


# LGA Corporate Peer Challenge

Babergh and Mid Suffolk District Councils

14 – 18 March 2022

Feedback report





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# 1. Executive summary

Babergh and Mid Suffolk District Councils (BMSDCs) are rural districts in central Suffolk, running from Essex in the South to Norfolk in the North. Together they cover 1463 square kilometres, the largest by area of all Suffolk districts. The Councils have been working together in a successful shared partnership arrangement for over ten years, achieving £2m of annual savings across both Councils by delivering services under a single chief executive and fully integrated officer team whilst retaining their sovereign status as individual Councils.

By working together, the Councils have increased their ability to successfully influence and deliver at scale and pace. Peers heard about the excellent partnership working at a strategic level to deliver positive outcomes on health, wellbeing, housing, stimulating economic growth and shared services. Membership on Suffolk Public Sector Leaders Group (SPSL), Suffolk Growth Partnership, New Anglia LEP, Western Suffolk Community Safety Partnership, Suffolk Health Alliance Partnership Boards and Wellbeing Board and much more ensure the strategic and political requirements of BMSDCs are being discussed and addressed. Although not always the loudest voice in Suffolk, BMSDCs are described by their partners to be “punching above their weight” and are well respected in the region. A noticeable step change was reported from external partners over the past three years in regard to BMSDCs aspirations for place shaping and associated delivery.

Together the Councils agreed a joint corporate plan in October 2019, setting out the joint strategic vision for BMSDCs for 2019 – 2027 “To build great communities with bright and healthy futures that everyone is proud to call home.” There is clarity from the political leadership of both Councils to improve the lives of residents through creation of high paid jobs, upskilling and reskilling, increasing the tourism offer and improving the quality of everyone’s lives. The Councils use a “Wheel” infographic to show how all the plans, strategies and frameworks fit together. Whilst the “wheel” is easily recognised, what sits behind it is not as well understood and has led to community and member perceptions of slow delivery and an ever-increasing list of priority projects. Peers got a sense that much of what is achieved is not necessarily communicated as widely as it could be – the Councils have much to celebrate and should promote this more.

Reviewing the corporate plan is recommended to provide clarity on the six themes, priorities, resources, capacity and risk; with a requirement to map the existing strategies to the corporate plan to demonstrate how delivery will be achieved. Developing a “plan on a page plus” that is an extension of the wheel bringing together the themes, ambition and narrative – explaining what, how and when will support this. Peers believe this would enable BMSDCs range of different stakeholders from Councillors, business groups and community organisations to understand the priorities of the Councils and articulate clearly what success will look like.

BMSDC are ambitious with a long list of priorities stemming from the corporate plan, six strategic priorities, strategies and plans. From redevelopment of the old Council offices in Needham Market and Hadleigh to regeneration of Sudbury, Hadleigh, Stowmarket, Needham Market and Eye town centres plus Gateway 14 there are bold aspirations for place, housing, economic development, skills and innovation. In addition, the Councils have a commitment to embed wellbeing and climate change, produce a sound local plan and deliver a range of transformation projects. With so much ambition it is essential a strict prioritisation process is established to manage delivery within resources and capacity.

Peers commended the progress made in delivering the Carbon Reduction Management Plan (CRMP) which included projects to convert the entire waste vehicle fleet to run on hydro treated vegetable oil (HVO), investment of £2.8m in solar schemes at the four leisure centres and exploring options for creating a low carbon commercial development with Gateway 14 Ltd.

The locality-based communities team is an asset to the Council, working with residents to build relationships and trust, kick starting sustainable projects which maximise community resilience. In turn communities have proven over the past two years that they can step up and deliver locally for their places. Several good practice examples of resident engagement were demonstrated around the town centre redevelopments, local plan, with tenants, culture/arts and through the community development teams and this provides a foundation to be built upon.

While partnership work is strong, communities, partners and stakeholders expressed a strong desire to work even more closely with the Councils to support delivery. This

is essential if BMSDCs are to achieve the outcomes desired within the timescales outlined. The Councils do not have the capacity, resources and in some cases expert knowledge to deliver everything and need to harness the skills and capacity available from others – asking for help would be seen as proactive and a strength. Community partners strongly encourage early engagement to co-produce and co-deliver solutions to local issues, e.g. resident liaison group for Gateway 14. Backbench and opposition Councillors also want their skills and local knowledge recognised and used to better effect for the benefit of residents.

BMSDCs recognise they need to develop a more strategic approach to engagement and communications; the Councils need to re-introduce regular resident surveys and use the outcomes to strengthen policy making and inform strategic decision-making. Peers recommend a coherent approach to internal and external communications and engagement is developed linked to existing strategies. Peers encourage the Councils to begin this work as soon as possible whilst there is enthusiasm and support from stakeholders.

It was clear to the Peer Team that BMSDCs are well run and deliver good core services to residents. Officers are highly dedicated, committed and loyal to the organisation and have delivered above and beyond, particularly over the past two years during the pandemic.

