

Corporate Peer Challenge **Cornwall Council**

5 – 8 December 2017

Feedback Report

1. Executive Summary

Cornwall Council (CC) has a resolute focus on its leadership role for Cornwall. It recognises and acts upon this with vigour, shaping and influencing that leadership of place at a local, regional and national level. This means it is steadfast in proactively engaging with its residents and communities as well as ensuring the needs and ambitions for Cornwall are recognised and responded to by national government.

In May 2017 the third cycle of elections were held since the new unitary council was formed in 2009 and CC is clearly maturing as an organisation; it either has or is putting in place many of the key building blocks that are reflective of a striving organisation. It has focus and purpose. It has strong political leadership, evident in the way that the new administration, made up of a coalition of Liberal Democrats and Independent councillors established clear political priorities and effective working practices. The administration is focussed on achieving those priorities and is soon to agree and publish a new Business Plan to reflect them. The key tasks now are to ensure that this is well communicated with all stakeholders and then translated into a clear set of connected programmes and delivery systems to ensure these are implemented with the maximum impact.

The Council's Chief Executive took up her post two years ago and has reconfigured the senior officer structure, making it 'fit for purpose', ensuring it has both the capacity and capability to deliver the Council's ambitions. This is establishing a firm foundation and the next task is to ensure that there is the same focus and rigour throughout the rest of the organisation. The Council has also put in place a framework of stronger governance and sharper assurance arrangements that both drive and challenge the way it 'does business'. These changes alongside other enablers are creating a strong culture of accountability, which in turn will positively impact on achievement of priorities.

Foundations as those described above result in more effective joint arrangements with other stakeholders and appropriate governance underpinning them - examples of which are the recently established Leadership Board and Futures Group. These demonstrate that the Council is focussed on delivery through partnerships as part of a wider leadership system for Cornwall as a whole. The next task is to further cascade these plans and arrangements within the Council and throughout the breadth of partners. In that sense the renewed focus we saw being placed on communications should help ensure clarity of message and 'buy in' from Members, partners, staff and residents.

The Council's ambition and determination helped it deliver a landmark devolution deal from government. At the same time the Council, leading with its partners, is also seeking to turn the real challenges of Brexit into a positive vision for the future. It is working hard to demonstrate to national government, how Cornwall can, with devolved powers both outline and then deliver local change and improvement. The Council recognises its key enabler role in terms of 'double devolution' and is therefore also working hard with its towns, parishes and community networks to deliver local solutions as efficiently and effectively as possible. This work national and locally is progressing well and it is therefore an ideal time to start to confirm and communicate these next steps for further devolution to Cornwall from Westminster and locally to its communities.

The Council has demonstrated that it can turn failing services into real success stories. The transformation of children services and the strong sense of focus on prevention within the fire service are shining examples of this. At present, there are significant challenges and real demand pressures in the adult social care and health system; the Council is aware of these and is investing significant time and resources in transforming that service.

At the time of our peer challenge it was interviewing, jointly with its partners, for a strategic director of adult social care and health. Under the leadership of the new post holder, the service will need the same drive and corporate support that helped create such a turnaround in children's, and similar support across the health system as a whole. It will also require the same level of commitment from its partners and buy in from local Members, service users, carers and local communities. This is an enormous challenge, requiring a collective strategy to transform services and focus on market shaping, with a resolute focus on delivering a shared set of outcomes.

The Council has demonstrated a good track record for modernising and transforming its services. Indeed since 2010 it has realised savings in the order of £300m, which is to be applauded. At the same time it has, as one stakeholder described 'had its fingers burnt' in terms of some of its partnering arrangements to create capacity in respect of its IT and digital arrangements. The Council is aware and is, we believe, learning the lessons from the past, but there will be much to be done to create a real step change in its arrangements and revolutionise its current IT and digital platforms now that the service is back 'in-house'.

The Council is creating the capability and capacity to help it meet its challenges and deliver its priorities. As with all public services, there are further challenges ahead which will test its financial resilience and it will need to make savings in the order of £75m over the next 4 years. We saw a further set of enablers emerging, which will help the Council respond to this, for example, through its £600m investment fund, which it is using to stimulate housing growth, or indeed its existing approaches to traded services and income generation through Corserv and Public Protection. All of these things demonstrate a will and intent but they equally mean a good focus should remain on ensuring all financial risks are considered carefully. It will be important therefore to take all of these enablers collectively forward now, ensuring the future workforce has the skills necessary to deliver that digital and commercial drive, which will underpin the continued improvement and sustainability of the Council and wider public sector in Cornwall.

