

Corporate Peer Challenge **Suffolk County Council**

25th to 28th February 2019

Feedback Report

1. Executive Summary

Suffolk County Council's 'Our Priorities 2017-2021' document and Annual Business Plan are well-established and combine together to set an overall framework for the council, outlining both the medium term strategic direction and the aims and ambitions for the year ahead. The council has a wide range of high quality partners and they see the authority as a good council to work with, reflected in constructive and purposeful relationships. The Leader and Chief Executive are held in high regard both within and outside the organisation and they are having a very positive impact. Cabinet and Corporate Leadership Team are now ideally placed to develop their approach to addressing the challenges of the coming years.

The council has risen to the financial challenge of the last decade and is currently well positioned but there are more significant financial challenges coming. The year ahead will test the council in terms of the need both to implement further savings and to deliver the ambitions around reducing demand in social care through transformation. The scale of the financial challenge for 2020/21 is greater than anything the council has faced in recent years. Whilst attention is now starting to switch to the budget for that year, we would encourage the council both to look further ahead and to recognise the need to move at greater pace in order to achieve what needs to be delivered.

With the positive partnership situation that exists within the county, and the solid foundations of mutual trust and confidence derived from this, partners and staff are keen for the authority to move to the next level in terms of leading Suffolk. They fully recognise that the new leadership of the council has sought to take stock in its first few months and invested time in cementing relationships. This has been a productive use of time. The time is now right, though, for the council to drive place leadership further and, in doing so, to be bolder.

There is the potential to link rising to the place leadership challenge with the development of a longer-term vision for the county. Developing such a vision in conjunction with partners and communities would provide the opportunity to build on two of the things the council prides itself on most – collaboration and listening. It would also enable the council to determine the future of its 'inclusive growth' agenda. If this agenda is to be taken forward, and it is to succeed, there is a need to clarify what it means and then ensure the mechanisms exist to enable it consistently to shape what the authority does. It is also important for the council to develop an approach that balances county-wide priorities with a sensitivity to localities – a more finely honed approach to 'place'.

We also see benefit in establishing a strategic narrative for the council, drawing on 'Our Priorities' and the Annual Business Plan. Doing so would serve to cement a shared sense of purpose for staff and clarify for partners what the authority is all about. The commitment and passion of staff and elected members shone through in our discussions with them. They demonstrate a huge level of commitment to helping the council fulfil its ambitions for Suffolk and enabling communities there to flourish.

Staff value the effort going in to communicating and engaging with them, the opportunities available to them around remote and flexible working and the quality of their working environment. There are issues and risks for the council around pay in the organisation,

both in comparison to other potential employers and to different roles within different parts of the council. With the latter, the unintended consequence is that staff are seen to be moving away from frontline roles, particularly within adult social care. Whilst there are moves to revise the approach to pay and reward the council will want to assure itself that these measures will be sufficient. It also needs to reassure itself that it has the mechanisms both to identify capacity gaps and pressures and prioritise the allocation of resource and investment.

Relationships across the council are positive and constructive, founded upon trust and mutual respect. However, in a context of diminishing resources, it is important that expectations of what can be undertaken and achieved adapt accordingly. Ensuring the expectations of all elected members adapt in line with the budget and policy decisions taken by the council and that there is effective communication with them by officers are key to maintaining the good officer/member relationships that have long existed.

The transformation programme constituted a significant part of the council's savings programme last year and that continues to be the case in 2019/20. Better integrating financial and transformation thinking and adopting more of a medium-term focus to business planning would play a useful role in helping to develop understanding that there is actually a more balanced focus to the programme, central to which is securing better outcomes for local people. Given the investment being made and the importance to the council's future financial sustainability of delivering the programme the authority needs to be confident that what is being delivered is having the required impact.

Like transformation, commercialism also has a high profile within the council. The council's wholly-owned companies are experiencing great success. Whilst people understand the importance being attached to the commercialism agenda there are different perspectives of what it entails. Thus there would be benefit in establishing a common language around it and setting a clear expectation about what the council wants to achieve.