BMSDCs are investing in their officers with many positive examples of “growing your own talent pipeline” through a range of well supported and championed learning and development programmes, including apprenticeships, graduate schemes and internships. There is a positive approach to staff and member wellbeing with a supportive range of offers and initiatives supplied within the wellbeing hub. Officers spoke highly of the workshop sessions with occupational psychologists which have drawn in 100 – 150 people virtually for monthly topical sessions. The mental first aid programme and employee assistance programme (EAP) were also well regarded.

Working with partners, including, the Suffolk Office of Data and Analytics (SODA) and the Suffolk Observatory, data is used to understand the needs of communities and identify where and what interventions will work locally. In recognising the importance data can play in improving policy, service design and delivery, the Councils are investing in a new policy, performance, insight, risk and improvement


team which will also manage performance and use data to drive improvements. This team will be critical in supporting the embedding of the new outcomes framework, providing a strong link between strategy and business planning and driving a new culture of performance management, improvement and risk reporting.

The recent internal review of risk management identified improvements that will be made to risk management practice, joining up risk across the organisations, embedding in the culture and aligning with financial risks. Peers recommend the Councils continue to clarify significant risks for each/both Councils and ensure the escalation procedure to SLT is widely understood with consideration given to reporting risks to the Cabinets as well as Joint Audit and Standards Committee to increase governance and provide political oversight and ownership.

The financial position of both Councils is fundamentally sound. Compared nationally, both have healthy general fund reserves (MSDC 26.94% and BDC 24% as a % of Net Revenue Expenditure), balanced budgets and no significant funding gaps over the short term. Commercial ventures are currently proving profitable with CIFCO delivering financial returns for both Councils (around £5m net income so far) and there have been early successes for the growth companies with new homes being delivered annually with further delivery planned.

A values and behaviours framework was agreed in 2019 following consultation with officers. Unfortunately, the pandemic meant work to implement and embed the framework was paused, although over the past two years officers have clearly demonstrated how they can work together to deliver and support communities. Further work is now needed with officers and Councillors across BMSDCs to embed what the values mean to them and how they feature in the delivery of their roles. Although not universal, peers did hear examples of poor behaviour between Councillors and officers and between Councillors and recommend these relationships are reset, to ensure complete understanding of respective roles and responsibilities, what is considered acceptable/unacceptable behaviour and that a culture of “calling out” unacceptable behaviour is developed without fear of consequences. Peers recommend that the Councils consider a members’ charter as one way of involving Councillors in the integration of values and mutual respect.

A new wellbeing strategy was adopted by the Councils in autumn 2021. BMSDCs



want to build on this and develop a wellbeing culture in everything they do. Through the conversations peers had with officers, Councillors and partners it is clear more work is needed to position wellbeing within the organisation's strategic framework. At the corporate service level there were signs more embedding is required and it also wasn't clear whether all Councillors understood the need to adopt a wellbeing culture throughout all the work of the Councils - there was some suggestion it was in addition to statutory services. Consideration should be given to identifying clear actions within the Corporate Plan and project register which address wellbeing objectives to visibly show the cross-cutting nature of this priority and support the delivery structure.

BMSDCs shared partnership is successful and delivers benefits to the residents of both districts. Whilst recognising there are some differences across the geography and with the relative financial positions, Councillors from all parties recognised there is still much to be gained from working together. There was no evidence Councillors wanted to end this agreement, in fact many expressed a view that it would distract from delivering for residents. All Councillors want to be involved and engaged in developing a place-based approach to delivering across the partnership. Peers felt that by taking merger "off the table" it would create the headroom and inclusive environment to work together to progress the partnership. Engaging some external facilitation to support this process was also considered important.

## 2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the Councils:

### 2.1. Recommendation 1

Update and clarify the current corporate plan (six themes) so that it succinctly explains what each theme means to BMSDCs and how these themes relate to each other.

### 2.2. Recommendation 2

Develop a "plan on a page" that brings together the themes, ambition and narrative – explaining what, how and when.

### 2.3. Recommendation 3

Map the existing strategies to the corporate plan to clearly show the priorities for delivery and how they will be achieved.

### 2.4. Recommendation 4

Develop a coherent approach to internal and external communications and engagement, linked to your strategies.

### 2.5. Recommendation 5

Consider taking merger off the table in order to enable all Councillors to progress the partnership and take time to pull together succinctly the successes of the partnership – in and for both districts, to promote the really good work being undertaken.

### 2.6. Recommendation 6

Refresh and bring to life the risk management approach across the Councils - continue to clarify significant risks and risk appetites for each/both Councils and ensure the escalation procedure to SLT is widely understood with consideration given to reporting risk to both Cabinets as well as Joint Audit and Standards Committee to provide political oversight and ownership.



## **2.7. Recommendation 7**

In light of the refreshed Corporate Plan (recommendations one, two and three), prioritise projects/initiatives/programmes in order to deliver within your resources and capacity. Investment in additional senior management to support strategic capacity is also recommended.

## **2.8. Recommendation 8**

Consider opportunities to engage with all Councillors aligned to a clearer place-based approach – Develop compelling place narratives for Babergh and Mid Suffolk highlighting the unique selling points.

## **2.9. Recommendation 9**

Conduct an independent effectiveness review of the scrutiny function to increase member confidence in the scrutiny process, reduce the basis for tension, support wider member involvement and add greater value to decision making.

