

Corporate Peer Challenge **Bath and North East Somerset Council**

9 – 12 July 2019

Feedback Report

1. Executive Summary

Bath and North East Somerset Council's new political administration has an ambitious agenda for change and, given the outcome of the May 2019 elections, a clear mandate to implement it. Those ambitions, outlined in its manifesto 'Demand Better' cover a range of key strategic aims, including a clear commitment to addressing the climate emergency (declared on a cross-party basis prior to the election), a renewed focus upon engagement with communities, and an explicit intention to make the business of the council more transparent. The fact that the council Leader and her Cabinet welcomed the external Corporate Peer Challenge so early in its lifecycle, is already evidencing that intent.

The council is in a good position to support the existing and emerging priorities. It is well led and well managed, with the current (out-going) Chief Executive having set the tone. Importantly, we found a council that is self-aware, which recognises and is responding to the wonderful opportunities that the city of Bath and the vibrant communities of North East Somerset represent, but also the challenges facing the council and the district, now and into the future. For example the council has a good understanding of the rising demand and cost of social care, which appear to affect this council disproportionately, and equality gaps in education, employment and health.

May 2019 was an important milestone for the council and going forward it will require strong, purposeful leadership and effective management of change. That self-awareness is key, since whilst the new administration has clear ambitions, they know that with many new members, both within the Cabinet and the wider membership, they will need support to play their demanding leadership roles. Equally, with the selection process for a new Chief Executive being scheduled for the week after our visit, this signals a further change which needs to be approached in the positive manner. The council should grasp the opportunity that its new leadership team creates, to retain and build upon its many existing strengths, but importantly forge ahead with confidence, by planning and then delivering against its new priorities.

We have confidence that the council will continue to make progress. It has a strong foundation and track record for achievement. It is recognised as a collaborative and reliable partner; for example, through the impact it has had within the West of England Combined Authority (WECA) and the benefits that its creation has delivered for the wider region. We met with a capable and committed senior officer team and a workforce which is 'up for the challenge'. This team has already demonstrated a track record for managing effective change, such as the impressive integrated working with health commissioners, or the strong performance of the council's children protection and SEND services, as evidenced through Ofsted Inspections.

A key task now is for members and officers to work with purpose to translate ambitions into action. Some of those ambitions, for example to involve citizens more extensively in decision-making, need to be translated into practical ways of working; they need to be seen to be making a difference. There are important policy choices ahead, particularly to respond to the climate emergency and aims for Bath and North East Somerset to be carbon neutral by 2030. These and other ambitions will need to be delivered within an increasingly challenging financial environment. Therefore the importance of updating

and aligning the council's corporate strategy and its medium term financial plan is a fundamental next step. It will also be very important that senior members and officers take the time, both formally and informally to work on this together. It will set their agenda and, just as importantly, help frame their way of working together.

The council has created a strong asset base over many years, which would be the envy of most other councils. This asset base has helped underpin financial sustainability throughout the years of austerity. For example, it has a significant building ownership within the city of Bath. But, as the council is well aware, these assets also bring responsibilities and risks. Pressure on returns, including in the retail sector, the uncertain national economy, and the on-going liabilities associated with many of the council's investment responsibilities, means that the financial benefits of a strong asset base may become more challenging to secure. Such are the pressing financial challenges, that reliance on this asset base will not be enough to see it through.

Given the changes and challenges referred to it will be important that the council refocuses its attention and capacity on innovation, transformation and communication. The council has refreshed its transformation aims which are currently reflected in its 'Improving How we Work' programme. This will be a key enabler in modernising the council, seeking efficiencies and engaging citizens in new and different ways, covering areas such as smart working and a digital programme. It is important that programme is championed from the top, that accountability for delivery is clear and that it's potential as much more than a programme of work is recognised. Managed well, it has the potential to be a pervasive approach that underpins everything the council does and runs right across all the council's activities, rather than something seen as supplementary to the day-job.