2. Key recommendations

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

- Create a more positive and compelling strategic narrative for the council in order to cement a shared sense of purpose for staff and clarify for partners what the authority is all about
- Clarify what 'inclusive growth' means in Suffolk and then ensure it shapes what the authority does
- Develop an approach that balances county-wide priorities with a sensitivity to localities in order to secure the best outcomes
- Work in partnership to develop a longer-term vision for the county – 'Suffolk 2050'
- Building on the positive relationships that have been established, the time is opportune for the council to move to the next level in terms of its role in driving place leadership and being bolder – with the full support of partners

- Health and social care integration – clarify the ambitions and drive system-wide transformation at pace
- Better integrate the elements of the corporate planning framework and develop greater clarity around what are three broad council priorities
- Develop more of a medium-term focus in the council’s business planning
- Fully recognise that many of the strands of the transformation programmes are contingent upon the enhancement of the council’s digital capability and approach and achieving this requires both greater capacity than is currently available to the council. Partnership working also needs to be explored more so that opportunities are not missed.
- Refresh and re-establish a clear set of organisational values and behaviours and a comprehensive approach to management and leadership development
- The council needs to reassure itself that it has the mechanisms both to identify capacity pressures and prioritise the allocation of resource/investment
- Develop the processes and mechanisms that provide the assurance that what is being delivered around transformation activity is having the necessary impact

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 in Suffolk were:

- Phil Norrey, Chief Executive, Devon County Council
- Councillor Keith Glazier, Leader, East Sussex County Council
- Liz Watts, Chief Executive, East Herts Council
- Nicole Wood, Director Finance and Procurement, Essex County Council
- Professor Graeme Betts, Corporate Director Adult Social Care, Birmingham City Council
- Kathryn Rees, Assistant Director Transformation, Wigan Metropolitan Borough Council
- Chris Bowron, Programme Manager, Local Government Association

Scope and focus

The peer team considered the following five questions which form the core components looked at by all corporate peer challenges. 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?

Alongside these questions, the council asked the peer team to consider their ambitions and plans around:

- Transformation
- Commercialism

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focused 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 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 four days on-site in Suffolk, during which they:

- Spoke to more than 150 people, including a range of council staff, councillors and external partners and stakeholders
- Gathered information and views from more than 35 different interviews and focus groups and additional research and reading
- Collectively spent more than 225 hours to determine their findings – the equivalent of one person spending more than six weeks in Suffolk

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team on Thursday 28th February upon the conclusion of our visit. In presenting feedback to the council, we have done so as fellow local

government officers and elected 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 the council is already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority-setting

The council's 'Our Priorities 2017-2021' document and the practice of producing an Annual Business Plan are well-established and combine together to set an overall framework for the council, with the former outlining the medium term strategic direction and the latter detailing the aims and ambitions for the year ahead. The Annual Business Plan additionally provides a review of what the council has undertaken in the previous twelve months. They both consistently focus on the three council priorities of inclusive growth; health, care and well-being; and efficient and effective public services.

There is good use of data and intelligence informing what the council does, with the leading example being the 'Suffolk +20' analysis which outlines how key socio-economic measures, such as deprivation, health and demography, will develop in the county over the next twenty years. It helped to inform, amongst other things, the 'Our Priorities' document and the Suffolk/Norfolk Devolution bid to government and has attracted the attention of a wide range of organisations and audiences within Suffolk. It is informing discussion, thinking and action about the future, with a prime example being the finding that the key factor for Suffolk in addressing deprivation over the coming years will be enhancing educational attainment. A tangible outcome from this has been the decision by the Suffolk Public Leaders Forum to dedicate £1m from the Business Rates Retention Pool for work with schools in certain areas, including Ipswich, to bring about improvement.

The Suffolk Observatory is impressive, acting as an on-line one-stop-shop for data, statistics and reports about the county. It draws upon information from a variety of sources and organisations, including all of the councils within Suffolk and the police. The council prides itself on being a 'listening organisation', committed to engaging with local people in order to supplement data-based evidence with intelligence gleaned directly from residents. An increasing number of 'We Are Listening' events are being held across the county each year, involving both elected members and officers meeting members of the public, and this initiative has been enhanced by creating the ability for people to submit their views and ideas through digital means.

The authority has an extensive corporate planning framework, including such mechanisms as annual directorate and team business plans; the transformation programme; the Programme Management Office; the quarterly Corporate Performance Report which incorporates performance, budget, risk and progress against key projects; the work of the Scrutiny and Audit Committees; and the newly-established concept of Policy Development Panels. Whilst all of these have a valuable role to play, a question regularly emerged during our discussions around how much capacity it absorbs across the organisation relative to the added value being secured.