2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the Council:

1. Use the opportunity presented by your developing Business Plan to turn your vision and priorities into a clear set of connected programmes and delivery systems to ensure delivery

2. Use your renewed focus on communications to ensure clarity of message to all Members, partners, staff and residents
3. Consider how you can deliver a digital revolution (given your legacy issues) to transform service delivery to your customers and equip your Members and staff to deliver
4. Consider how you will continue to see the transformation of adult social care as a priority given the scale of the change programme necessary
5. Consider how you can better influence the market shaping role in adult social care and health as you move towards a strategic and tactical commissioning split in April 2018 particularly in light of the CQC Section 48 methodology testing earlier this year
6. Seek to further clarify the next steps for further devolution to Cornwall from Westminster and locally to its communities
7. Seek 'greater buy-in' from all members in terms of the change agenda for Cornwall and the Council and how they positively influence this within their roles
8. Consider the cultural and future workforce change/skills necessary to deliver:
 - a. Digital transformation
 - b. Commercialisation and income generation
 - c. The future shape of the Council
 - d. Wider public sector integration within and beyond Cornwall

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Cornwall Council were:

- Cllr Heather Kidd, Shropshire Council
- Cllr Alan Seldon Herefordshire Council
- Cllr Sean Anstee, Trafford Council
- Amanda Deeks - Chief Executive, South Gloucestershire Council
- Jonathan Owen - Chief Executive, National Association of Local Councils
- Sarah Bryant - Director of Exchequer and Transactional Services, OneSource
- Mark Palethorpe - Acting Executive Director for People, Cheshire East
- Clare Hogan - North West Principal Advisor, LGA
- Paul Clarke - LGA Challenge Manager

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

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

- Cornwall's approach to devolution -are the Council's strategic intentions and ambitions aligned with its abilities and capacity to deliver on these agendas?
- The Council's commercialisation, growth and transformation plans-has the Council got the 'conditions' in place for this to succeed – what is the degree of political/partner/public support, appetite for risk and the skills/capacity to deliver?
- The Council's plans for transforming adult social – is the future direction of adult social care, including the steps already taken, appropriate and realistic to manage both present and future demand more effectively?

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. 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 current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge every 4 to 5 years. Cornwall Council had a Corporate Peer Challenge in 2012. Where relevant to do so, findings from that previous peer challenge have been referenced in this report.

The peer team prepared for the 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 4 days onsite at Cornwall Council during which they:

- Spoke to more than 165 people including a range of Council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 47 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 270 hours to determine their findings – the equivalent of one person spending more than 9 weeks in Cornwall Council.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (5th – 8th December 2017). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

Since becoming a unitary authority in 2009, Cornwall Council (CC) has focussed its attention on understanding the needs and ambitions of Cornwall's communities and reflecting these in its priorities. This is especially true now and is evidenced by its landmark devolution deal, which presented the 'Case for Cornwall' to national government. It is also evidenced through the way it strives at a regional level to push the case for the influence of the 'Greater South West', and also locally in its focus in empowering communities, through its well established community networks structure.

Key partners of the Council told us that CC has a clear understanding of how to best position and present the Duchy at a national level. There is a clear collective intent across the partnership arrangements in Cornwall, evidenced by a shared focus on the best way of positioning the Duchy to take advantage of opportunities presented by Brexit and devolution, for example the expansion of Penryn University Campus and the regeneration of Hayle Harbour to support the growth of the marine renewables sector.

We were impressed with the intent given to develop a full understanding of residents and place. We saw that the Council has a granular understanding of the needs of its communities. Its Joint Strategic Needs Assessment and comprehensive Residents' Survey can all provide information and intelligence to support engagement and inform priorities at both strategic and impressively at Community Network level. This means that whilst geographically Cornwall is a large mainly rural area, the Council understands and responds at a local level, rather than design and deliver services on a one size fits all basis.