The council has some communication challenges. The new administration has a strong ambition for better engagement with citizens, communities and other key stakeholders. The council internally is good at pushing out key messages to staff, it is also good in some of its external communication, for example in respect of community libraries. It is less good, as with transformation, at utilising its communication capacity in the most strategic ways, building on the strengths and assets of the existing opportunities it has created, so that communication is an end as well as a means. We believe this will require a review of the council's aims and outcomes being sought in terms of communications. There is work to build upon already in respect of this but it needs strong alignment now to the new priorities. An effective communication strategy also needs to manage the risks that expectations are raised too high, and – critically – ensure that the voices of the whole community are heard, and not just those that speak loudest.

The council's governance arrangements are well managed and fit for their current purposes. It takes a pragmatic and iterative approach to updating its constitution, amending and improving this as circumstances dictate. There is a new desire to involve citizens more in decision making and this needs to be reflected in any governance changes. Likewise we were told of sometimes slow and overly bureaucratic systems of oversight for some of the councils arm length arrangements and entities. Some partners also feel that positive engagement from the council's leadership sits alongside a less responsive approach from, we were told, regulatory and planning services. It will be

important that the council assures itself that its services are responsive and timely in response to the needs of communities and partners, as a necessary underpinning of a positive external reputation.

We found a pride and commitment to the whole of the district from everyone we met during the peer challenge: members, staff and partners. However, it struck us that given the importance the council has placed upon its effective stewardship for the district as a whole, that it has not sufficiently championed the need for what we called ‘A City Plan for Bath’. The City is not only the heart-beat of the authority area, it is a special and unique international World Heritage site. As a means of embracing all of the opportunities and challenges referred to above, the peer team believe the city needs a long-term vision, underpinned by a strong evidence-base to inform it. Aligned to this partners such as the universities and the voluntary and community sector can then be engaged afresh and we found they are very willing to be engaged. Such an approach, if done well will create a perfect opportunity to have a more inclusive public dialogue, which will be fundamental to its success.

2. Key recommendations

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

- To enable the council to realise its ambitions, it should ensure there is a clear articulation of these and its priorities by providing a ‘Golden thread’, right through from its revised corporate strategy to delivery plans and targets, underpinned by a robust Medium Term Financial Plan. The collaborative process of delivering these plans will be as important as its outcome.
- The Medium Term Financial Strategy needs to be further strengthened to include longer term savings plan and updated alongside the new corporate strategy to ensure that the Council can deliver its new meet its new corporate priorities.
- Develop a vision and plan for the City of Bath, underpinned by a strong partnership framework to address its crucial importance within the district, region, nationally and internationally, and addressing the key economic, environmental and social challenges faced by the city.
- Strengthen the effectiveness of the council’s current approach to innovation and transformation, within a comprehensive programme, embedding the key enablers, (e.g. digital, the council’s asset base and corporate culture) and challenges (e.g. cost pressures and demands).
- Review the council’s current approach to communications, ensuring it has sufficient focus and capacity to enable it to achieve its future ambitions for community engagement, and responsiveness to citizens and partners.
- Review its governance arrangements, within the context of how they may: better engage citizens, more efficiently streamline decision making, and how they best balance this with clarity of purpose and openness

- Embed performance management and reporting across the organisation, aligned with the corporate plan and transformation programme, so it informs, guides and enables the successful delivery of outcomes for the council and its partners
- Given the significant changes in the council's leadership and management, it will be worthwhile for the council's 'top team', of members and officers to spend constructive time together, formally and informally to
 - Confirm the best way of delivering priorities and,
 - Establish a strong working relationship to enable the effective leadership of the council through change
- Members should be given the necessary support and access to development opportunities, to enable them to perform their crucial leadership roles as effectively as possible

3. Summary of the Peer Challenge approach

The peer team

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

- Simon Wales, former Deputy Leader – London Borough of Sutton
- Councillor Alan Jarrett, Leader - Medway Council
- Andrew Lewis, Chief Executive - Cheshire West and Chester Council
- Alison Hughes, Assistant Director Strategic ICT Partnership - Wigan and Bolton Councils
- Andrew Hardingham, Director of Finance (S151) - Plymouth City Council
- Susan Attard, Head of Productivity - LGA
- Letitia Holden, Local Government Stewardship - MHCLG
- Paul Clarke- LGA Peer Challenge Manager

Scope and focus

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

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?

