



LGA Corporate Peer Challenge - Cornwall Council

Feedback report: 13 to 16 January 2026

1. Introduction

A team of local government peers, led by the Local Government Association (LGA), delivered a Corporate Peer Challenge (CPC) of Cornwall Council from Tuesday 13 to Friday 16 January 2026 inclusive. This was the council's third corporate peer challenge, with the previous one being in 2017.

CPC is a well-established and respected improvement and assurance tool that provides robust, strategic and credible challenge and support to councils. Further details about the CPC process can be found in Appendix A.

Our peer team consisted of highly experienced and knowledgeable senior local government councillor and officer peers (see section four). We considered the five core areas covered by all CPCs: local priorities and outcomes, organisational and place leadership, governance and culture, financial planning and management and capacity for improvement, in addition to a focus on the council's wholly owned companies.

This report provides Cornwall Council with feedback on the peer team's findings. It provides the council with a set of high-level recommendations, along with further suggestions within each of the

CPC's core areas. There is an expectation the council will publish this report and a clear action plan be drawn up to respond to the recommendations.

2. Executive summary

Cornwall defines itself as “the UK's fifth nation” and there is a tremendous pride in its identity, Celtic heritage and wider history, landscape and the potential of its communities and resources. Whilst famed for its tourism offer and attracting around four million overnight stays each year, the 2025 Indices of Multiple Deprivation reflects another side to the Duchy. The Cornwall Plan 2020-2050, developed and owned by the Cornwall and Isles of Scilly Leadership Board, reflects the scale of ambition that exists.

Council performance across its services is strong, with positive judgements for key statutory services. The council has a strong track record with Government and in the local government sector, engaging very effectively and being influential. It recognises its changing role and is demonstrating adapted ways of working – all in a context of diminishing funding and increasingly complex demand and challenges. Cornwall Council is an organisation that is open to, and indeed embraces, internal and external challenge and the drawing in of learning to enable it to progress and develop.

In relation to devolution, the Secretary of State has indicated that the Government is minded to designate the council as a Single Foundation Strategic Authority. This will represent a unique hybrid arrangement, adding to the unitary council even more of the powers traditionally held by mayoral authorities. The council will need to be mindful of the capacity demands this shift in role and responsibilities generates. The organisation has been effectively engaged in ‘double devolution’ to town and parish councils over many years. The approach is well established, shows tangible delivery and continues to develop and progress.

The Administration is placing a strong emphasis on enhancing communications and engagement with communities and making a tangible difference for them. The council is building on its established

engagement mechanisms, operates twelve Community Area Partnerships and can demonstrate good and increasing examples of co-production and co-design. The direction and priorities of the council have been shaped through a combination of public engagement and a range of sources of insight and intelligence. The 'Council Priorities Plan 2026-2030' has emerged in the short time since the change in Administration. The document, designed to act as a 'business plan', has a high profile and is acting as a strong guiding framework for the organisation.

A key strategic consideration for the council that runs through our feedback is about the scale of the council's ambition for Cornwall versus the reality of its capacity. This is an area that we recommend the council takes the opportunity to reflect upon over the coming months.

The calibre, commitment and passion of the council's elected members and officers is palpable. The leader, cabinet, chief executive and other senior officers are widely held in high regard, both internally and externally. Good relationships have been formed between the Cabinet and senior officers and the way in which Cabinet has developed since the council elections in May 2025 has been widely valued. There is strong and clear leadership for Cornwall being provided by the Administration.

The council contributes to, and benefits from, excellent and mature partnerships, with genuinely shared ambitions, joint endeavour and 'buy-in' at both the strategic and operational level. External partners see benefit in taking stock over the coming months of the set of partnership bodies that exist at the strategic level for Cornwall and the Isles of Scilly. The purpose of this would be to ensure a clear focus for partnership activity and maximise effectiveness and is particularly pertinent in a context of the emerging concept of the Single Foundation Strategic Authority.

The culture in the organisation feels constructive and is the result of conscious endeavour and insightful leadership. Core aspects contributing to this include the council's active facilitation of the growth and personal development of its people; the wide range of staff

engagement mechanisms; having open and accessible leaders and managers; and arrangements for flexible working. These initiatives and approaches are underpinned by a clear formal outlining of the council's values and principles.

Cornwall Council has loyal and experienced staff but people maintain a freshness and vitality through being in a dynamic environment and an organisation that embraces improvement and innovation. It is cognisant of the age profile of the workforce, the requirements for succession planning and the need for a greater emphasis on strategic workforce planning more generally.

The council has supported a change of more than fifty per cent in its elected membership in May 2025. Significant effort has gone into delivering a comprehensive elected member induction programme and there is a good focus on on-going training and development for councillors. Some refinement to the approaches to both may be beneficial though.

There is a strong sense of the council becoming more expressly elected member-led and there is a clear officer commitment to supporting all of the elected membership in their many and varied capacities and political groupings. The sharing across the political parties of the Chair and Vice-Chair roles on Overview and Scrutiny and other committees is seen as a positive development that encourages joint working and enhances relationships across the elected membership. Cabinet is committed to keeping people across the elected membership well informed. This forms part of a wider commitment that they are demonstrating and driving strongly around transparency and inclusivity.