There are particular questions around the extent to which the transformation programme contains genuine transformation activity relative to 'business as usual' and the respective roles of the corporate centre and directorates in delivering it. At the heart of this is an issue which is currently being looked at by the council around the role of the Programme Management Office and the scope that exists to refine it. As another example, to what

extent do the directorate and team business plans really focus and drive the activity of the organisation? Another matter which emerged was the need for the council to ensure that the work of the Policy Development Panels serves to provide valuable insights on key issues whilst avoiding duplicating work elsewhere or absorbing too much resource. Managers at different levels highlighted to us what they see as benefit in the corporate planning framework being more integrated and, within this, the need for the development of greater clarity around what are three broad council priorities.

4.2 Leadership of Place

The council prides itself on collaborative working in Suffolk, reflected in its involvement in a number of arrangements established in recent years. One of these is the Suffolk Public Sector Leaders Group, comprising all council Leaders and Chief Executives, the Police and Crime Commissioner, the Chief Executive of the New Anglia Local Enterprise Partnership, the Chief Constable, the Clinical Commissioning Group Chief Officers and representatives from other public, private and voluntary and community sector bodies as appropriate. This forum provides leadership on key strategic issues across the county. It also oversees the Business Rates Retention Pool established in Suffolk in 2013 and the Transformation Challenge Award funding that partners successfully bid for together.

Co-location provides another example of collaborative working, with the council sharing a number of its offices in different parts of the county with some of the district and borough councils, the police and the Clinical Commissioning Groups. There is also a shared IT service between the authority and the councils for Babergh and Mid-Suffolk. Also, moves have been made to explore enhanced two-tier working between the county council and its district and borough council partners. This work is being led by four of the district and borough Chief Executives, looking at growth and planning; housing; public realm; and health, care, communities and well-being.

The authority has a wide range of high quality partners and they see Suffolk County Council as a good council to work with, reflected in constructive and purposeful relationships. A shared area of concern, however, and a long-standing issue in the county, is the quality of mental health services. There are good foundations to build upon to move health and social care integration to another level, with the local Clinical Commissioning Groups seen to be amongst the best nationally. Achieving this necessitates jointly clarifying the ambitions and driving, at pace, system-wide transformation. Currently, there is a perception amongst partners that the council's transformation agenda is being approached too much on a single-organisation basis and this could miss opportunities.

With the positive partnership situation that exists within the county, and the solid foundations of mutual trust and confidence derived from this, partners and staff are keen for the authority to move to the next level in terms of its role in leading Suffolk. They fully recognise that the new leadership of the council has sought, appropriately so, to take stock in its first few months and invest time in cementing relationships. This has been a productive use of time, reflected in, for example, the very recent and ground-breaking agreement between all the councils in Suffolk to explore options around progressing the Ipswich Northern Route. The time is now right, though, for the council to drive place leadership further and, in doing so, to be bolder. There are neither any objections nor any barriers to the council doing so – indeed partners are voicing their desire for it to happen

and, in so doing, providing the authority with a mandate, whilst at the same time many of the council staff we spoke to also want the organisation to seize the opportunity.

There is the potential to link rising to the place leadership challenge with what partners and staff highlighted as the value that would be derived from the development of a longer-term vision for the county. Whilst no specific horizon was mentioned during our discussions, there was reference to the work being undertaken in neighbouring places, including Essex and Hertfordshire, looking ahead around thirty years. Developing such a vision in conjunction with partners and communities would provide the opportunity to build on two of the things the council prides itself on most – collaboration and listening – and fully capitalise upon, and potentially extend, the ‘Suffolk +20’ analysis. The visioning would combine spatial planning with thinking around the key challenges facing the county, such as areas of deprivation, skills development, educational attainment, mental health and issues of social mobility.

Developing a ‘Suffolk 2050’ vision, or equivalent, would also enable the council to determine the future of its ‘inclusive growth’ agenda. The importance that has been attached to it since its inception is widely recognised within the council but it clearly has different meanings for different people. This was brought to life when we touched on the issue of the use of council-owned land during some of our discussions, with a range of different answers emerging about what would represent the best decision use. If the ‘inclusive growth’ agenda is to be taken forward, and it is to succeed, there is a need to clarify what it means and then ensure the mechanisms exist to enable it consistently to shape what the authority does.