The Council has made effective use of information gleaned through approaches above to inform its future priorities. These are now reflected in its new Business Plan for 2018-22, which outlines its core values, its clear aims and its five targeted priorities - focussing on delivery and outcomes in respect of Healthy Cornwall, Homes for Cornwall, Green and Prosperous Cornwall, Connecting Cornwall and Democratic Cornwall. The new Business Plan will be approved formally by Council early in 2018. The next key task will be to communicate and engage with councillors, staff and the community to ensure successful delivery and equally by ensuring the ambitions outlined and understood across all key stakeholder partners.

4.2 Leadership of Place

There is a real ambition both politically and managerially within the Council to deliver for the people of Cornwall. We found an overwhelming pride in and passion for Cornwall - making a difference now for residents by delivering against priorities was top of the political agenda. In truth we saw many shining examples of effective Leadership of Place, including:

- 'A Catalyst for Change' - the work being undertaken through the Cornwall and Isles of Scilly Futures Group to prioritise positive change post Brexit

- ‘The Case for Cornwall’ - leading to the achievement of the first and only single council rural Devolution Deal
- Community Networks - 19 in total based around groupings of parishes and electoral divisions promoting pro-active engagement of town and parish councils and local delivery of services
- Cornwall and Isles of Scilly Leadership Board - providing a stage and a body strengthening the voice of Cornwall and the Isles of Scilly – regionally, nationally and to Government - there is much potential to exploit this further

The outcomes from the May 2017 elections resulted in a coalition Cabinet. Such changes have the potential to create uncertainty. However, through the will and strength of collective responsibility, as demonstrated between the Council Leader and his Deputy, this new administration is providing a solid platform to maintain the momentum to drive change and improvement. It is early days for this administration and, as identified by the Council’s 2016 independent governance review, there is still work to be done to galvanise that strategic leadership and ensure it is matched and reflected politically at a local level, so that progress around delivering isn’t hindered.

The influence of the Chief Executive in the last two years has been palpable. Her appointment and drive has helped establish an officer structure that will enable CC to help achieve the Council’s political ambitions. This clarity of purpose and intent is evident through the open relationship Cornwall now has with national government and the significant steps that have been taken as a consequence, for example to address the county and sub regional transport infrastructure issues.

Likewise this is equally evident through the delivery of a range of clear outcomes on the ground, for example, the ‘Eco Flex’ programme, the ‘Growth Hub’ and the strong and sustainable approaches being taken to improve places e.g. Penzance and Hayle.

There are of course challenges too. As part of the peer challenge we looked at and provided some observations in respect of the leadership of the health and adult social care system. This is covered in more detail later in the report but it goes without saying that in order to make the changes required in this area the Council will need to invest significant time and resources with its key partners to leverage the capacity of that system to enact positive change.

The Council recognises it needs to improve its approach to communications. In 2016 on the back of understandable criticism and feedback from residents, other stakeholders and with the then newly appointed Chief Executive seeing this as a barrier to improvement, the Council commissioned an LGA led peer challenge in respect of communications. In truth, there is still much to do, but we saw that the Council now has a clearer understanding of the importance of more effectively engaging with its communities and undertook last year a significant residents survey, which has helped shape its priorities and been used to improve communications. Likewise, we saw added capacity and a rationalisation of the way it manages communications now in place. In the view of the peer team, this is a good example of progress and again a sign that the Council knows, understands and is now better able and willing to use such a key enabler to drive change.

We heard about and saw at first-hand the very special nature and indeed uniqueness of Cornwall and of how the Council responds accordingly. We have highlighted the significant strengths of such approaches-around 'place' clearly evident from the Penzance Expo and nationally too in terms of the devolution deal. However, the peer team also feel a balance needs to be struck between the Council being an enabler and a 'doer'. Our advice is to ensure the strengths of Cornwall as a place, especially the Council's role, doesn't become a potential barrier to progress. An observation from the peer team, is we feel the Council could and should be clearer in articulating its own purpose and role. We were left with the impression that sometimes the Council was the 'default' position and as one stakeholder said "partners and places can be over reliant on the Council stepping in". It will be important that the Council thinks through how it best mitigate against a 'dependency' culture with its partners and communities.