## **2.10. Recommendation 10**

Consider a members' charter to support values and mutual respect – resetting Councillor and officer relationships to ensure complete understanding of respective roles and responsibilities and what is considered acceptable/unacceptable behaviour.

## 3. Summary of the peer challenge approach

### 3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Lead Peer - Darren Crossley, Deputy Chief Executive and Strategic Director - Carlisle City Council
- Member Peer - Cllr Duncan McGinty (Con), Leader - Sedgemoor District Council
- Member Peer - Cllr Emily O'Brien (Green), Lewes District Council
- Officer Peer - Alan Finch, Principal Adviser Finance – LGA
- Officer Peer - Darren Knight, Executive Director People and Change - Cheltenham Borough Council
- Officer Peer - Paul Clarke, Public Health Specialist - Kent County Council
- LGA Peer Challenge Manager - Kirsty Human
- LGA Project Support Officer - Simisola Rasheed

### 3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to Councils' performance and improvement.

1. **Local priorities and outcomes** - Are the Council's priorities clear and informed by the local context? Are the Councils delivering effectively on their priorities?
2. **Organisational and place leadership** - Do the Councils provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?

4. **Financial planning and management** - Do the Councils have a grip on their current financial position? Do the Councils have a strategy and a plan to address financial challenges?
5. **Capacity for improvement** - Are the organisations able to support delivery of local priorities? Do the Councils have the capacity to improve?

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

6. Babergh and Mid Suffolk's approach to wellbeing
7. The balance of pace and capacity
8. The future and sustainability of the shared partnership

### **3.3. The peer challenge process**

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the Councils and the challenges they are facing. The team then spent three days onsite in Babergh and Mid Suffolk Councils and one virtually, to feedback findings, during which they:

- Gathered information and views from more than 48 meetings, and a tour of both districts in addition to further research and reading.
- Spoke to around 200 people including a range of Council staff together with Councillors and external stakeholders.

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

## 4. Feedback

### 4.1. Local priorities and outcomes

BMSDCs have huge ambition for place in relation to regeneration, economic development, housing and wellbeing. There is a clear desire from the political leadership of both Councils to improve the lives of residents through the creation of high paid jobs, upskilling and reskilling, increasing the tourism offer and improving the quality of everyone's lives. Core services are managed well and headline performance is generally good with few outliers for [Babergh](#) and [Mid Suffolk](#). Local priorities are being delivered, for example, setting up and running the virtual high street, progressing regeneration projects such as Gateway 14, Gainsborough House and St Peters, development of CIFCO Capital Ltd, refurbishing leisure centres, shifting fleet to Hydro-treated Vegetable Oil (HVO), continuing to provide affordable homes and establishing Innovation labs to name just a few. Peers got a sense that much of what is achieved is not necessarily communicated widely – the Councils have much to celebrate and should promote this more.

A joint [corporate plan](#) was agreed in October 2019, setting out the strategic vision for BMSDCs for 2019 – 2027 “To build great communities with bright and healthy futures that everyone is proud to call home.” This sits within the strategic framework alongside strategic priorities, delivery plans, the local plan and service delivery plans. A new [outcomes framework](#) is being introduced to provide the “Golden thread” between strategy and business planning and drive a new culture of performance management, improvement and risk reporting.

Throughout discussions with Councillors, officers and partners it became clear that everyone recognised the Corporate Plan “Wheel” and what it represented but were unable to articulate what it really meant, what priority projects were and how everything fitted together. This was leading to perceptions of slow delivery and an ever-increasing list of priority projects. Peers understand that the detail is available in the strategies and plans but people were not taking the time to read these and commented that there were too many – a view echoed by peers.

A review of the current corporate plan is recommended to provide clarity on the six themes, priorities, resources, capacity and risk with a requirement to map the existing strategies to the corporate plan to demonstrate how delivery will be achieved.

Developing a “plan on a page plus” that is an extension of the wheel bringing together the themes, ambition and narrative – explaining what, how and when will support this. Peers believe this would enable BMSDCs’ range of different stakeholders from Councillors, business groups and community organisations to understand the priorities of the Councils and show what success will look like more clearly.

Once agreed, a corporate projects register needs to clearly demonstrate what is being delivered, provide a mechanism for filtering any new ideas and stimulate discussion on what projects will be removed/delayed if anything new is added to ensure there is control over capacity, resources and risk.

Working with partners, including, the Suffolk Office of Data and Analytics (SODA) and the Suffolk Observatory, data is used to understand the needs of communities and identify where and what interventions will work locally. In recognising the importance data can play in improving policy, service design and delivery, the Councils are investing in a new policy, performance, insight, risk and improvement team which will also manage performance and use data to drive improvement. Peers supported the principle of this and the improvement it will bring to the collation of organisation wide data and corporate performance reporting. It also needs to include data gathered from engagement with residents and communities.

BMSDCs and peers recognise that consultation with communities has been disrupted due to the pandemic and now is the time to re-engage. Restarting structured consultation on issues such as the budget and conducting a resident’s survey will inform the data and insights and identify engagement opportunities.