The council's financial planning has taken a step forward through the introduction last year of the comprehensive spending review (CSR) process, which is underpinned by a set of financial principles. Defining these principles has been a joint Cabinet and senior officer endeavour and is a positive initiative.

At the end of the calendar year 2025, the three-year medium-term financial plan (MTFP) was balanced. This indicated a challenging financial gap of £133m over the three years. That position has been

exacerbated since by the provisional local government financial settlement, generating an additional gap of £13m for 2026/27. The scale of the challenge risks being increased by further growth in demand, particularly around social care, and there is acknowledgement within services of the scale of the challenge involved in delivering the identified savings.

The council's track record in achieving savings has been good to date. This is generating confidence across the organisation and its leadership but also risks optimism bias. Although there is still some financial contingency provision, we would recommend the level of this is increased. Without that, we see a risk of the council having to fall back on making some very difficult decisions under a rapidly developed 'plan B' to preserve the financial sustainability of the organisation.

£60m of the medium-term financial gap is intended to be addressed through 'transformation' and £20m of investment has been agreed to support this. Although the transformation savings are of greatest significance in 2027/28 and 2028/29, we see it as being essential to achieve clarity quickly around what can be achieved across all the years of the MTFP and real 'grip' being established on delivery from the new financial year starting in April. A comprehensive and robust transformation programme needs to be developed that is owned and driven at strategic director level, with clear plans and accountabilities.

External Audit have raised concerns about the council's Housing Revenue Account (HRA) and it will be important to bolster HRA reserve levels over time. Making progress against the Decent Homes Standard and preparedness for inspection by the Regulator for Social Housing are a key focus for Cornwall Housing and the council.

The council owns five companies with a range of purposes and objectives linked to the aspirations that exist for Cornwall communities. There are differing perspectives held by officers and elected members regarding the companies and the council's approach to them. A review took place last year relating to them, focused on how to strengthen formal relationships and improve working between the companies and the council and amongst the companies themselves. Further individual

company strategic reviews are taking place currently. The outcomes from these should be used to assess the companies' future business plans.

There is a shared understanding between elected members, senior officers and Corserv of the challenges in relation to the airport, with the subsidy it provides being a significant issue that needs to be addressed strategically.

3. Recommendations

The following are the peer team's key recommendations which have been prioritised on the grounds of urgency and importance and are listed here in the order that they appear in the report.

3.1 Single Foundation Strategic Authority

Consider and plan for the capacity demands that becoming a Single Foundation Strategic Authority will generate

3.2 Ambition versus capacity

Reflect upon the scale of the council's ambition for Cornwall versus the reality of its capacity

3.2 Strategic partnership bodies

Take stock, with external partners, of the set of strategic partnership bodies for Cornwall and the Isles of Scilly to ensure clear focus and maximise effectiveness

3.4 Financial contingency – Special Educational Needs and Disabilities (SEND)

Establish a financial contingency plan relating to SEND costs and deficits

3.5 Financial contingency - general

Increase the level of financial contingency generally for the council in a context of the overall set of financial challenges being faced

3.6 Transformation programme

Develop a comprehensive and robust transformation programme that is owned and driven at strategic director level, with clear plans and accountabilities – founded upon a stock take of what can be achieved financially, and when, following the forthcoming ‘transformation workshop’

3.7 Commercial strategy

Develop a commercial strategy for the council

3.8 Business plans – wholly owned companies

Utilise the outcomes from the current individual company strategic reviews to assess their future business plans and ensure the plans align with the proposed commercial strategy for the council – with the business plans then to come to Cabinet in due course.

3.9 Strategic workforce planning

Place a greater emphasis on strategic workforce planning and produce a workforce development strategy

4. Peer team

Peer challenges are conducted by experienced LGA peers, including elected councillors and senior officers. The composition of the peer team was shaped by the specific context and focus of the council, with the LGA selecting peers based on their relevant expertise. The peers for this CPC were:

- Sarah Norman, Chief Executive, Barnsley Metropolitan Borough Council
- Councillor Lucy Nethsingha, Leader, Cambridgeshire County Council (Liberal Democrat)
- Councillor Georgina Hill, Northumberland County Council (Independent)
- Councillor Christopher Hudson, Suffolk County Council (Reform)

- Rob Powell, Executive Director for Resources, Warwickshire County Council
- Julian Jackson, Director of Place, Tameside Metropolitan Borough Council
- Fiona Alderman, Director for Legal and Governance, London Borough of Haringey
- Colin Ross, Political Officer, Liberal Democrat Political Group Office, LGA (shadowing role)
- Chris Bowron, Peer Challenge Manager, Local Government Association

5. Detailed feedback and recommended actions

This section of the report provides detailed feedback along with additional suggestions related to the areas of focus for the CPC.

When developing the action plan (in response to the CPC's findings), the council should consider both the key recommendations presented in section three and the additional suggestions set out below.

5.1 Local priorities and outcomes

Cornwall defines itself as “the UK’s fifth nation” and there is a tremendous pride in its identity, Celtic heritage and wider history, landscape and the potential of its communities and resources. Cornwall Council is amongst the largest unitary authorities in England, by both population (around 570,300 as measured by the Census – a seven per cent increase in the ten years to 2021) and geography.