3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to consider/review/provide feedback on the council's engagement with communities and how it might further develop and improve its approach.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 4 days onsite at Bath and North East Somerset Council during which they:

- Spoke to more than 170 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 45 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 300 hours to determine their findings – the equivalent of one person spending more than 8 weeks in Bath.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (9-12 July 2019). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

We found the council had a strong sense and understanding of Bath and North East Somerset (B&NES) and was purposefully responding to the opportunities and challenges across: the district and its 51 parishes; the region more widely - given its role as part of the West of England Combined Authority and indeed internationally - give the unique status and heritage of the City of Bath. For example, we found a clarity of understanding of the current and emerging challenges, including the rising cost and demand for social care and the physical pressure on infrastructure and rising maintenance costs. Furthermore, we saw a council that was seeking to develop a far more granular understanding of its new and emerging priorities, such as fulfilling its commitments in respect of its declaration on a climate emergency. It is also evident that the council is responding to such priorities, witness its recent rebasing of spending budgets, including additional adult social care spending for the most vulnerable and acceleration of integration plans with Health partners.

One of the key issues for the council, given the administration's refreshed and new priorities, is to reconcile complementary and in some cases potentially competing priorities, for example how its ambitions for growth will reflect its aims in respect of carbon neutrality. At the same time, it must do this by responding to the needs and expectations of different communities across the district and this task should not be underestimated. The council has wisely chosen to revise its Organisational Plan for this year i.e. 2019/20, but it also needs to start now to develop a longer term vision, priorities and action plan for the council, ensuring there exists a "golden thread" from that vision, right down to operational delivery.

That 'golden thread' can only be assured if the council's strategic policy and plan framework is developed in a coherent manner. As such the council's longer term future plan, beyond this year must be accompanied by a medium-term financial framework. If done well this will help the council to plan for and better manage its funding challenges which are current and pressing, enabling it to plan its investment and look to address what are in some areas, unsustainable cost pressures e.g. the growing number of looked after children, while at the same time protecting the most vulnerable. This is no easy task and the council's senior members and officers should spend time now and into the future, both formally but just as importantly informally too, working this through. This will of necessity require the council to consider what it will stop doing, do differently or deprioritise and this too lies at the very heart of the way it engages with its citizens and communities. If done well this can lead to active citizen engagement and an effectively managed reallocation of capacity across the council and indeed its wider stakeholders.

The council works very well through many of its partnerships, as is reflected throughout this report. There are real opportunities to build upon these and reinvest time in others that have been less successful to lever their full potential. A key recommendation in respect is the co-creation of an 'A City Plan for Bath'. The City is the areas greatest asset, but also its greatest responsibility. In terms of visitor numbers, heritage assets,

business critical-mass, transport and environmental challenges, it shares many of the same issues that much larger cities have to address and therefore in the view of the peer team needs a long-term strategic plan.