In taking forward the place leadership agenda, linked with the concept of developing a longer-term vision for Suffolk, it is important to develop an approach that balances county-wide priorities with a sensitivity to localities in order to secure the best outcomes. During the course of the peer challenge we got out and about to, and spoke to many different people based in, various areas within the county and identified a sense of the council needing to develop a more finely honed approach to ‘place’. Ensuring appropriate engagement and communication will be integral to this, as will the council determining, jointly with others, where it needs to take a lead on issues and where it needs to play more of an enabling or facilitative role. This could beneficially be linked to what we gleaned as a shared recognition of the benefits of developing co-production between the council and the voluntary and community sector. Based on what both the council and partners in this sector are saying, the time is right to explore how best to approach the opportunity that is now seen to exist.

4.3 Financial planning and viability

The council has risen to the financial challenge of the last decade, both delivering the savings it has been required to make and meeting increasing demand pressures. In addition, it has established a strong track record of drawing in external funding to support its ambitions.

The council is currently well positioned but there are more significant financial challenges ahead. The budget that has been set for 2019/20 has been adjusted to reflect better the growing pressures, particularly around social care, that the council has been facing over recent years. This should contribute to the council being able to deliver in line with agreed

budgets more consistently but the year ahead will test the council in terms of the need both to implement a further £23m in savings and to deliver on its ambitions around reducing demand in social care through its transformation programme.

The scale of the financial challenge for 2020/21, anticipated as being £25m, is greater than anything the council has faced in recent years. Whilst attention is now starting to switch to the budget for that year, we would encourage the council to look further ahead, adopting more of a medium-term focus in its business planning, and to recognise the need to move at greater pace in order to achieve what needs to be delivered. As part of this, there would be benefit to integrating financial and transformation thinking and planning more. Within this, it is important to ensure there is adequate oversight of delivery risk over the medium term around transformation. As an example, many of the strands of the transformation programmes are contingent upon the enhancement of the council's digital capability and approach. Achieving this requires greater capacity than is currently available to the council. Thus not securing that capacity, for whatever reason, ultimately represents a risk to the financial position of the authority.

The transformation programme constituted a significant part of the council's savings programme last year and that continues to be the case in 2019/20, with £13m to be secured. Whilst three of the nine strands of the council's transformation programme do not have a financial objective behind them, it is clearly a 'savings narrative' that dominates discussion of the transformation agenda. Better integrating financial and transformation thinking and adopting more of a medium-term focus to business planning would play a useful role in helping to move the conversation beyond savings and ensure more of a balanced focus reflecting the council's ambitions to secure better outcomes through transformation.

The council is fully aware of the significant slippage in its capital programme and has established the Capital Strategy Group to enhance governance around it. This will oversee additional borrowing in 2019/20 of £60m to extend the capital programme further. There is widespread recognition that the decision by the council to cease funding the Upper Orwell Crossing project and seek alternative funding instead was bold but entirely appropriate.

4.4 Organisational leadership and governance

The Leader and Chief Executive are held in high regard both within and outside the organisation and they are having a very positive impact. They are felt to be accessible, visible, keen to listen and collaborative and, as we touched on earlier, people see them as having taken the time to date to take stock. Staff at a range of levels expressed similar sentiments regarding Portfolio Holders. They are visible, widely engaged across the organisation and people enjoy the relationships they have with them.

Cabinet and Corporate Leadership Team are now ideally placed to develop their approach to addressing the challenges of the coming years, founded upon establishing a medium-term approach to business planning; better integrating the elements of the corporate planning framework; enabling a longer-term vision for Suffolk; and, with partners, clarifying the ambitions around health and social care integration and driving system-wide transformation at pace.

At present, the dominant linked narratives about the council, both internally and externally, seem to be about savings and managing demand. We see benefit in establishing a more positive and compelling strategic narrative, drawing on 'Our Priorities' and the Annual Business Plan and building on the way the council prides itself on being a collaborative and listening organisation. The creation of such a narrative would serve to cement a shared sense of purpose for staff and clarify for partners what the authority is all about.

Relationships across the council are positive and constructive, founded upon trust and mutual respect. However, in a context of diminishing resources and the implications this has in terms of the capacity of the organisation and what it is able to deliver, it is important that expectations of what can be undertaken and achieved adapt accordingly. During our discussions with non-Executive councillors, a sense of growing tension emerged, as the consequence of a combination of the desire for the council to continue to be able to deliver what it has traditionally done, if not even more, and instances of poor communication with them on the part of officers in relation to developments in their Divisions or casework issues. Ensuring the expectations of all elected members adapt in line with the budget and policy decisions taken by the council and that there is effective communication with them by officers are key to maintaining the good officer/member relationships that have long existed across the authority.