Devolution

The Council asked the peer team for their views on Cornwall's approach to devolution, including whether the Council's strategic intentions and ambitions align with its abilities and capacity to deliver in respect of this.

It is important to recognise the success of the devolution deal that was struck in 2015 and the fact that the Duchy and Council continue to capitalise on being the first area to secure a devolution deal without adopting the directly elected mayoral model of governance – which is an achievement in itself.

There is clear evidence of the positive outcomes associated with the deal now being delivered. For example, through the additional investment in the £8m Local Growth Fund, that is helping to finance large scale enhancements to the bus network that are crucial to Cornwall's longer term economic growth ambitions.

There is also evidence that the devolution deal has acted as a catalyst for the development of wider public service reform conversations; including those on health and social care. The strength of partnership and commitment in respect of devolution is also evident through the relationship between the Local Enterprise Partnership (LEP) and the Council. They have developed a strong and coordinated voice about how they work together to deliver the growth ambitions for Cornwall. An impressive example the benefits of this enhanced relationship can be seen through the development of the Growth and Skills Hub, which has streamlined and simplified the offer to business across the Cornwall. This is an outstanding example of good practice and one which the team thought other areas could learn from.

We found a clear commitment to devolution and the wider principles of subsidiarity (where appropriate) across the Council. Through the work of the Cornwall and Isles of Scilly Leadership Board there was evidence of the Board members intent to 'put the people and place of Cornwall and the Isles of Scilly first'. The team were left with an impression of the clear commitment to extend the principles underpinning the national devolution agenda to localities within Cornwall. There are examples of where this is working well, Falmouth for instance, as well as evidence of where services are being delivered or projects are being developed and there an extensive list of completed and planned projects.

The team felt that the timing is right for the Council to reflect on how this positive approach could be built upon with the key aims being further devolution from Whitehall as well as 'double devolution' at a local area level. It is important for the Council to ensure that capacity at the right level is dedicated to building on relationships in Whitehall departments and working up a series of detailed asks. These should clearly outline what the current barriers are and articulate how further devolution, freedoms and flexibilities will help with this. For instance, the topic of creating an improved employment and skills offer was raised and this may be an area where further detailed devolution discussions would be beneficial.

The team feel there are benefits to be realised from developing a clearer narrative that confirms the links between the national and local devolution agendas so it captures the whole story. Much is being achieved in terms of devolution to towns and parishes but it would be useful to describe this in the wider context for Cornwall as a whole, outlining how at a more local level, strategic ambitions are being realised or could be better achieved. Creating such clarity about devolution and 'double devolution' is also important in terms of potentially shifting the focus of discussion with town and parish councils. We felt that there is a need for greater clarity about what (as part of the Council's transformation) the Council will or will not be able to do into the future, with distinction about roles and responsibilities being made. This will be particularly important in respect of services and budgets being devolved. Whilst 'one size does not fit all' it will be very important to formalise and provide clarity about the responsibilities of Cornwall Council and Parish and Towns respectively.

Cornwall has grasped potential opportunities post Brexit, which is positive. On the back of this we see real potential to inextricably link the Duchy's approach to post Brexit funding and strategy development to key growth areas such as, creative industries or renewable energy. Furthermore, the peer team feel that Cornwall would benefit from a clearer articulation of the next steps in relation to the further devolution from central government. This should include a narrative in respect of how devolution can be the mechanism through which the county achieves its longer term economic growth ambitions and develops its local industrial strategy. Consideration should also be given to how the Council achieves an approach that is proportionate and balanced in terms of capacity dedicated to delivering local devolution and further devolution from Whitehall. It is important for achievement of the long term ambitions of the whole area that sufficient weight is given to both.

In the peer teams view there is a need to align/streamline governance around the devolution agenda. There are a number of boards and groups, which require greater clarity in terms of linkages and interdependencies. A review of the roles, responsibilities and interconnectedness of these groups as well as providing clarity about accountability would be beneficial. This review of governance could include consideration of the potential for the Cornwall and Isles of Scilly Leadership Board to have decision making powers. This would help to formalise the role of the Leadership Board and would help to demonstrate the commitment to a wider partnership approach to the formation of new 'asks' in terms of further devolution from national government. Finally, it would be beneficial to develop a clear approach to performance management in these areas to demonstrate the impact of both national and local devolution.