Such a plan should be developed with the key anchor institutions, and through inclusive public and business engagement. There are issues to grapple with, for example, the business community identifies themselves as fragmented and without a clear focus for their engagement, or common vision to unite behind. The long-term infrastructure challenges can appear intractable and overwhelming. There is huge potential to capitalise on the large student population, for example creating greater opportunities for them to build new businesses and become long term members of the community. Local citizens are highly engaged and articulate, and make significant demands for the council to meet and within that context the 'voice of the vulnerable', as one stakeholder described it is danger of not being heard as well as it might. Furthermore, the lack of local parish councils in the city has implications for community governance. In the words of one business leader, "Bath is a difficult city to manage"

In the face of such challenges important steps are being taken to move the city forward and things seemed well placed to take a much needed longer term view. The Bath Forum is providing a focus for community organisations and councillors to engage constructively, and after a "forming" phase is now in a good position to do more and become more visible. Changes in the leadership of both universities have opened up the opportunity for a different and more productive partnership. Both Vice Chancellors expressed commitment to engage positively with the council on the long-term future of the city, helping to resolve complex challenges on the basis of evidence and dialogue. In the view of the peer team, moving with pace to establish an effective strategic partnership for the city will give confidence to partners that the council is focused on the longer-term and will set in place an effective partnership that will create a framework necessary to take the city forward.

4.2 Leadership of Place

The council is in a good position to build upon and accelerate its ambitions for B&NES. It has a good track record for building strong alliances within and beyond its boundaries. Firstly this is because it has to, but most importantly it has done so because it recognises this is fundamental to be an effective leader of place. It 'has to' because the geography within which these alliances are developed is complex, for example the partnerships for policing, health and economy each cover a different geography. There are many strong partnerships in place across this landscape which the council is at the heart of, and these are achieving significant outcomes for the people they serve, e.g. Health and Social Care integration, West of England Combined Authority, Joint Spatial Plan, Safeguarding/Community Safety joining up. The feedback we received from numerous partners was very complimentary, several referred to the council as 'it's go to partner' or 'partner of choice'.

One of these key partnerships, where the council plays a pivotal role, is the West of England Combined Authority (WECA), and the devolution agreement with government to transfer substantial new powers and funding. The other council members of WECA acknowledge the contribution of the previous political leadership and chief executive,

and very much welcome the new leadership's support. The council can demonstrate clear added value from its participation in WECA, including £70+ million of additional investment secured so far. The council has published the WECA Visualisation Dashboard to demonstrate publicly where projects funded by WECA are being implemented. The role of WECA goes beyond its funding role, however, and over time it will develop a stronger strategic influence over the West of England economy; through the emerging Local Industrial Strategy. It is acknowledged that full engagement with WECA absorbs scarce capacity from the council, so this needs to be prioritised where it adds most value. For example, WECA has a role as a new Integrated Transport Board. B&NES's ambitions to improve local transport connectivity, the quality and frequency of local bus and rail services, reduced congestion and cleaner air, and to respond to the climate emergency, will require strong engagement with WECA to champion a more strategic and locally-accountable approach to transport.

A key ambition, but also a challenge, is the issue of housebuilding in an area which has some of the highest house price affordability issues in the country. The council has clearly stepped up to support new housebuilding and is acting within its partnerships with purpose; in 2018 there were 1,245 new homes in the district, beating construction targets for a fourth straight year. Furthermore, the new administration has dual aims to both build and enable more social and affordable housing and continue to improve the quality of rented housing to make its housing stock one of the greenest in the UK. The proposed new Joint Strategic Plan, shared with the other 4 West of England councils, includes plans for an additional 13,000 homes for B&NES. Given the administration's aims, the links to the declaration of a climate emergency, and public concerns about the impact of new development, delivery of this commitment will require active management by the council.

The examples outlined above clearly demonstrate the need for such vision and priorities for the district to be matched with clear plans in relation to resource allocation for staffing and finances as already stated. A further area which will also need such attention is how the council strengthens its relationships with parishes, town councils and community forums. During our visit we met with representatives of all of these and on the first evening, where there was a meeting with chairs and vice chairs of community forums, which was chaired by the Leader of the council. The degree of positive intent was palpable and energising, with many strong assets to build upon. It was evident that there is a will and desire to galvanise a new and exciting approach to engagement and this should now be grasped.