Famed for its tourism offer and attracting around four million overnight stays each year, the 2025 Indices of Multiple Deprivation reflects another side to the Duchy, with 11 neighbourhoods in the top ten per cent most deprived in England and half of the Cornwall’s neighbourhoods in the highest 40 per cent.

Jobs related to the visitor economy make up around 20 per cent of employment in Cornwall and 86 per cent of companies are micro-businesses with less than nine employees. The percentage of workers in part time roles is six per cent higher (36 per cent) than the national average. Skills levels lag behind the national average, with the

proportion of people having a higher education qualification being 36.4 per cent – compared to 43.2 per cent in England. Gross Domestic Product (GDP) for Cornwall and the Isles of Scilly was 74 per cent of that of the UK average based on the 2020 measurement.

The council has a strong track record with Government and in the local government sector, engaging very effectively and being influential. This track record covers areas such as devolution, drawing in external funding, innovation and sector-led improvement. Cornwall has secured two Devolution Deals, in 2015 and 2023, with the second of these delivering devolvement of the Adult Skills Fund, the Cornwall Floating Offshore Wind (FLOW) Commission to accelerate bringing clean energy to Cornwall and beyond; and £500,000 funding to support Cornish distinctiveness projects and the Cornish language. The council sees itself acting as a 'living lab' for testing Government initiatives. Examples include the retention since 2017 of 100 per cent of the business rates raised locally, becoming a 'Keep Britain Working' vanguard area and participating in a pilot study on bus franchising and reform.

Cornwall Council was integral in establishing the 'Britain's Leading Edge' group of 14 rural upper tier councils who are positioned on the 'geographical periphery' of the UK and which has progressed to become recognised as an LGA Special Interest Group.

The council plays a leading role in local government sector improvement at both the regional and national level. It has undertaken corporate peer challenges within the first 12 months of each set of all-out elections since 2013, with the exception of 2021 which coincided with the pandemic. The chief executive leads a sector-wide Adults Improvement Board; the service director for Planning and Housing played a leading role in the establishment of the National Association of Directors of Housing; and the council has contributed its experience and expertise in relation to national thinking around Special Educational Needs and Disabilities (SEND).

The Cornwall Plan 2020-2050, developed and owned by the Cornwall and Isles of Scilly Leadership Board, has transcended political Administrations and reflects the scale of ambition that exists here and is

seen to act as a 'North Star' that guides 'Team Cornwall'. The Leadership Board, comprises public, private and voluntary and community sector bodies and is chaired by the Leader of the council. It exists to help realise the full economic, social and environmental potential of the area and provide a unified voice regionally and nationally. The council's chief executive chairs the related Executive Group of senior officials.

The council recognises its changing role and is demonstrating adapted ways of working – all in a context of diminishing funding and increasingly complex demand and challenges. As an example, a recognition of the loss of EU Structural Funds has led to the development of a more integrated approach to the council's use of assets to deliver regeneration, economic growth and new homes.

It was announced in the Chancellor's most recent Budget in November that Cornwall is to be awarded £30m in the form of the Kernow Industrial Growth Fund. In terms of the next stage of devolution, the Secretary of State stated in the same week that: "In recognition of Cornwall's distinct local identity and history of programme delivery ... the Government is minded, on an exceptional basis, to work with you to explore designating the council as a Single Foundation Strategic Authority ... unlocking the powers and functions available at that level of the Devolution Framework and starting Cornwall on its journey to deeper and wider devolution". This will represent a unique hybrid arrangement, adding to the unitary council more of the powers traditionally held by mayoral authorities. The council will need to be mindful of the capacity demands this shift in role and responsibilities generates, looking through the lens of the level of resources generally associated with mayoral combined authorities.

There is significant respect and understanding for the position the council has adopted for Cornwall around this next stage of Devolution, which is very much centred on the Duchy as a single entity. At the same time, this is generating challenges for some other organisations and institutions who have traditionally been, or saw advantage to moving to, operating across a wider geography.

The Administration is placing a strong emphasis on enhancing communications and engagement with communities and making a tangible difference for them. The council is building on its established engagement mechanisms such as the Residents' Survey, 'Right on Survey' of children and young people, the Youth Council (the Chair of which has a seat on the Cornwall and Isles of Scilly Leadership Board) and the 'Let's Talk Cornwall' website. The council also operates twelve Community Area Partnerships across Cornwall. These involve elected members for the respective area from Cornwall Council, town and parish council representatives and other organisations including police, health services and the voluntary and community sector. The partnerships act as a voice for their communities. The council can demonstrate good and increasing examples of co-production and co-design.

The council's approach to communications is also evolving, increasingly supplementing traditional media approaches with the use of social media and video. The weekly E-newsletter that it now produces has a circulation of 125,000 people. There is a high proportion of council staff (over 95 per cent) who are residents, with this bringing advantage in terms of staff directly experiencing the delivery of council services and being able to provide insights and information to family, friends and neighbours on the council and its activities. This provides the potential for them to act as advocates and ambassadors for the council both as a place to work and a deliverer of key services.