4.3 Organisational leadership and governance

We found many examples of effective leadership through change at Cornwall Council. For example, the strength of the coalition and the Leader and Deputy Leader sound working relationship gives a strong political direction for the Council. Furthermore, we found many partners commenting that they were now very clear about what the leadership team at CC, both senior politicians and officers wanted to achieve.

The Council has made significant improvements in both Children's and its Fire and Rescue services, essentially turning around failing services through strong corporate leadership, commitment and a steadfast focus on improving outcomes. Similar challenges are being faced in adult social care and health related services. In the peer team's view this will require a similar level of commitment from both the Council and its range of partners across health and social care, if key improvement outcomes are to be achieved. Furthermore, the Council and its partners should take the learning from such service 'turnarounds' and seek to establish effective arrangements so that such failures do not recur. Being aware, responding to, and where possible avoiding such service dips, or worse failures, will be crucial for the Council's future.

The Council has taken significant steps in recent years to review and improve its overall leadership and governance arrangements. This is set against a backcloth of currently 123 members and in the midst of a Local Government Boundary Commission Review, which is inviting views from the Council and others in respect of a move to 87 councillors. The Commission's recommendations are due in 2018, ready for full implementation at the next elections in 2021. Within such a context the Council again has been proactive; undertaking and implementing the outcomes from its own governance review in 2016 and seeking to streamline governance, engaging more with localities and reinforcing the need for strong strategic and corporate governance.

We found examples of effective governance arrangements which help the Council to manage and drive change. The establishment of the Leadership Board, further strengthens strategic governance and is a good example of a unitary Council using its convening power well to bring positive influence to bear and as this embeds it should make a real difference. The Council is also working hard to develop corporate ownership of leadership and performance. Members of the Corporate Directors Team (CDT) take sponsorship responsibility for corporate projects that cross directorate bounds and we got a sense of Council ownership across the piece, which bodes well in terms of the requirements in adult social care. We were impressed by the transparency, simplicity and clarity of the Council's revised performance reporting - it is a model of good practice and in the way it is now being used should really help mitigate against service failure. This, alongside an infrastructure of key assurance boards and internal challenge help to ensure that performance is 'everyone's business'.

On the back of its Governance Review the Council has established new and more outcome focussed political management arrangements. For example, the Overview and Scrutiny committees have chosen to focus attention, through a series of inquiries, on subject matters reflecting issues that are key to the public.

The peer team felt they were making good progress, were well supported and there were strong protocols in place on how matters that cross portfolios are dealt with. There are good examples of how the pre-scrutiny process has added value and informed the decisions of the Council. However, the Council might consider how it more actively involves non scrutiny members in the process so they are more actively engaged. Furthermore, in the view of the peer team scrutiny is not yet consistently receiving external voices and experience of best practice from outside of the Duchy – although this is being tackled, and it would also be useful to establish some measures of its effectiveness and impact.

There are many drivers which can and should shape current and future governance and arrangements; attitude to risk, the new investment and commercial agenda, the potential for new delivery vehicles in service areas etc. All of these are important, but equally we picked up feedback about ‘change fatigue’, ‘change for change sake’ and some views expressed about the ‘plethora’ of governance in place and its value and relationship to each other. It is important to record that the Council is now on a far more solid footing in terms of governance. However, governance and political structures have been in a period of change for some time with further necessary reviews planned. Our advice is, where it can, the Council should stabilise and integrate these so they present as a coherent, rationalised but proportionate set of arrangements.

We saw a strong interaction between LEP, Cornwall Deal teams and the Council as a whole. It was very evident to us they were collectively clear on who does ‘what, where and how’ with no barriers to join up and this is a clear example of good governance in action. Likewise, we saw the 19 Community Networks as a real strength and they have the potential to bring together Cornwall Councillors and Town and Parish Councillors, working with the wider public on an important local issue. In some areas this works well but in others less so; with 123 unitary councillors and 213 parish councils, there is perhaps some inevitability in variance. However, it will be important to highlight the success measures of such arrangements, and for the others which are less successful, to try to identify areas of common ground and exploit these as much as possible.