The council is 23 years old, and is well established in public understanding. Over time it has helped to build unity and common purpose, but there remain some views that the geographical boundary of the council is a product of local government administration rather than a natural community of interest. The challenges and opportunities facing Bath (which hosts more than half the council's population, in university term time) are different and distinct to those of other, more rural, communities of North East Somerset. There are also important differences in the governance of North East Somerset, which is served by parish councils of different scale, capacity, sense of place and views about precept spend, and Bath itself, which is not parished. We heard the council described by some councillors and external stakeholders as being "Bath-centric", but also a concern that the interests of the city were being held back by the need to continually

demonstrate an equivalent attention to the needs of more rural communities. There is a risk of divisive narratives developing between the interests of different parts of the district, restricting the council's ability to differentiate its offer according to the very different needs of different communities. The new Cabinet are very aware of this risk and, since their support was drawn from both the city and rural areas, are in a good position to address this issue in a way that takes the entire district forward.

4.3 Organisational leadership and governance

The context of the changing political landscape is fundamental to the current and future leadership and governance of B&NES. Although the council has seen changes in political leadership throughout its lifespan, the May 2019 elections delivered a profound change in the political make-up of the council compared to 2015. Firstly, following a Boundary Review, the council reduced in size from 65 members to 59. Secondly, there is now a new political administration, with a significant shift in the Liberal Democrat representation, moving from the main opposition with 15 members, now to leading the council, with 36 members.

The council has over an extended period of time shown good, visible and cohesive leadership. Many partners we spoke with highlighted the council's leadership's key influencing role and 'can do' approach. This says much about the council's reputation over time and it will be something that it will need to maintain and build upon. Indeed, now is a great opportunity for the new leadership to reach out to some key stakeholders afresh where less progress has been made, for example with the universities within Bath or the parishes and towns of North East Somerset.

The new political leadership is bringing energy, new ideas and an agenda for change, which should help with that reaching out. There is a mix of experienced and new councillors, as one would expect given the change and the freshness of that dynamic is something to build upon, so that the energy of any new administration can be harnessed to deliver its aims. We found the administration was open to learning and challenge from both inside and outside the council. This is important, since the new Cabinet especially, must be given good support to help them with their leadership roles; they were very receptive to mentoring and peer support; which is a positive sign of their intent.

Ensuring constructive engagement between officers and members through this next period of change is critical. There is a need to retain and strengthen a collective approach to decision-making, by both officers and members. There are pressures and future expectations arising from each portfolio area, but a sustainable outcome will only be possible if a single collective approach can be developed based on shared priorities.

Given the above, we were pleased to see constructive engagement between members and officers. The development of shared priorities and values for both councillors and staff at B&NES and with the Clinical Commissioning Group, is clear evidence that there is a common purpose, language and understanding. These values and behaviours are key features of the council's Organisational Plan for 2019/20 and as such, everyone is literally 'on the same page'. We also saw a will and intent to work collectively to turn

ambitions into tangible delivery plans; witness the good collaboration and engagement between members and officers in how they intend to progress their climate emergency priorities.

These positive signs of collaboration should be built upon. We would encourage the 'top team' of members and officers, to work together both informally as well as formally and ensure they set aside the time to do this over the next few months especially, so they can ensure the range of current and new priorities begin to become embedded. In doing so they will be also building their relationship as a team going forward. Keeping strong and effective relationships will be especially important, since the current chief executive is due to retire and at the time of our visit the council was preparing for the selection of a new chief executive.