The council has been effectively engaged in 'double devolution' to town and parish councils, of which there are 212 across the whole of Cornwall, since 2009. The approach is well established, shows tangible delivery and continues to develop and progress. It prioritises building local leadership, pride, resilience and strong local networks. The transfer of assets to communities forms a core strand and to date more than 400 facilities – from parks and open spaces to community centres and libraries – have transitioned. The Community Capacity Fund supplements the approach and exists to support local initiatives, with £2m awarded to 140 community organisations in 2023/24. There is scope to develop 'double devolution' further and 'Valuing Local' provides

an appropriate framework for that. This philosophy and commitment emphasises the importance of decisions being taken as close as possible to the people and communities concerned. It can be used to develop further understanding amongst residents and communities of the opportunities that exist under devolution within Cornwall.

The direction and priorities of the council have been shaped through a combination of its engagement activity and a wide range of sources of insight and intelligence. The 'Council Priorities Plan 2026-2030' has emerged in the short time since the change in Administration. The document has a high profile, including with partners, with this being aided by a range of materials, such as posters, which are highly visible around the organisation. It is designed as a 'business plan' and is acting as a strong guiding framework for the organisation.

A key strategic consideration for the council that runs through our feedback is about the scale of the council's ambition for Cornwall versus the reality of its capacity. This is an area that we recommend the council takes the opportunity to reflect upon over the coming months and as delivery of the Priorities Plan gathers pace, the move to becoming a Single Foundation Strategic Authority progresses, key government policies (such as in relation to SEND) emerge and the medium-term financial picture becomes clearer.

Delivery against priorities and comparative performance

Council performance across its services is strong, with positive judgements for key statutory services. Children's social care services are rated as "good with outstanding features". The council is currently awaiting the publication of the outcome from the June inspection of adult social care by the Care Quality Commission, although there is confidence in the organisation around what this will say.

The peer team considered information from the 'LG Inform' data and performance information system, which the LGA hosts on behalf of the sector, regarding Cornwall Council and how it compares with the other councils in its CIPFA 'family' grouping of similar authorities, using the most recently available data:

Where Cornwall Council is amongst the better performers:

- Average Attainment 8 score
- Children looked after rate
- Care leavers in suitable accommodation
- Care leavers in education, employment or training
- Overall satisfaction of people who use services with their care and support
- The percentage of vacant dwellings as a percentage of all dwellings in the area
- The time taken to process housing benefit new claims and change events
- The number of affordable homes delivered
- Processing of planning applications – minor
- Processing of planning applications – other
- The percentage of adults who are active (150+ minutes per week)
- The percentage of adults classified as overweight or obese
- The percentage of children in year 6 who are obese

Where Cornwall Council is less high performing:

- The proportion of 16 and 17 year olds who were not in education, employment or training
- The percentage of children protection cases which were reviewed within required timescales
- Percentage of children becoming the subject of a child protection plan for a second or subsequent time
- The number of households on the housing waiting list
- The number of households living in temporary accommodation per 1,000 households
- The amount of residual waste per household
- The percentage of household waste sent for reuse, recycling and composting
- Smoking prevalence in adults

Where performance in Cornwall is around the average:

- The percentage of council tax collected as a percentage of council tax due

- The percentage of non-domestic rates collected as a percentage of non-domestic rates due
- Social care-related quality of life
- Processing of planning applications – major
- The percentage of children in reception year who are obese
- The proportion of the population aged 16 to 64 qualified to at least Level 2
- Percentage of people that received an NHS Health Check of those offered

The following is a link to the latest information for the council in the LG Inform system:

Headline Report for Cornwall Council - Bar Chart View | LG Inform
https://lginform.local.gov.uk/reports/view/lga-research/lga-research-report-headline-report-bar-charts?mod-area=E06000052&mod-group=CIPFA_Near_Neighbours&mod-type=comparisonGroupType

5.2 Organisational and place leadership

The calibre, commitment and passion of the council's elected members and officers is palpable and shone through during our engagement with people at all levels of the organisation and in their various roles as councillors. A very real and recent example of these strengths in the organisation was the response demonstrated by the council, along with its partners, to Storm Goretti in the days immediately prior to the corporate peer challenge.

The Leader, Cabinet, Chief Executive and other senior officers are widely held in high regard, both internally and externally. Good relationships have been formed between the Cabinet and senior officers, with joint development days involving Cabinet and the Council Directors Team having contributed positively to this. The way in which Cabinet has developed since May has been widely valued.

There is strong and clear leadership for Cornwall being provided by the Administration, as seen with the stance on devolution and the launch of 'Global Cornish'. The latter was established in December 2025 to help build connection across the world-wide Cornish diaspora – with more than six million people classifying themselves as Cornish by birth,

ancestry or choice. Time is also being invested by the Cabinet in developing relationships with external partners, for example a set of 'summits' being held over the coming weeks on themes from within the Priorities Plan such as 'healthy rivers and seas' and 'healthy lives'.

The council contributes to, and benefits from, excellent and mature partnerships, with genuinely shared ambitions, joint endeavour and 'buy-in' at both the strategic and operational level. Some local partners that we met defined the council as "an exemplar" local authority.