Several good practice examples of resident engagement were demonstrated around the town centre redevelopments, local plan, with tenants, culture/arts and through the community development teams but more can be done to build on this. Peers heard that consultation can often be very last minute and is often more about communicating a strategy or policy rather than co-production or taking into consideration the views of stakeholders. Increased engagement with communities and stakeholders including parish and town councils on deciding place-based priorities and outcomes would significantly enhance understanding of future demand and needs and increase the sense of buy in and involvement with these groups.

The Councils have further work to do in identifying and addressing equality and diversity. Equality Impact Assessments are used to support targeted service delivery to underrepresented groups but there is an inconsistency in how Equality, Diversity and Inclusion (EDI) considerations are applied in decision making and there is a skills and capacity gap. An action plan is being developed to address issues raised during an internal review last year focussed on race. This needs to be implemented as soon as possible.

BMSDCs are working with partners across Suffolk to work towards Net Zero by 2030 for their own operations. A Carbon Reduction Management Plan (CRMP) was agreed by both Cabinets in 2020 and assets/operations emitting the highest emissions were prioritised for action. The entire fleet has now been converted to run on hydro treated vegetable oil (HVO) and £2.8m has been invested in solar schemes at the four leisure centres. Work is ongoing with Gateway 14 Ltd to explore options for creating a low carbon commercial development and work at the local level on energy showcases and biodiversity is also taking place. There is a clear understanding of the need to take climate action, but more work is needed to understand the impact/meeting of targets and embed climate action through the corporate plan, strategies and structures and garner support from all Councillors.

#### **4.2. Organisational and place leadership**

There is clearly a strong collegiate relationship between the political leaders of both Councils which supports the delivery of joint projects and priorities across the partnership. Peers consistently heard about the open, hardworking and respected senior leadership team, especially the Chief Executive with the phrase, “Arthur’s door is always open” being repeated to the peer team. Councillors respect the time the Chief Executive takes to discuss complex issues with them and there is generally confidence in officers’ abilities and dedication.

Following a management review in 2019 an integrated leadership programme was activated to support the senior leadership team (SLT), corporate managers and both Cabinets. Sessions had to be delivered virtually during phase one which has had a bearing on impact, although now face to face sessions are taking place, peers hope these joint sessions with Cabinet/SLT and SLT/corporate managers can support further effective top team development.

It was widely recognised and communicated to peers that BMSDCs partnership working across the business and public sector is excellent. Senior officer and political leaders hold key positions on strategic boards including Suffolk Public Sector Leaders (SPSL), Suffolk Health and Wellbeing Board, Suffolk Housing Strategic Board, Children's Safeguarding Board, Alliance Partnership Boards and Suffolk Environment Board. Joint management posts with health partners have increased the Councils' role in health prevention and provided a financial boost to the wellbeing priority. External partners told peers they had witnessed a step change in aspirations and pace over the past three years which is welcomed. There was also praise for the highly visible and welcomed community leadership during the pandemic, distribution of business and community grants and coordination across the county. The "Home but not alone" and "Knock and Check" schemes to support vulnerable people with essential shopping, medicine, social care and bereavement needs was highlighted as a great example of how BMSDCs worked in partnership as a single system to coordinate community needs.

Moving forward as more complex structures take shape across the public sector such as the creation of Integrated Care Systems (ICS), Integrated Care Boards (ICB) and devolution across Suffolk, in addition to the boards and structures already in place, peers foresee the need to strengthen capacity at the corporate level to be more outward focussed. Investment in additional strategic capacity to facilitate further place leadership and ensure BMSDCs are contributing to system wide development is recommended.

Working with businesses and not for profit partners, impressive projects are delivering opportunities for the place. For example, Needham Lake visitor and café centre, Innovation Hub and Hamilton Road Quarter Regeneration in Sudbury and Gateway 14 (now with Freeport status). The Councils are investing and drawing in external funding/partners to stimulate economic growth, innovation, jobs and pride in the place. In order to maintain confidence with developers, investors and communities' peers advise work continues at pace to deliver the joint Local Plan. In addition, recommendations from the recent Planning Advisory Service (PAS) review of MSDC should be considered by Councillors and any good practice/learning for both Councils implemented.

BMSDCs now need to develop compelling place narratives for Babergh and Mid



Suffolk to bring together all the aspirations, opportunities and projects to create a sense of place or places. There is a strong network of community and voluntary services, businesses and community partners in Babergh and Mid Suffolk however they struggle to understand the vision for the place and are looking to the Councils to facilitate the creation of a clear sense of purpose which will drive commissioning decisions - allowing them to add maximum value. The towns “vision boards” are a good starting point, although there is limited capacity in the sector to attend these. Suggestions were put forward for task and finish groups to replace more boards and suggest talking with businesses and partners to generate consensus on the approach.

There is a clear willingness from partners and stakeholders to work with BMSDCs to co-design, co-develop and co-deliver strategies and plans. There is a current perception of slow delivery of community projects particularly in rural areas as opposed to the towns, which could easily be resolved by involving those at the sharp end. The outcomes cannot be delivered alone – remember your own motto “together we can achieve more.”