The council has a suitable governance framework in place but should continue to review and where possible improve this. For example, to reinforce the strength of its partnership working it has established a Health and Care Board, with representation of members and officers of the council, as well as clinicians, managers and lay members from the CCG. The Board not only promotes collaboration between agencies, i.e. developing joint strategies and pooling financial resources to maximise value, it also monitors the impact of the council and CCG's integrated commissioning arrangements on the health and wellbeing outcomes for the area's population. This model is sound; it encourages a collective purpose, a clear joint agenda and an openness and timeliness of reporting and delegations. The council may wish to consider how well it applies such principles to other aspects of its governance, for example in respect of some of the 'arm's length' company arrangements. This is important since there is a clear need to have clarity and transparency of decision making, but in quickly changing circumstance it will also be important that appropriate delegations are also in place. A key aspect of the new administration's approach is to make its governance more open and as such this is worthy of review.

Aligned to the above, it will be very important going forward to ensure that there is a comprehensive and transparent performance management and reporting framework, which is open to public scrutiny. The council is placing a greater focus on improving its performance management arrangements, with an increased emphasis on the outcomes being sought and reporting against progress-witness it's 'Vital Signs' reporting approach, which is providing an overview of progress against a range of performance data. The peer team feels that in the light of changing priorities it will be important to ensure that this is 'fit for purpose' for the future requirements of the council and the emphasis upon transparency and clarity.

We know that the council takes an active and iterative approach to updating its constitution and procedures. We are not advocating for a whole sale review of these but in the light of the comments and suggestions above, it again would be worthwhile just looking afresh at how these may be updated.

4.4 Financial planning and viability

The council has a reasonable track-record of financial management in recent times despite the challenges all councils have faced nationally. It has achieved this by utilising

its strong asset base, streamlining services and seeking efficiencies. This has delivered savings of £55m between 2013 -18 with a further £17m reported for 2018/19 (£72.4m over six years). Generally, this has been achieved with minimal impact on frontline services.

Although the model and approach has served the council well, it is not sustainable into the medium term. The council needs to deliver savings totalling £12.3m in the current financial year, with further savings of £21.3m for the period up to up and including 2023/24 (if council tax rises are not taken into account). Whilst the council has coped to date, the external auditor has commented upon the risks in respect of its regular, albeit small overspending within its children's and adults' budgets. This led to a rebasing of these budgets in 2018/19 of £3.9m and £3.1m respectively. There are potentially significant down-side risks to council finances, from the high and growing costs of adult care services, including the difficulties in securing staff given the local labour market, and a recent material increase in the number of looked after children. It will be important that the council reviews the success of the budget rebasing, and stems demand where it can through driving transformational change. If it does not, it will continue to overspend.

The council benefits from a substantial property portfolio and income secured from its ownership of world-class heritage assets. This has helped to cushion the council from some of the impact of austerity, allowing it to continue to provide services which in other places councils have discontinued. There are however sizeable risks to this going forward. Income targets from property assets are becoming more difficult to meet. And, in the absence of the legal ability to levy new tourism taxes, there is a ceiling on the scope to translate the success of the tourism sector into growing income for the council. As well as a source of financial benefit, the heritage sector also creates substantial additional costs and responsibilities which fall to the council; for example in managing the impact on the highways network. The council is also aware of significant risks to its property portfolio arising from structural changes in the nature of the retail market and how these will affect future revenue streams.

The above context is key since it represents a strategic challenge to the incoming council leadership. They have been elected on an ambitious manifesto including significant commitments, and have plans to respond to the climate emergency, strengthen local public services and meet the high expectations of citizens. In order to reconcile these ambitions with available resources, they will need to develop a long-term strategic approach. Starting with the council's visions and values, they will need to develop a clear council plan and medium-term financial strategy. This should include a long-term plan for the use of assets; identifying those that require long-term maintenance, those that can be sold to provide capital receipts for re-investment or transformation of services, and additional investment to secure future income.