External partners see benefit in taking stock over the coming months of the set of partnership bodies that exist at the strategic level for Cornwall and the Isles of Scilly. Examples include the Cornwall and Isles of Scilly Strategic Infrastructure Group working to address strategic priorities and barriers to delivery around the likes of transport and energy; Strategic Housing group – driving co-ordination and shared commitment to ensuring homes of the right type and quality in the right places; Cornwall and Isles of Scilly Economic Forum – as a private sector-led partnership bringing business and public sector leaders together; Cornwall and Isles of Scilly Economic Forum and the Workforce and Skills Board that comes within its auspices; and Committee in Common – Cornwall and Isles of Scilly Integrated Care Partnership (ICP) and Health and Wellbeing Board. The purpose of taking stock of the range of forums would be to ensure a clear focus for partnership activity and maximise effectiveness. This is particularly pertinent in a context of the emerging concept of the Single Foundation Strategic Authority and the existence of the Cornwall and Isles of Scilly Leadership Board and related Executive Group.

The council is also working effectively with strategic partners from the national level to deliver and de-risk strategic projects. The prime example of this is its work with Homes England on Langarth Garden Village. This forms part of a commitment to developing a place partnership between the two organisations, including exploring options for funding to unlock sites and establishing multi-functional teams to ensure a strong place focus that accelerates delivery.

The culture in the organisation feels constructive and is the result of conscious endeavour and insightful leadership. Core aspects contributing to the culture include the council's active facilitation of the growth and personal development of its people; the wide range of staff engagement mechanisms; having open and accessible leaders and managers; and arrangements for flexible working. Engagement mechanisms include the 'CDT Live' sessions open to all staff led by members of the Council Directors Team and the weekly newsletter from the chief executive. The Extended Leadership Group (ELG), which brings together the council directors team and heads of service, is a highly valued mechanism with it providing updates on key issues in a condensed 30-minute window each fortnight. ELG also undertakes a Leadership Conference twice per annum. The 'One and All' staff recognition scheme and the annual staff awards send a strong valuing message to the organisation.

In 2023, the council established 'FRED (Future Ready Events and Discussions) Fridays'. These are online sessions providing the opportunity and space for any member of council staff to learn, reflect and challenge themselves to think and work differently. They feature speakers from different backgrounds and industries sharing insights into such areas as motivation, collaboration, innovation and digital transformation. There have been more than 50 such events now attracting nearly 5,000 people and around 900 unique participants.

These initiatives and approaches that contribute so much to the positive organisational culture are underpinned by a clear formal outlining of the council's values and principles. The Council Charter was launched in 2024 and outlines a commitment to connecting employees to the council's purpose and priorities; providing clarity on organisational values and behavioural expectations; improving the employee experience; and supporting managers and teams to agree consistent ways of working. A set of FAIR values has also been established – Fairness, Ambition, Inclusion and Respect.

Cornwall Council has loyal and experienced staff but people maintain a freshness and vitality through being in a dynamic environment and an organisation that embraces improvement and innovation. It is cognisant

of the age profile of the workforce and the requirements for succession planning.

The council has an Equalities, Diversity and Inclusion (EDI) Board, with an independent Chair, and a series of Employee Forums that are either directorate or thematically focused. Staff value this range of bodies. An equalities peer review commissioned from the LGA in 2023 reflected the level of council ambition and commitment in this sphere. In returning in November 2024, the peer team highlighted the strong political, strategic and officer leadership around equalities. The 2024 Employee Engagement Survey indicated 78.7 per cent of respondents agreed that the council was an inclusive place to work. The council has gone above and beyond the Equality Act by extending the nine protected characteristics to recognise the armed forces community, residents with experience of the care system and those that identify as Cornish.

5.3 Governance and culture

The most recent interim External Auditor's Annual Report, for the financial year ending 31st March 2025, indicated "no risks of significant weakness" in respect of the governance element of the overall Value for Money assessment.

The council has supported a change of more than fifty per cent in its elected membership in May 2025 – with 49 out of 87 councillors being newly elected. The elections also saw a switch of control to a Liberal Democrat and Independent coalition. Significant effort has gone into delivering a comprehensive elected member induction programme. The provision of a 'welcome pack' for Cabinet members and the leaders of each political group, providing an overview of the organisation and key information to assist them in their roles, was seen as a very positive initiative. There is an opportunity to draw out some learning for the future around the approach to induction, given what has been described by some as an "overload" of information in a concentrated period of time.

There is a good focus on on-going training and development for councillors, underpinned by the council's Member Development Strategy. Some refinement to the approach may be beneficial though.

This includes varying the times of day that sessions take place in order to reflect people's different lifestyles and commitments. Consideration might also be given to the current approach whereby aspects of elected member training and development are 'mandatory'. There is a lack of shared understanding and agreement around which aspects of training and development this should be applied to and how feasible it is to uphold. Amongst the councillors we met, there was a clear appetite for additional training and development on overview and scrutiny and chairing skills.

The sharing across the political parties of the Chair and Vice-Chair roles on Overview and Scrutiny and other committees is seen by councillors that we spoke to as a positive development that encourages joint working and enhances relationships across the elected membership. It is also positive having independent member participation on the Audit Committee, to provide additional and alternative insight and perspectives.

There is a strong sense of the council becoming more expressly elected member-led. Our discussions identified a clear officer commitment, throughout the organisation, to supporting all of the elected membership in their many and varied capacities and political groupings. A key aspect of this is the commitment to the 'no surprises' principle, which seeks to ensure councillors are informed and engaged around issues affecting their communities.

Cabinet are committed to keeping people across the elected membership well informed. This forms part of a wider commitment that they are demonstrating and driving strongly around transparency and inclusivity. The prime example here is the introduction of 'Individual Decision Days', which sees Cabinet members considering and deciding upon reports relating to their portfolio, issued to them under delegated authority, in a more open way.