Concerns were raised about the effectiveness of current communications channels internally and externally. BMSDCs use mainly online methods to communicate with residents, although messages are spread locally through Councillors and parishes via bulletins too. Given that 44% of tenants <sup>1</sup>are unable to access online services and there are high/medium levels of digital exclusion<sup>2</sup> across Mid Suffolk and Babergh respectively, it is likely many residents are disadvantaged by this – although peers recognised the work BMSDCs are doing to support residents with training, skills and technology through the Customer Strategy and Economic Recovery Plan.

There is now an opportunity to ask residents about communication methods in the new resident survey and then tailor communications and engagement to maximise coverage according to audiences. Internally there is a clear ask for improved communications between teams. The most recent pulse survey found 44% of officers disagreed that “communications are good between different teams.” In the 2019 staff survey 42% said information and knowledge was not shared openly on the organisation. The Councils know this is in an area for improvement, but peers are

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<sup>1</sup> 2019 Star survey

<sup>2</sup> 2017 Get digital heatmap



keen to stress the focus should be on communication and engagement to establish the unique selling points of Babergh and Mid Suffolk and the place narrative.

#### **4.3. Governance and culture**

Peers spoke with many officers and Councillors across both Councils to understand relationships and behaviours. Views were mixed, with references to good relationships between senior officers and Cabinet/Portfolio Holders, but some officers reporting “challenging” relationships, “rudeness” and frequent “microaggressions” from Councillors. There were some signs of good cross party working in the walking and cycling group, Climate Change, Bio-Diversity Member Working Groups and agile/accommodation group but overall, there was resounding agreement that relationships needed to continue to be built on to improve the culture of both Councils and the shared partnership.

The senior leadership team were described as demonstrating an open culture but with a tendency to get pulled into detail where Councillor issues were concerned. The SLT shield other officers from some behaviours, but impact / influence is limited. Group Leaders should hold councillors from their own groups to account for their behaviour. Peers witnessed clear tensions between Cabinet, back bench and opposition Councillors in both Councils where the organisational values were clearly not embedded. Both Councils need to take immediate steps to build a culture based on mutual respect and trust where everyone feels safe to “call out” inappropriate behaviour and knows processes are in place to support them and manage concerns appropriately. A member’s charter would be one way of involving Councillors in the integration of values and mutual respect.

It was too early to tell whether the current SOLACE development programme will improve officer/member top team relationships. Peers recognised a need for officers and Councillors to understand each other’s roles and responsibilities, acknowledge differences and to build richer trusted relationships – with further thought given to how to build and develop more informal relationships. If possible, following the end of the current programme, SLT should build in time for some face to face facilitated political and officer top team development.

There is a positive approach to staff and member wellbeing with a range of offers and initiatives supplied within the wellbeing hub. Officers spoke highly of the workshop

sessions with occupational psychologists which have drawn in 100 – 150 people virtually for monthly topical sessions. The mental health first aid programme and employee assistance programme (EAP) were also well regarded.

Ongoing work within the SLT has increased engagement with staff through pulse surveys, question and answer sessions with the senior leadership team, Chief Executive weekly email “working together”, vlogs, virtual brews and the wellbeing hub. An agreed set of five organisational values were agreed in 2018 and are embedded within the People’s Strategy and included in appraisals, job descriptions, and interviews. BMSDCs recognise work to embed and demonstrate the values in lived experience paused during the pandemic but has now restarted and will include conversations with Councillors about what the values mean to them.

BMSDCs operate a Leader and Cabinet form of governance with separate scrutiny committees for each Council, although most are held jointly given that issues being scrutinised often impact both Councils. A pre-decision scrutiny approach is sometimes taken with reports for Cabinet decision going first via Scrutiny, but this is not universal. Reviewing decisions before they are made provides an important means to influence those decisions and to improve them. However, many Councillors told peers they feel excluded from decision making processes and would like to see consideration of opportunities for wider member engagement and a broader range of topics reviewed (Portfolio approach). Peers felt an independent effectiveness review of the scrutiny function would increase member confidence in the scrutiny process which would reduce the basis for tension, support wider member involvement and add greater value to decision making.

A general view from back bench and opposition Councillors was that although there are multiple briefings for Councillors, they are not necessarily what is required. This is adding to frustrations and building tension which is demonstrated through poor member behaviour and a disregard of the values. Peers believe it is vital the Councils take steps to address the concerns of Councillors and seek opportunities to increase engagement, clarify what communications are expected and address behaviours to develop a more collegiate culture.

Some BDC Councillors would prefer a return to the committee system<sup>3</sup> in order to be

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<sup>3</sup> A decision to retain the current leader and cabinet model was made at [BDC Council on 22<sup>nd</sup> March 2022](#)

more involved in decision making. However, governance operates differently in every Council and moving to different governance structures will not resolve the behaviour issues. What is most important is culture – the behaviours, values and attitudes that govern and how individuals work together. Changing structural model in the hope that people will start to behave differently is unlikely to work. If the plan is to bring about wider cultural change, with a change in structure being part of the way to deliver that change, then it may be worthwhile. But structural change, on its own, won't do this.