Despite many strengths there remains variance in the effectiveness of local community leadership. We saw some examples where members were being strong community leaders and working with their communities, partners and Council officers towards a vision for their wards, which in places such as Hayle is creating a clear vision for the regeneration of the harbour, using its history, bringing in jobs and housing and leading their community through its various stages. However, across the membership of the Council as a whole there exists varying levels of engagement in, and awareness of, decisions and of the role they play as a local member / strategic members. The Council is well aware of this and will need to engage as effectively as possible with all its members in the lead up to, and beyond 2021 and the likely implementation of a reduction to 87 councillors.

4.4 Financial planning and viability (including commercialisation, growth and transformation)

The Council has a good track record of effective financial management. It used the financial opportunities and 'dividend' presented by moving to a unitary council in 2009 to help create and maintain a relatively strong financial position. Since 2009 it has, through effective stewardship, purposefully sought to rationalise its estate, introduce modern working practices and establish a strong reserve base. This has meant that since 2010 financial savings of in excess of £300m have been made without significant reductions to service provision – this is very admirable.

Through the devolution deal the Council brokered, it has piloted the retention of 100% business rates, has a relatively good revenue and council tax base and is seeking to stimulate the economy and promote housing growth whilst attending to the key infrastructure requirements that make this sustainable. This will have a positive impact on the Council's revenue position. In the view of the peer team the Council's reserve base has been used wisely and appropriately over recent years to help 'smooth' the Council's revenue position. Indeed, the general fund reserve has reduced from £54m in 2014 and is forecast to be £21m in 2021. However, overall the total level of useable reserves has grown overall and for 2017 stands at £236m - which is a significant amount. The effective use of such reserves into the future, coupled with a sizeable forecast increase in the capital programme into the medium term (which has had some recent slippage) will require further sound financial management as demands on budgets, costs and expenditure increase.

Demand led pressures are very apparent across a range of services but especially acute in adult social care, which is part of a challenging health and social care wider system. In recent years the Council has reported overspends against established budgets in adult social care and it would be wise to place a real emphasis on realistically modelling these pressures financially. Furthermore, whilst we were told there is a commitment to invest in adult social care in the near future, the Council's overall transformation plans into the medium term will require financial savings at the very time when the health economy in Cornwall is under significant pressure. In the view of the peer team improved performance will be critical to ensure effective 'joined up' commissioning, as this will have a positive impact on achieving better outcomes for residents and greater financial certainty within the adult social care and health system.

The Council is, in the view of the peer team, acutely aware of the issues outlined above and has set in place a medium term plan to mitigate against these issues and deliver its Business Plan. It has established a significant investment programme in support of its priorities, for example delivering 1,000 council homes between 2018-22. Aligned to this its plans for growth and commercialism will be touched on below, but these will be key elements of a programme which will require £75m to balance the budget over next 4 years. The Council must ensure that it has robust mechanisms in place to deliver savings in full and guard against avoidable use of reserves. We have confidence that they will attend to this, as we saw at first hand a greater rigour and control being introduced around budget setting process and delivery against operational, financial and people targets.

Commercialisation, growth, transformation

The Council is clear it wants to adopt a more commercial approach into the future and in 2016 it agreed a Commercial Strategy. This signalled a formal intent on behalf of CC to develop core principles and priorities for commercialism - going beyond just being about profit making. With the needs of its residents and communities at its 'social heart', this was about reducing costs and streamlining processes, maximising value from contracts, making evidence based decisions and more effectively delivering against priorities. The strategy framework has helped create a good secure base and confirmed commercialism as an important means to an end. This mind set will be important since the refreshed approach towards commercialism is a key driver to help drive the Council's delivery of its ambitions - it also underpins the medium term financial plan of the Council and its challenging savings targets.

There are a range of strong examples, reflecting what the peer team described as the Council's 'journey to commercialism', which demonstrate a real will and intent. It has amalgamated its existing group of arms-length companies under the strong brand of 'Corserv', strengthening governance arrangements and encouraging further its well established record of trading services, including its joint venture with Nottinghamshire County Council (providing highways and fleet management services). Furthermore, its innovative and 'fleet of foot' approaches with public protection and regulatory services has been recognised nationally, especially how it has saved money and improved service outcome in respect of charged regulatory support.