The new concept of Policy Development Panels, involving a cross-party group of elected members looking in-depth at a key issue in Suffolk for a time-limited period of around eight to ten weeks, is widely welcomed across the council. There is satisfaction around how the first one, focusing on special educational needs and disability (SEND) provision across Suffolk, has worked. The group visited a wide range of places both within the county and nationally in order to inform their work and the outcome has been agreement that the council will create three extra special schools.

The council is looking to establish more such panels and we identified a growing list of issues that people are keen for them to look at. It is important that the establishment of further panels is carefully managed. The role they will play needs to be woven in to the thinking about the refinement of the corporate planning framework in order to ensure there is alignment with other governance arrangements, particularly the Scrutiny and Audit Committees, and what they are focusing on respectively. The issues that panels are set up to look at also need to be carefully prioritised in order to ensure the biggest impact is secured for Suffolk and the resource requirements can be managed.

4.5 Capacity to deliver

The commitment and passion of staff and elected members shone through in our discussions with them. They demonstrate a huge level of commitment to helping the council fulfil its ambitions for Suffolk and enabling communities there to flourish.

Staff value the effort going in to communicating and engaging with them, such as the regular Corporate Leadership Team blog, staff focus groups led by the senior managerial leadership and e-mail updates on key matters such as the new absence policy and the council's budget position. They particularly value the increased visibility of the senior leadership, as seen with the site visits by the Chief Executive, her commitment to working in different offices around the county on a regular basis and the holding of Corporate

Leadership Team meetings around Suffolk. Moving forward, staff are keen to see an improved balance between the amount of written communication they receive and being able to engage face to face.

The above demonstrates that the results from the staff survey undertaken last year are being focused on and responded to. There is a determination to address key findings such as 32% of respondents having trust and confidence in the Corporate Leadership Team; 35% feeling a strong sense of belonging to the council as a whole; and 29% being aware of action being taken by Departmental Management Teams in response to the previous survey. The council is committed to continuing to glean the views of staff but is looking at how to do so in a more 'dynamic' way in future years.

The people we spoke to value the opportunities available to them around remote and flexible working. Crucially, not only are they provided with the related technology but the organisational culture has been developed to enable and encourage it. In addition, across all the office locations we visited, staff expressed their satisfaction with the quality of the working environment provided to them. Training and development is valued highly by many staff we spoke to but the council recognises it is more readily available in some areas of the organisation than others – essentially those where on-going professional development is required, such as social work and fire and rescue. Our anecdotal evidence would seem to be consistent with the staff survey finding that 61% of respondents felt that the council positively encourages learning and development, which was a nine per cent reduction from before.

The council recognises that sickness absence levels are comparatively high and is responding to this. The issue has been the subject of review by the Scrutiny Committee and, as referred to above, the council is in the process of introducing a new absence policy. This will see the introduction of the 'Bradford Factor' that will establish a trigger system for people hitting certain levels and frequencies of absence. A more systematic undertaking of 'return to work discussions' will also be implemented in order to identify staff well-being issues at an early stage and enable mitigating actions to be implemented where appropriate.

There are issues and risks for the council around pay in the organisation. This applies to pay both in comparison to other potential employers and to different roles within different parts of the council. With the latter, the unintended consequence is that staff are seen to be moving away from frontline roles, particularly within adult social care. There are moves to revise the approach to pay and reward, with 2018-19 seeing a collective agreement reached with trade unions and, from 2019/20 onwards, the proposal is for pay progression to be re-instated, following a four-year freeze, and straight assimilation to the 2019 National Joint Council for Local Government Services (NJC) pay spine. The council will, however, want to assure itself that these measures will be sufficient to address the inequity that exists.

Positioning the council for the medium term challenge that it is facing requires the alignment of capacity with what is deemed to be of greatest priority for the council. If, as examples and as has been stated, the growth of the economy and addressing the housing priorities for Suffolk are key priorities for the authority, then it is vital that these functions are suitably geared to delivering what is being sought. As other examples,

the council having sufficient capacity in relation to procurement and digital are key to its delivery of its commercialism and transformation agendas amongst other things. The council needs to reassure itself that it has the mechanisms both to identify capacity gaps and pressures and prioritise the allocation of resource and investment.

We would encourage the development of a workforce strategy by the authority as an integral element of shaping the council for the future. This would link well with the suggested creation of a strategic narrative for the authority and its transformation agenda. In addition, it would serve to ensure the authority balances financial considerations with a wider picture, such as those highlighted above relating to staff retention and aligning capacity with priorities.