Some refinement would be beneficial to current approaches to involving and engaging elected members and keeping them informed. There is a risk that the volume of communication and information creates a situation in which people 'can't see the wood for the trees'. As an

example, whilst 'all member briefings' are held virtually every week, we ascertained a clear desire for a focus on the most significant issues and the conveying of information in a way that enables councillors to engage effectively with the subject. One such area, merely as an example, is the greater insight and understanding that some elected members would like to have about the reasons for council borrowing and how the risks associated with this are being managed.

'Casework Assist' is the established system in the council for co-ordinating elected member casework. The council acknowledges that take up of this system is 'patchy', with a proportion of elected members instead contacting officers directly to try to progress issues. There is real value in having a structured system and seeking to maximise its usage, given it provides the means to prioritise casework enquiries and responses; progress tracking; act as an additional source of organisational learning; and enables the development of strategic solutions, as opposed to 'piecemeal' ones, through the identification of patterns and trends in the nature of the casework issues.

In 2023 the council commissioned a review by the Centre for Governance and Scrutiny of its approach to Overview and Scrutiny. From this emerged a set of proposed revisions that were agreed by Full Council in April 2024. There is now an informal 'co-ordinating' body comprising the Chairs and Vice Chairs of each of the six Overview and Scrutiny Committees and the Chair and Vice Chair of Audit Committee. This is chaired by the Vice-Chairman of the council and seeks to co-ordinate work programming. Each Overview and Scrutiny Committee has a designated Senior Responsible Officer from within the Council Directors Team. Budget Development Overview and Scrutiny Committee, as the newest committee, is evolving. It is playing an active role in helping the council consider how to address its financial challenges, including reflecting in the coming weeks upon the responses to the council's public consultation on the 2026/27 budget proposals.

5.4 Financial planning and management

The net revenue budget for the council in the current financial year is £842m. The council's financial planning has taken a step forward through the introduction last year of the comprehensive spending review (CSR) process. This has sought to extend the financial horizon of budget thinking (with it now covering the period from 2026/27 to 2028/29); enhance alignment between budgets and council priorities; address structural deficits within existing budgets; and respond to changes in Government arrangements around Structural Funding. The process has included increased use of benchmarking and value for money assessments and drawn in information around performance, changes in demand levels and demographic trends.

The CSR process has been underpinned by a set of financial principles. Defining these has been a joint Cabinet and senior officer endeavour and is a positive initiative. It formalises and emphasises, for example, concepts of investing (including capital) to reduce demand and long-term costs; driving income and recovering costs; and delivering a visible difference across Cornwall through focusing investment on actions that residents can see and feel.

At the end of the calendar year 2025, the three-year medium-term financial plan (MTFP) was balanced, supported by line-by-line savings. This indicated a challenging financial gap of £133m over the three years. That position has been exacerbated by the provisional local government financial settlement, through changes around Recovery Grant and factors relating to rurality that impact negatively on areas such as Cornwall – generating an additional gap of £13m for 2026/27. The scale of the challenge risks being increased by further growth in demand, particularly around both adults and children's social care, and there is acknowledgement within services of the scale of the challenge involved in delivering the identified savings. The introduction of 'Day 10' meetings – involving officers taking detailed stock of the financial position in their areas on (or around) the tenth day of each month is positive, reflecting the appetite to maintain a tight financial 'grip'.

Special Educational Needs and Disabilities (SEND) deficits are a significant and rapidly growing issue for this and other councils, pending Government indicating its thinking around reforming the system and resolving cumulative deficits. Given there is no guarantee Government will fully meet SEND costs or remove deficits, the council is running a risk in not including financing costs relating to this in the MTFP and it may be prudent to establish a contingency plan, both for the revenue budget and balance sheet/reserves.

The council has achieved a significant benefit through the retention, under devolution arrangements since 2017, of 100 per cent business rates retention. It has also secured the £30m Kernow Industrial Growth Fund. However, other funding sources such as EU Structural Funds and the UK Shared Prosperity Fund have ceased.

The council has a £1.5bn capital programme (rising to £2.1bn in 2031/32) and its borrowing levels are comparatively high, although the related assets have a value substantially above their liabilities. The revenue cost of borrowing is forecast to increase over the MTFP, anticipated to come to equate to 8.55 per cent of Cornwall Council's net revenue budget against a prudential indicator limit of 9 per cent. This growing affordability challenge suggests an increasing need to prioritise capital ambitions.

The council's track record in achieving savings has been good to date. This is generating confidence across the organisation and its leadership but also risks optimism bias. There has been a diminishing rate of success year on year in terms of the proportion of the organisational savings target that the council is achieving. Whilst the General Fund reserve has been set at a sensible level, roughly equating to the commonly used 'rule of thumb' of 5 per cent of net revenue budget, the council has drawn quite significantly on its reserves over recent years and this is not sustainable in the longer-term. Although there is still some financial contingency provision, and the council has the Financial Sustainability Reserve of £10m, we would recommend the level of contingency is increased. Without this, we see a risk of the council

having to fall back on making some very difficult decisions under a rapidly developed 'plan B' to preserve the financial sustainability of the organisation.