When the Council is working at its best, it can and does achieve much – it has some strong partnerships and the turnaround in Children Services is highlighted several times in this report as a shining example of success. The Council is now considering the business case for a radical transformation of delivering Children's Services, which will free it up to, potentially trade and gain income. Importantly, it is doing so from a position of strength and is a good example of the kind of innovative approach which what can be considered when services are corporately supported then given clear lines of accountability, within a strong commercial framework. The Council is rightly exploring this carefully and methodically and although no firm decision had been at the time of our challenge, it is again evidence of intent to adopt a more commercial mind set.

Likewise, just before the peer challenge the Council took a decision to agree an investment fund of £600m to help support and enable its ambitious growth plans. Again, this demonstrated a strategic intent and will to unlock stalled development sites and build the capacity and capability to deliver homes at pace. There is also within this a clear intent to deliver the council's ambitions from its Business Plan.

Clearly, for some of these matters it is, as one stakeholder described, 'early days'. The Council will need to consider whether its newly established governance and assurance models will need 'tweaking' to respond to the potentially faster moving decision making requirements within growth. It will also need to ensure it has the skills and capability internally and contracted with, to deliver the ambitions and plans it is developing in respect of these areas.

The Council is well aware that its aged IT infrastructure has many challenges to overcome before it maximises the benefits that digital transformation can realise. This will take skilled business architects along with an understanding of future business models to ensure IT underpins and enables Cornwall's ambitions to be achieved. Working in partnership with procurement, businesses and services to harness modern IT development and deployment will drive success.

Significant investment has already been agreed for IT as it has been recognised as needing modernising and updating. This also needs to be strengthened by developing and planning further phases of the digital programme to deliver the commercial and digital strategy which determines future direction and further, ongoing investment that supports the delivery of services to customers and all stakeholders.

Robust programme and project management, which is evident, is key to driving co-designed transformation across Cornwall. A clear plan of action with robust benefits management will continue to deliver on the digital agenda and maximise the positive outcomes to stakeholders. It will be important that this is undertaken with businesses and supported by communications to ensure maximum impact to deliver the Council's objectives.

4.5 Capacity to deliver

Into its third term the Council is clearly maturing as an organisation. It has or is establishing strong arrangements to build better leadership, governance and capacity. The Chief Executive is universally well regarded and has been a strong force for positive change these last two years - she is building the necessary capacity at Council Director Team (CDT) level and beyond with the new appointment of strategic directors for Economic Growth and Development and Adult Social Care and Health, bearing witness to this. Furthermore, the Leader and Deputy Leader of the Council are well regarded by stakeholders, as a strong leadership pairing and the new Cabinet is settling well. There is real potential now for this new CDT and Cabinet to work on its joint development together, bedding in the corporate values and behaviours as exemplified by them, and in turn building upon this strong foundation to collectively ensure the delivery of the Council's priorities over the period of the new Business Plan.

The Council has in place good strategic approaches which help give coherence to the management and deployment of the Council's staff group, which in turn create capacity. There are both an Organisational Development Framework and a Council Workforce Plan in place which guide and determine key issues in respect of recruitment, skill gaps, personal and team development. For example, we saw innovative approaches to training and development and workforce planning, linked to operational requirements of the Council e.g. the tri-officer approach in Fire and Rescue. Furthermore, the Council adopts positive approaches to staff engagement and these are increasingly reflected in improved outcomes from staff surveys. For example, the last staff survey reported a 13% increase in staff having a 'commitment to what the Council is trying to achieve'.

The Council invests capacity into key areas through change which helps it achieve its ambitions more effectively, for example, we saw increased capacity in respect of programme management expertise and support. We also saw added capacity being channelled into communications. These initiatives at a time of change are to be applauded as both were significant weaknesses in the past. In truth, there remains significant progress still to be made in respect of internal and external communications and engagement, but this is a step in the right direction. Additionally, in line with the increased priorities there is significant investment that is clearly now required in respect of IT and digital and recruitment challenges to address in key specialism areas e.g. investment programme and housing development.

