified a 'serious budget gap' and a need to find savings of £26million over 2022-26, in addition to the £13million already approved. The Council had £20million in unearmarked reserves and £80m in earmarked general fund reserves (excluding Covid grants, insurance, PFI, schools and capital reserves) as at 31 March 2021.

There will be a need to identify further savings in the medium-term. The peer team noted that a significant proportion of the budgeted savings for 2020/21 were not achieved. The Council is forecasting an overspend in 2021/22 and again it is expected that a significant proportion of budgeted savings will not be achieved, though there is a commitment that delayed savings of £7m from 2020/21 and £28m from 2021/22 will be delivered in future years. Added to this, there has been a history of overspends, particularly in Children's and Adults' Services. The peer team saw evidence of a clear plan to tackle this in Children's Services, but did not see a similar plan for Adults' Services, and would recommend that the council puts this in place.

There is widespread awareness across the organisation and with members about the scale of the financial challenge that the council needs to meet as an organisation and there is an acknowledgement of and willingness to strengthen financial controls for the organisation to become financially sustainable. However, there is still more work to do in embedding this due to a legacy of not being held to account over undelivered savings or overspends across the directorates. Whilst the corporate strategy for 2022 onwards is under development it is unclear how the council's medium term financial strategy is aligned to and underpins the corporate strategy or current priorities.

There is significant anxiety across the organisation about how the current savings gap will be achieved in a way that isn't just about 'top slicing' budgets. Whilst the team were on-site a process was underway for directorates to submit proposals to

meet the council's savings target for review by the council's leadership. In the team's conversations with officers, they felt there was a potential optimism bias around how the medium-term financial sustainability will be achieved and an overreliance on finance and consultants to come forward with the solution.

The council needs to assure itself that in setting its medium-term financial strategy it is ensuring there is resource available for investment in the enablers needed to achieve the council's vision and ambitions for example, investment in IT and re-engineering processes and ensure a shift of focus from how much money needs to be saved to how it could be spent more efficiently.

The Catford regeneration plans rely on moving the south circular which require significant unconfirmed funding from TfL and DfT. The council needs to consider how it would enable unlocking the benefits in the area and limiting exposure from a decline in income from the assets it owns in the area for example the shopping centre, if the funding isn't received in line with the amount or timeframe expected.

Post May provides the opportunity to engage with 3-year budget planning and plan to transform the large service areas in the borough such as adults and children's services. The council as part of this may want to consider whether it could benefit from a zero based or outcome-based budgeting exercise to ensure spend is aligned with priorities. These are some examples of ensuring spend is aligned to the corporate plan, it will, of course, be for the senior leadership team to determine how best to achieve this. In setting those future year budget's the council will want to jointly plan its longer-term sustainability with elected members, external partners (statutory and non-statutory) and communities.

4.5. Capacity for improvement

Staff have a clear understanding of corporate priorities and the need for culture change. They are committed to deliver but the pressures on capacity have made it difficult to develop and operationalise longer-term, more sustainable ways to deliver services. Covid and other pressures have understandably left staff at all levels tired. They have supported each other and this and positive engagement from leadership, especially the Chief executive, have carried them through. The peer team was not made aware of a wellbeing support programme that may help staff resilience through a significant period of change and transformation in the council, whilst responding to the Covid-19 Pandemic. In addition to wellbeing support, the council also needs to consider how it is clearly phasing its approach to areas of transformation in a way that ensures resilience across its staffing base.

Whilst the HR function at Lewisham is being restructured to better align to the changing needs at the council, there should be consideration within the new corporate strategy that articulates how the return to work for office-based staff will be managed and how the council can focus on collaboration as part of a new hybrid workstyle to provide more capacity for recovery.