£60m of the medium-term financial gap is intended to be addressed through 'transformation' and £20m of investment has been agreed to support this. A set of 'transformation themes' – such as being a digital and data driven council; maximising the benefits realised from assets and estates; developing commissioning and commercial excellence; having a focus on prevention and integrating care; and driving continuous improvement – have been established in the organisation.

Although the transformation savings are of greatest significance in 2027/28 and 2028/29, we see it as being essential to achieve clarity quickly around what can be achieved across all the years of the MTFP and real 'grip' being established on delivery from the new financial year starting in April. A two-day workshop is being held in February to scope the transformation programme, which we suggest is followed by a stock take of what can be achieved through it financially and by when. All of this needs to be developed into a comprehensive and robust transformation programme that is owned and driven at strategic director level, with clear plans and accountabilities.

The transformation programme should incorporate plans, ambitions and opportunities around, amongst other aspects, strategic workforce development; procurement and commissioning; assets and estates; demand management and prevention; and digital and artificial intelligence (AI). The council should seek, through this, to establish a greater degree of assurance that the transformation savings target and related projects are deliverable. Part of this will involve ensuring that there is no 'double-counting' of the savings from activities such as the £5m the council is seeking to secure in 2026/27 from a review of 'layers and spans' of managerial control. It will also be important to consider whether the right level of capacity exists to support the transformation programme, such as in the areas of digital, IT and project and programme management.

External Audit have raised concerns about the council's Housing Revenue Account (HRA) and it will be important to bolster HRA reserve levels over time. The Auditor's recommendations focus on making the HRA more sustainable and turnaround plans have been developed with Cornwall Housing to get back to balance, although this will be difficult with rents not covering costs. The council is continuing to press Government for greater flexibility over rent levels.

Making progress against the Decent Homes Standard and preparedness for inspection by the Regulator for Social Housing are a key focus for Cornwall Housing and the council. To accelerate progress here, Cornwall Housing will use capital receipts in the short-term and the council is dedicating £24m of General Fund monies.

The council has a good track record of accepting risk as it seeks to deliver its ambitions for communities. We see merit in strategic risk appetite being formally assessed and agreed by elected members. This will help to shape how the council approaches areas such as commercial risk, capital, assets, debt and transformation.

We also see benefit in the council developing a commercial strategy and, within this, clearly setting out the why, what and how of it pursuing commercial objectives and the limits, thresholds and triggers for such activity.

5.5 Council-owned companies

The council owns five companies with a range of purposes and objectives linked to the aspirations that exist for Cornwall communities. Corserv, as one of those five, is a group of businesses delivering, amongst other things, facilities management; adult social care services; and highways and other construction and maintenance work. It also runs Cornwall Airport. Cornwall Housing manages both council and privately-owned properties, delivering housing services to local communities, including creating new homes. Treveth Homes focuses on property development to increase housing supply within the region and has been the biggest builder of houses in Cornwall in the last two years. It is acknowledged by the council as being a capital-intensive model and the company is now looking for additional external investment. Langarth

Garden Village is a development project, which we cited earlier as having secured Homes England support, delivering not only housing but wider community amenities and infrastructure. Celtic Sea Power delivers renewable energy projects, particularly offshore wind energy, to enhance sustainable energy provision and aid carbon-neutral objectives.

There are differing perspectives held by officers and elected members regarding the companies and the council's approach to them. An 'Article 21' Constitutional review took place last year relating to them. This focused on how to strengthen formal relationships and improve working between the companies and the council and amongst the companies themselves – with the revisions that emerged from this being agreed in recent weeks. We understand that further individual company strategic reviews are taking place currently. The outcomes from these should be used to assess the companies' future business plans. As part of this, we recommend ensuring those plans align with what we have proposed as a commercial strategy for the council – with the business plans then being considered by Cabinet in due course.

Within this review activity, consideration could also be given to simplifying the council's performance management arrangements for the companies and performance reporting on them to elected members. Also, more in the way of regular informal strategic conversations between the companies and senior officers would be beneficial, focusing on shared priorities and challenges and how the companies and council could better mutually support and draw on each other's capacity and capability. In meeting with representatives of the companies, they indicated to us that they feel the council could capitalise more on what they have to offer, particularly their commercial skills, and that they would be keen to explore this.

There is a shared understanding between elected members, senior officers and Corserv of the challenges in relation to the airport, with the subsidy it provides – covering both the running of the airport and the cost of flights – being a significant issue that needs to be addressed strategically.

It will be important to put arrangements in place to enhance understanding across the wider cohort of elected members of the strategic purposes of the companies, how they support delivery of the council's aspirations for its communities and how the risks linked to such companies are managed. This principle could be extended to include council staff from all levels to aid joint working and make it easier to get things done for local people between the council and the companies. One idea may be the hosting of 'company days' to enable councillors and others to see the companies in close up.

5.6 Capacity for improvement

Cornwall Council is an organisation that is open to, and indeed embraces, internal and external challenge and the drawing in of learning to enable it to progress and develop. Examples of this appear in various places within this report, including contributing to sector-led improvement; commissioning peer challenge and external reviews; and the hosting of 'FRED Fridays'. Additional examples include supporting the creation of two Commissions (one on climate and the other on fairness across Cornwall and the Isles of Scilly) in the last couple of years.