The development of a workforce strategy would connect closely with another organisational development issue that the council is now starting to consider – that of underpinning the shaping of the council for the future with a clear set of values and behaviours. The authority's ASPIRE values were established several years ago now and, whilst they are still widely recognised, the concept no longer seems to play an active role within the organisation. We would encourage the council to supplement taking forward the work on values and behaviours with looking to establish a comprehensive management and leadership development programme which, too, would be vital to underpin the council for the future.

The council is increasingly recognising the importance of looking in the 'rear view mirror', as can be seen with the 'lessons learnt' exercise being embarked upon shortly in relation to recent key infrastructure projects. Such an approach is very positive, enabling the authority both to draw learning which can inform future thinking and planning and ensure anticipated benefits are realised.

4.6 Transformation

Transformation has a high profile in the council and the programme that has been established aims to aid both financial sustainability and improved outcomes although, as we highlighted earlier, it is the 'savings' narrative that tends to dominate. A wide range of transformation activity, reflected in the nine strands of the programme, is underway and resource is being injected, as seen with the creation of the Programme Management Office.

The council recognises there is a challenge around being able to have a clear 'line of sight' between transformation activity and the impact derived from it. It is challenging to be able to demonstrate, for example, that a reduction in demand for a service is directly attributable to an activity delivered through the transformation programme. However, given the investment being made and the importance to the council's future financial sustainability of delivering the programme, the authority needs to be confident that what is being delivered is having the required impact – generating the need to develop the processes and mechanisms able to provide that assurance.

We highlighted earlier that many of the strands of the transformation programmes are contingent upon the enhancement of the council's digital capability and approach. Indeed the council has aspirations of securing savings of between £9m and £15m over the

medium term through digital developments. However, through our discussions we identified what we see as a risk of transformation opportunities being missed or ambitions not being delivered because those involved are unclear how to bring forward a case for investment to deliver.

4.7 Commercialism

Like transformation, commercialism also has a high profile within the council. Indeed it represents one of the strands of the transformation programme and it is projected to deliver £2.2m for the authority in 2019/20.

The council's wholly-owned companies – Concertus, Opus and Vertus – which respectively deal in design and property, temporary employment and facilities management – are experiencing great success. This derives financial benefit for the council, in the form of an annual dividend of around £1.5m from Suffolk Group Holdings Limited (the holding company for the three organisations) plus income from rents and loans. The dividend tends to dominate the council's narrative around these companies but they actually offer much more benefit and opportunity besides. Given their number of employees, which totals more than 3,000, they are becoming key employers locally. They also have ambitions to link with the education and skills sector in Suffolk in order to help shape the workforce of the future. Thus they potentially have much to offer the 'inclusive growth' agenda and we would encourage the council to look to capitalise upon this.

The council itself is engaged in a range of good commercial projects 'on the ground', including market shaping in social care and public health; creating revenue through highways fees and charges; and generating income from green energy – for example through the installation of solar panels at the university – and waste.

Whilst people understand the importance being attached to the commercialism agenda there are different perspectives of what it entails. For many, it essentially relates to the generation of income for the council. However, with the commercialism element of the transformation programme emphasising efficiency – central to which are the commissioning, procurement and contract management functions of the council maximising the value for money secured from purchasing activities – there is clearly a dimension there which the authority badges as 'commercial' but many people within the authority see as 'business as usual'. There would be benefit in establishing a common language on commercialism and setting a clear expectation about what the council wants to achieve from it. This could usefully link with what we highlighted earlier in terms of the council clarifying what the 'inclusive growth' agenda means. Establishing clarity around both would help people look at financial imperatives and sustainable growth priorities in the round.

There is an established Commercial Board which plays a role in steering commercial activity, overseeing the management of significant council contracts and encouraging the development of increased commercial awareness within the organisation. We would encourage the Board now to take the opportunity to stand back and review future strategic opportunities to build on the success to date.

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. Rachel Litherland (Principal Adviser) is the main point of contact between the authority and the Local Government Association (LGA). Her e-mail address is rachel.litherland@local.gov.uk

Follow-up visit

We are keen to continue the relationship we have formed with the council through the course of the peer challenge.

The LGA corporate peer challenge process includes a follow-up visit. The purpose of this 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 usually involves some, rather than 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 four to five years. It is therefore anticipated that Suffolk will commission its next peer challenge by 2024.