Transforming Adult Social care

The Council and its key partners recognise there are many areas to address in respect of transforming adult social care. These include amongst others, the leadership of the service, commissioning, managing the market, workforce and demand. All of these will require attention if the service that is offered to residents of Cornwall is to improve. Importantly, the Council is aware of these, is using realistic benchmarking information to understand its position relative to others nationally and locally and is now focussing on the core areas that need to be addressed. Therefore, in the peer team's view the Council is clear about the size of the challenges that it and its partners are collectively facing.

This self-awareness is coupled with a renewed focus on leadership and improvement. It is early days but we saw an emerging plan (Adult Social Care Turnaround) outlining the key challenges, and actions required to underpin service transformation. Furthermore, we saw this transformation agenda benefitting from the specific leadership influence of the Chief Executive and Leader of Council. The Leader chairing the Health and Well-Being Board and the Chief Executive strategically involved with the NHS, both demonstrate commitment to change. Importantly, at the time of our visit the Council was appointing to a new post, Strategic Director for Adult Social Care and Health and as such was seeking to build capability and capacity.

Through speaking with partners, we saw that they collectively recognised the key role for the Council to play in the transformation of the health and social care system. As such, this new role is rightly welcomed by all partners and will be a key lever in terms of that leadership and capacity. However, if the new post-holder is to influence as is needed, they will require unequivocal support from all parts of that system, corporate support from the Council's leadership team and political backing to deliver a challenging agenda.

Alongside the renewed focus and leadership being driven by the Council, there are other elements which will further enable it to drive improvement. In terms of learning from other challenged services, the Council can look to the ways and means by which it helped turn around its Children's Services. Additionally, it can specifically use the learning from Children Services for the investment in prevention and early help and the use of a theoretical model to assist the '3 conversation' approach.

Importantly we met with staff at various levels within the Service who are committed and passionate about the need for change and influencing better outcomes for people using their services. This is positive but there will be fundamental changes ahead in the way services are commissioned and delivered in the future. A key aspect of the future plan is the concept of an integrated strategic commissioning function for health, care and wellbeing. This marks a fresh and determined approach but there is much to attend to.

The peer team consider that commissioning for outcomes and wider determinates of health could be more visible. We also felt that there currently exists insufficient financial clarity on who is funding what in terms of commissioning, for example the payment for intermediate care and beds in the care homes which are still owned by the Council was not clear to us. Overall, that detail and precision in respect of commissioning needs real attention especially with a move towards 'strategic' and 'tactical' commissioning which will need to ensure the wider determinates are explicit and appropriately resourced.

All of the above has implications for a range of key issues. The Service within the Council has a recent history of financial overspending and it will be critical not only for the service but for the Council's financial sustainability that very close attention is paid to managing those cost pressures and within this a renewed focus on understanding demand is key. Critical to that demand management will be the way the health and social care market develops and is managed. In the view of the peer team a greater focus on prevention and early intervention will be key to establishing a new and more effective approach.

For the present there are weakness in this and the way the market is managed. For example, there appears to be a real fragility in certain part of the market such as domiciliary care, where workers in the field will often leave in the spring due to the draw of the tourism industry which can pay more for less challenging tasks. The Council is committed to ensuring that it is creating the right market conditions to ensure the future sustainability and quality of this market by committing to paying the Living Wage Foundation living wage which will significantly increase the pay to those providers.

The peer team observed that co-terminosity is really helpful in reducing the number of strategic partners the Council has to work with across health and social care and this should be a real strength. However, it appears not to be working as effectively as it should be, witnessed by the CQC's recent review, using powers under s.48 of the Health and Social Care Act. This found "that services need to make urgent and significant change to improve and work better together to ensure that people get the services they need as they move through the system".

As part of the above and related to the financial sustainability of the Council, the importance of the management of the Improved Better Care Fund iBCF is of fundamental importance. The peer team heard that colleagues across the system want to keep this under review for the present to ensure flexibility of pathway redesign. In turn, in the view of the peer team the Council needs to consider what this means for the adults social care, as potentially significant investment is required to transform it and this should not be 'lost' in the parallel challenge of transforming the NHS.

5. Next steps

Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this.

The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Andy Bates, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Andy's contact details are: Email andy.bates@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

Follow up visit

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next two years.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the Council will commission their next Corporate Peer Challenge before 2022.