The recent Senior Leadership Team (SLT) restructure has ensured that it has the skills and capacity to push forward with delivering the council's ambitions and outcomes. The team is bonding quickly and working collaboratively to break down historic silos, regular SLT meetings are supporting this relationship building. The next step to embedding this change is for SLT to influence a similar approach in the next layer of the council's management structure and think about how to replicate SLT collaboration at Head of Service and Senior Manager levels. With a large number of people stepping into new roles the council should ensure that there is a strong leadership and management plan to provide mentorship/coaching for those who are stepping into larger roles with broad portfolios.

Previous financial reductions have meant that some of the key enablers required to achieve the council's ambitions, such as efficient ICT and policy coordination, are struggling to facilitate the change required. The team heard stories from several sources about staff being unable to carry out their duties due to not having access to the right hardware or software. This may, in part, be due to the challenges of moving to home-working arrangements and the team recognises that the council is working with its IT providers for resolutions.

There is a lot of service capacity being developed in Lewisham which is being welcomed by staff and partners. The development of a properly resourced communications function which will provide the council with much more capacity for external engagement and communications as well as a bolstered internal communications function to support with the delivery of the council's transformation programmes. The emerging Data and Insight function will provide much needed capacity to design and embed a performance management dashboard for the council that will provide proper oversight of the delivery of the council's next Corporate Plan and provide additional resource to support directorates with the management of their transformation programmes. Along with the emerging PMO function, these developments show how serious the council's leadership is about building the capacity it needs to deliver and the council needs to ensure that this capacity, when fully established, can support directorates to ensure that new projects and initiatives follow a consistent programme management approach that will help to clearly articulate costs, risk and potential benefits before proceeding, enabling services to explore opportunities before going through financial controls.

4.6. Leading and embedding a shift in workforce culture, engaging and motivating staff across the organisation to deliver corporate priorities at pace

There are a number of elements in this report in sections 4.1 to 4.5 that describe how the council is leading and embedding its ambitious shift in workforce culture. There is strong recognition that Lewisham has appetite for change at pace to improve outcomes for residents. The need for this culture change is strongly articulated and there is strong political and officer-led alignment of this within the council. The council has begun to develop the corporate capacity to be able to accelerate and

manage this change effectively and onboarding of people into new roles and functions is happening at pace. There is a lot of goodwill amongst staff to deliver change but some concerns that the pace of change, expedited during Covid-19 may not be sustained because processes and infrastructure are sometimes not seen as keeping up with workforce culture.

It will be key for the council to maintain the sense of collaboration and new ways of working born out of the Covid-19 pandemic response if it is to maintain momentum and continue to embed new behaviours throughout the workforce. Living the messages of change when office-based staff are working from home was felt to be harder than in person and there is a strong desire to resume greater face-to-face working to support with embedding culture change, key to this will be supporting the relationships of staff who have been home-based during the pandemic and frontline staff who have been working through the response. Capacity for change while delivering on business as usual and covid recovery felt stretched and there were some concerns expressed about how resource is matched to ambition.


The Change Network is engaged in bringing about the shift in culture and service improvement and is an example of where greater traction can be gained irrespective of hierarchy. As the council continues to develop plans and capacity the team feels there is scope for the capacity in the Change Network to be used to a greater extent for more initiatives to support delivery.

There was strong desire from senior leaders to fully embed equalities throughout service provision and to ensure an inclusive workforce with opportunity to engage and progress. Some good progress has been made in terms of providing opportunity for career progression for black and minoritised staff with successful outcomes in terms of promotion for participants in the programme. There were mixed views on how far this was embedded. Frontline staff said this had progressed however staff equality groups did not consistently share the feeling of progress on equalities from their experience of being an employee. This was strongly articulated by some of the staff groups and there was a mixed perception of whether the infrastructure to support the work of the groups was effective and helpful to them. Role of line managers in supporting this agenda for staff was recognised as being positive. It may be helpful to consider how line managers can build on this position of trust to support the staff groups alongside some 'quick wins' around process, for example, in securing reasonable adjustments for staff in a timely way.

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, Kate Herbert, Principal Adviser for London (kate.herbert@local.gov.uk, 07867 632404), is the main contact between your authority and the Local Government Association. Kate is available to discuss any further support the council requires.