A recent internal review of risk management identified improvements that will be made to risk management practice, joining up risk across the organisation, embedding in the culture and aligning with financial risks. Peers recommend the Councils continue to clarify significant risks for each/both Councils and ensure the escalation procedure to SLT is widely understood with consideration given to reporting risk to both Cabinets as well as Joint Audit and Standards Committee to provide political oversight and ownership. Strategic risks need to be regularly reviewed by the Cabinets in conjunction with SLT to ensure risk profile, risk appetite, assessment and control measures are consistently understood for each Council.

Transparent processes need to be put in place to support and promote equality and diversity of protected groups. Peers heard from protected groups of staff that there had been a few alleged instances of sexism, racism, and ageism which had gone unreported or unresolved to their satisfaction. BMSDCs, recognise they have work to do in this area and commissioned a review in 2021, the results of which were shared with SLT in September. Peers strongly recommend the Councils resource this work and continue to keep under review with consideration given to following the LGA's equality framework. Steps are being taken to improve, including the roll out of equality and diversity awareness training and development.

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

The financial position of both Councils is fundamentally sound. Compared nationally, both have healthy reserves (MSDC 26.94% and BDC 24% as a % of Net Revenue Expenditure (NRE)), balanced budgets and no significant funding gaps over the short term. Babergh (BDC) is projecting an annual deficit of £0.4m by 2024/5 whilst Mid Suffolk (MSDC) is forecasting an annual surplus of £3.6m. Each Council has different

financial strength and risk profiles, but like all Councils both will need to make difficult decisions to balance their respective medium term financial plans (MTFS). The different financial opportunities available to each Council will also mean a divergence in financial risk, with the MSDC investment in a freeport scheme at Stowmarket (Gateway 14) an example of this. In respect of the partnership there is currently a simple practical approach to cost sharing between the Councils. If MSDC starts to provide more services than BDC then the cost allocation model will need to be reviewed to ensure there is clear delineation.

The Housing Revenue Accounts of both Councils are financially robust and able to generate revenue contributions to capital as well as a surplus – although BDC's HRA is in a stronger position than MSDC. The Councils have significant capital programmes including ambitious programmes for construction and acquisition that is funded largely from borrowing. However, both overspend on repairs and maintenance and underspend significantly on the capital programme. Peers heard this is partly due to optimism bias and delays due to the pandemic, but a prioritisation exercise would help to reduce this going forward.

In 2017 BMSDCs established a joint company, CIFCO Capital Ltd and each Council invested £50m to purchase commercial property on the proviso it would deliver returns to both Councils to support service delivery. Both Councils then founded separate growth companies in partnership with the Norse Group in 2019 to support strategic plans for economy, environment, housing and communities and to bring forward a pipeline of development across the districts. Whilst recognising there is some opposition politically to the risk such investments put the Councils under, adequate governance and reporting is in place. CIFCO has delivered financial returns for both Councils, around £5m net income so far and there have been early successes for the growth companies with new homes being delivered annually and more planned. In light of changes in the prudential code BMSDCs have revisited their investment strategies to ensure compliance and recognise the need to keep commercial risk under review going forward. It will be important for both Councils to continue to actively monitor the performance of arms' length companies to ensure they continue to deliver their strategic purpose and that the risks of ownership are managed.

BMSDCs have a history of underspending on the general fund budget and this is

forecast for 2021/22. The Councils recognise systematic underspending in the budgets and is addressing this for 2022/23. Peers were concerned that this could be painting an overly negative picture of the budget position particularly for BDC with decisions being made unnecessarily on savings and efficiencies. There didn't appear to be enough challenge of budget holders around projections and forecasting. Growth pressures, higher interest rates and inflation need to be factored in more accurately. Peers suggest further training and development would support managers in this regard. This should also include reviewing how budgets align with Council priorities and outcomes.

There is an ambitious financial transformation programme in place which needs to be properly resourced and not rushed. Whilst it is understood the financial system needs replacing, the objective of full implementation by April 2023 carries risks of delay or poor implementation which need to be fully understood and mitigated.

This is particularly important given concerns raised about the capacity of the finance team, exemplified by delays to the delivery of draft accounts for 2020/21. The current CFO is retiring with a new internal appointment made and peers were told there was an imperative that the finance manager role be backfilled. Peers were advised that support is in place for the new CFO's transition, which they encouraged and endorsed.

The Councils are adopting a system of outcome-based budgeting (OBB), aligning budgets to outcomes, which is positive. In view of earlier comments around the need to focus priorities and reduce the volume of strategies and policies, careful consideration of the approach and methodology is required to avoid the risk of adopting an unwieldy approach to OBB and ensure it is appropriately resourced.

The Councils recognise the need to improve financial risk analysis, ensuring transparency, appropriate escalation processes and oversight. The Councils have been improving their approach to strategic risk and this needs to be continued and extended. Peers recommend the risk management strategy is refreshed and "brought to life" to ensure a more effective corporate approach to risk including financial risk. Consideration should also be given as to whether the current Joint Audit and Standards Committee arrangements adequately reflect the different risk profiles and appetites of BDC and MSDC. Peers understand there are a separation of strategic

financial risks for each Council to consider but further work is needed at the operational level to ensure separation, for example Gateway 14 which only applies to MSDC.