The council has adapted well to the new management structure established last year and is smoothly managing changes taking place currently at the council directors team level. There is widespread recognition of the need for a greater emphasis on strategic workforce planning for the organisation. Indeed, one of the 'transformation themes' relates to workforce redesign. The creation of a workforce development strategy, to build on the solid foundation of the People Strategy, would usefully focus on aspects such as the age profile of the existing workforce and the requirements for succession planning; the response to AI; and shifts in the partnership agenda including the creation of the Single Foundation Strategic Authority, integration with health and the cessation of the role of Police and Crime Commissioners and their organisations in 2028. The workforce development strategy should dovetail closely with the transformation programme. Consideration

might be given to the establishment of an officer-level People Board to focus, facilitate and embed strategic workforce thinking and development across the organisation.

‘Power BI’ has provided the council and its managers with extensive and valuable tools and insights. It extends beyond performance information, covering finance, project delivery and risk too. It also enables the quarterly council performance report to be considered by Cabinet and the Corporate Finance and Performance Overview and Scrutiny Committee at an earlier point after the close of each quarter than was previously the case. There is desire and enthusiasm to see the potential of ‘Power BI’ being built upon following the enhanced capacity brought into the organisation around business planning and the creation of a Resources and Performance service through the management restructure.

There is a level of frustration amongst staff in relation to some operational elements of IT and HR. This was particularly focused upon the desk-booking system that exists to support hybrid working and experiences around recruitment processes which, in some instances, has led to the council losing out on new recruits due to the time things have taken. The council has recently had a focus on approaches and arrangements in relation to personal safety where people are operating away from council facilities or locations. Monitoring of progress is taking place, with this indicating that there are still some inconsistencies. These are being worked on. Feedback from some staff and councillors indicated there would also be benefit in an enhanced focus on the making of reasonable adjustments to meet needs more fully and speedily.

The organisation is placing an increased focus on cyber security, including additional training for staff and elected members and the undertaking of testing. There is acknowledgement that there is further to go on this.

6. Action plan and progress review

The senior political and managerial leadership of the council will no doubt wish to review and reflect upon the findings and recommendations from this CPC.

To promote the principle of transparency, it is a requirement of the CPC process that the final report of the peer team is published in full within three months of the review being completed. In this instance, this requires the report to be published no later than 16 April 2026.

There is also a requirement for the council to develop and publish an action plan within five months of the peer team being onsite – thus no later than 16 June 2026. This action plan should provide clarity on the activity, milestones and timelines that the council will work to in responding to the team's findings.

The action plan will also be central to the peer team's re-engagement with the council through a progress review which is due to be completed and published by 16 January 2027.

The Ministry for Housing, Communities and Local Government (MHCLG) have published the Best Value Standards for Local Authorities. These standards expect every council to engage in a Corporate or Finance Peer Challenge at least every five-years. It is expected that Cornwall Council would commission their next Corporate Peer Challenge to take place no later than January 2031.

7. Contact details

In the meantime, Paul Clarke, Principal Adviser for the South West region, is the main contact between your council and the Local Government Association. He is available to discuss any further support you require and can be contacted via paul.clarke@local.gov.uk (mailto:paul.clarke@local.gov.uk)

Appendix A – What is CPC?

CPC is a valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officer peers undertaking a comprehensive review of key information and spending three days at the council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the **improvement and assurance framework** (<https://www.local.gov.uk/publications/improvement-and-assurance-framework-local-government>) for local government. It is underpinned by the principles of **Sector-led Improvement** (<https://www.local.gov.uk/what-sector-led-improvement-0>) (SLI) put in place by councils and the LGA to support continuous improvement and assurance across the sector. These principles state that councils are responsible for their own performance; accountable locally, not nationally; share a collective responsibility for the performance of the sector; and rely on the LGA to provide the tools to support them. CPC is also key to councils in meeting their **Best Value duty**. (<https://www.gov.uk/government/publications/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities>) UK Government expect all councils to have a CPC at least every five years.

Scope and focus

The peer team considered the following five areas which form the core components of all CPCs. These are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - does the council provide effective local leadership? Are there good relationships with partner

organisations and local communities?

3. Governance and culture - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?

4. Financial planning and management - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council?

5. Capacity for improvement - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core areas outlined above, every CPC has a strong focus on financial sustainability, performance, governance, and assurance.

In Cornwall, the CPC included an additional area of focus – that of the council's wholly owned companies.

The peer challenge process

Peer challenges are designed to support improvement, not inspection. They are not intended to provide a detailed or technical assessment of plans and proposals. Instead, the peer team uses its experience and knowledge of local government to reflect on the information shared with them, the things they observe, and the material they review.

To prepare, the peer team looks at a range of documents and information to understand the council and the challenges it is facing. This includes a position statement prepared by the council before the visit, which sets out the local context and highlights areas for the team to focus on. The preparation also involves reviewing an LGA Finance briefing (based on public reports from the council's website) and an LGA performance report that shows benchmarking data across a range of measures. The performance report is produced using the LGA's local area benchmarking tool, LG Inform.

The peer team then spends three or four days at the council. During this time, they gather evidence, information, and views by meeting with council staff, councillors, and external stakeholders. This helps them

build a rounded picture of the council's strengths and areas for improvement.