#### **4.5. Capacity for improvement (Pace and Capacity)**

As demonstrated in the People Strategy, BMSDCs are investing in their officers. There are really good examples of “growing your own talent” through learning and development programmes and opportunities for structured learning and upskilling. Apprenticeships, graduate schemes and internships are all well supported and championed. Joint posts with health partners provide additional skill and capacity whilst also increasing the organisation's ability to be at multiple partnership tables. The investment in asset management and economic development capacity and skill is building a positive reputation and paying dividends.

Sickness absence has significantly reduced over the last two years with the average days lost per FTE in 19/20, 8.16 dropping to just 4.06 on 2020/21. Over the same period, a suite of wellbeing offers have come together in the “wellbeing hub” which peers heard from staff are welcomed. Increased flexibility around online and home working also came into being as the pandemic positively accelerated the pace of digital development. Recruitment at middle to senior manager level in the organisation is proving difficult as is the case nationally in some specialist areas. However, at BMSDCs there is an urgent need to bring pay and rewards into line with the sector particularly given that officers support the work of two Councils – this should ease further recruitment and retention issues.

The current expected pace of delivery of multiple projects is in danger of leading to burn out for some officers. Peers heard the phrase “surviving not thriving” numerous times. There is an urgent need to be clear on priorities, monitoring of performance and resource allocation. The organisations have the skills to deliver, but at present resources are spread too thinly and this needs to be addressed. Currently the six priority areas have equal weighting but are resourced very differently. A review of capacity within the priority areas is needed to address the imbalance of resources and ensure priorities can be delivered. Peers also recommend additional senior management capacity is considered to achieve resilience and delivery of service improvements and priority projects.



A review and reset is required in the process for handling Councillor enquiries. There appeared to be dissatisfaction with this from both officers and Councillors. With officers frustrated at those who bypass the process and email senior managers directly and Councillors who say the processes are broken and they struggle to get the responses they need. Working together there is a critical need to build trust in a process and reinforce expectations around response times. The issues are having a direct impact on officer capacity and morale and Councillor trust and respect in officers.

The new policy, performance, insight, risk and improvement team is a welcome resource bringing together essential corporate support functions, performance and risk management. However, peers recommend as the team develops, time is given to ensure it has the right mix of skills capacity and resources to enable effective delivery. Given BMSDCs want to be stronger on managing priorities, projects and delivery, the team may require additional capacity in change management and benefits realisation as well as PMO support to enable closer oversight of projects corporately.

The [outcomes framework](#) was widely referenced as a tool that will support effective organisational performance management. At present there is a lot of valuable information being collated corporately with a revised service planning process and identification of different level outcomes. How this information will be used corporately and within services to demonstrate delivery against performance targets is still being agreed. Peers felt consideration may be needed to ensure the process does not become too onerous and there is the right balance of detail.

The locality-based communities' team is an asset to the Council, working with residents to build relationships and trust and kick start sustainable projects which maximise community resilience. In turn communities have proven over the past two years that they can step up and deliver locally for their places. BMSDCs are at an early stage with public sector reform but has begun to transfer assets to communities for example, open spaces in Bures and Great Waldingfield.

Supporting the development of neighbourhood plans is also enabling communities to have greater control over their localities. If there is greater clarity on what priorities need to be delivered, consideration then needs to be given to who is best placed to

deliver this – it might not be you! Consider how commissioning decisions can increase the capacity to deliver.

#### **4.6. Babergh and Mid Suffolk’s approach to wellbeing**

A new [wellbeing strategy](#) was published in September 2021 setting out the long-term outcomes BMSDCs want for their residents. The aspirations of the strategy are widely welcomed and partners spoke of the rewarding work being undertaken at the local level with them, for example on youth social prescribing, mental health, community sports and sustainable travel. The partners peers spoke with did not recall being involved in the development of the strategy but those who had read the strategy did recognise the data and intelligence used to inform the outcomes and felt conversations they had been having with the Councils over some time were reflected in the objectives. They did question how the strategy differs from the community strategy and sports and physical strategies – suggesting it would be simpler to combine them under one wellbeing strategy.

There was praise for the Councils in making this issue a priority, allocating specific ring-fenced funding, moving from transactional relationships to more inclusive joint approaches to issues where partners feel involved in the ambition and delivery of interventions. Peers heard how the data and intelligence is being used to uncover the “picturesque poverty” in the districts and inform direction at a neighbourhood level to target health inequalities for the most in need. Partners supported this approach and spoke of the need to work more closely with the Councils to avoid duplication of data collection and resources.

Following the Corporate Peer Challenge there is the opportunity to improve levels of awareness of the strategy's content and how it will achieve improved outcomes. BMSDCs asked peers whether the right mechanisms were in place to deliver against this ambition – part of the answer is to work with all your partners to produce the delivery plan and the mechanisms for implementation.

Strong leadership within the health partnerships from senior officers and the MSDC leader is ensuring the issues and challenges faced across BMSDCs are being heard at the strategic level. The appointment of a joint assistant director across the Councils and health partners is working well and his willingness to challenge the processes in place where necessary is seen positively.



More work is needed to position wellbeing within the organisation's strategic framework. At the corporate level there were signs that some service areas needed to embrace the wellbeing ambitions and recognise how and where the objectives and outcomes weaved into service delivery, for example, within the planning of new developments (the Local Plan) and improvements to Council owned homes. It also wasn't clear whether all Councillors understood the need to adopt a wellbeing culture throughout all the work of the Councils, there was some suggestion it was in addition to statutory services. Consideration should be given to identifying clear actions within the project register which address wellbeing objectives to visibly show the cross-cutting nature of this priority and support the delivery structure.

#### **4.7. The future and sustainability of the shared partnership**

BMSDCs have been working together in a shared partnership arrangement for over ten years, saving £2m (potential £20m cost avoidance over the life of the current partnership) across both Councils each year by delivering services under a single chief executive and fully integrated officer team. The partnership has endured changes in political and officer leadership, changes in political control and a global pandemic. In 2021 a revised [memorandum of understanding](#) was committed to and signed by the two Cabinets to reflect changes in the partnership since its inception in 2011. It is widely acknowledged that the Councils have more similarities than differences and a well-functioning and sustainable delivery model.

The partnership has achieved savings and efficiencies in service delivery over the past ten years and continues to deliver significant benefits. Moving to a single public service hub with Suffolk County Council and Clinical Commissioning Groups in 2017 appeared to be largely welcomed by many Councillors, officers and partners. It enabled both Councils to release their civic offices for redevelopment, facilitated increased partnership working within the public sector and brought the officer team together under one roof. The global pandemic has led to new ways of working for all and a break clause in the agreement with Endeavour House later this year offers the opportunity to make further savings and efficiencies by reducing the office space requirement for both Councils saving circa £0.6m. Along with savings in fuel costs, HVO costs, procurement of new systems in HR and finance and increased income from garden waste subscriptions, planning and building control and environmental

services both Councils continue to benefit significantly from working together.

Public sector partners in particular find working with BMSDCs less straight forward than the other districts in Suffolk who speak with one voice. Given the different political perspectives, they find it hard to predict how messages will land and decisions made. With large, merged districts on either side, partners recognised that by coming together, BMSDCs had achieved a greater ability to influence and deliver than if they were traditional single districts. But many believed a full merger would promote the Council to the largest district by area in Suffolk and provide a very solid platform on which to deliver for residents of the whole area. Regardless, political and officer leadership teams were highly regarded as playing their part in the wider Suffolk system ensuring residents benefitted from funding and opportunities across the geography including those being discussed as part of the Suffolk County Deal.

Councillors from all political parties whether in administration or opposition recognised the benefit of the shared partnership with many expressing views such as “we’ve gone too far to unravel this,” “It would be financially difficult to come out of the partnership,” “sharing offices and officers is a huge success,” “Speeding up delivery and getting the basics right are the priorities, not breaking up the partnership.” However, it was also made clear to peers that a full merger was not an option, with some Councillors of the view “Can’t see a merger keeping everyone interests at heart,” “There would have to be another referendum.” It is the view of peers that without sufficient political support for a full merger, consideration needs to be given to close the debate in order to move on.

Ending the speculation on merger would create space and time for more constructive conversations about sustaining the partnership. Councillors from all sides of the chamber are keen to come together to talk about “compromise and consensus.” There is an opportunity to engage external support to review flexibility in the current model which addresses the similarities and differences of the two Councils’ priorities and financial positions.

Although Councillors, officers and partners could see the benefits of the partnership, they were not able to fully articulate these to peers. Peers recommend time is spent pulling together succinctly the successes of the partnership – in and for both districts, to promote the really good work being undertaken. Although there are clearly joint

priorities, there are also some which are more important to one district than another and it would be helpful to Councillors if these were recognised. Producing performance reports which clearly show delivery in each Council and joint delivery would help to support understanding and reduce the perception of under delivery.

At present there is a very simple and practical approach to cost sharing between the Councils with officer time split 50/50. As Mid Suffolk invests additional funding (£5.1m so far) into priority areas e.g. Gateway 14, wellbeing and climate change it becomes more important to delineate and continue to avoid cross subsidising, but it is possible and peers did not view this as detrimental to the future sustainability of the partnership. There are other Councils operating different cost sharing models, for example, South Hams and West Devon and South Oxfordshire and Vale of White Horse. Variations in population, budgets, priorities, grants and performance are managed and reported on to ensure each Council remains sovereign and understands where they are “knowingly the same” and “knowingly different.” Some divergence due to differing budget situations and risk appetite doesn’t have to be perceived as negative – BMSDCs are still working together for the benefit of all residents.

## 5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month progress review meeting. This will be a short, facilitated session which creates space for the Council’s senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Rachel Litherland, Principal Adviser for the East of England, is the main contact between your authority and the Local Government Association. Rachel is available to discuss any further support the Council requires.

[Rachel.Litherland@local.gov.uk](mailto:Rachel.Litherland@local.gov.uk), tel. 07795 076834