The transformation theme is key here. The council has through its 'Improving How We Work' programme developed a collaborative approach to delivering savings through programmes such as procurement, service reviews and the delivery of the digital agenda. The council has some excellent examples of service transformation and innovation, witness the brilliance of the leadership and performance of the Roman Baths. Indeed service change and transformation is sprinkled throughout the council

and is clearly present but it recognises it needs to do more to embed innovation as a core function. Looking forward, the continued financial challenge will place an even greater requirement to change ways of working. This is particular the case in those services under most pressure, focused on addressing the complex needs of vulnerable children and adults. As part of its new corporate strategy, the council could consider setting up a comprehensive transformation programme. The ingredients for the success of such a programme are: adequate resources and internal capacity drawn from both corporate and service experts, clear governance, a learning culture and focus on best practice from other organisation, and a robust mechanism for measuring and delivering financial and operational outcomes.

The council's transformational activity is reliant on the realisation of capital receipts to fund this. Should the capital receipts not be generated the redundancies required to balance the MTFs will need to be funded from other reserves held thereby bringing them below the self-determined required level. The review of the strategic property function is important not only in this respect but also to allow for investment in housing.

The council has a great opportunity to gain a financial return from one of its companies, Aequus Developments Ltd (ADL), but needs to determine how best to utilise this asset going forward. The company has the ability to return a financial dividend through trading, delivering additional housing units for sale, thereby generating capital receipts and for rental. The approval process for the transfer of sites from the council to the company requires review with the objective of speeding this up as the current process significantly impedes opportunity, however ADL also needs to ensure that each transfer meets the strategic needs of the council.

From what we read and heard, we believe there is a sound financial monitoring process in place, which includes monthly reporting to the Senior Management Team and quarterly to Cabinet. In line with the comments above and recognising some of the weaknesses in the councils approaches to managing performance, we believe that consideration could be given to linking budget reporting to a performance management framework of defined service standards.

The council is well served by its leadership and staff who work within finance. However, the existing Director of Finance is an interim appointment and given the importance and scale of the financial challenges we have highlighted, the appointment of a permanent Chief Financial Officer will be fundamental to the achievement of its plans.

4.5 Capacity to deliver

We heard a clear message that staff are very much are 'up for change'. Those we spoke with were proud to work for the council and of what it has achieved to date, which is a great foundation from which to build. This commitment and enthusiasm should be harnessed now so that staff are engaged well, and through that enabled to understand, help crystallise and then deliver the new council's priorities into actions.

A further foundation stone that will stand the council in good stead, is the very impressive way it has developed, for both the council's member and officers, and also the CCG's, core values and 6 underpinning behaviours, including being collaborative,

accountable and curious. This reinforces how through change, effective partnerships and strong engagement can be sustained so that focus and capacity is not lost. As the council changes and as the 3 geographically linked CCGs form a single alliance, we advise that such strong foundations anchor that change and are constantly reinforced.

The council has made a strong investment in its staff, its changing culture and in progressive people management. We had the privilege of meeting with a vibrant group of council apprentices, who clearly demonstrated their commitment and enthusiasm for working for the council and how they were individually supported well internally. The potential to galvanise their collective as well as individual contributions as a cohort was something we felt that could be built upon for their benefit and that of the council. At a time of change it will be important to galvanise the whole workforce in a similar way and as such the emergence of a new People Strategy is a welcome development to reinforce that message.

The council needs to place a greater priority in ensuring the accuracy of its underpinning data, as the evidence this generates is used to inform and shape its strategies and programmes. For example, it struck the peer team, that some of the organisational health indicators e.g. staff absence was not as robust as it might be and people we spoke with did not have a strong confidence in what was always being reported. Given the above, and the council's drive around openness and transparency it is very important that there is more rigor around data collection and analysis in respect of this and others measures, so the council can be truly assured of its performance. Reward and recognition of this is important as well as addressing gaps?

We received feedback from a range of stakeholders, both internally and from partners too that sometimes the council could demonstrate agility and speed of response more systematically. The feedback indicated that sometimes unnecessary bureaucracy and burdensome processes slowed and hampered progress. In line with our observation in respect of governance it would be worthwhile for the council to review its decision pathways and consider opportunities to increase the management discretion devolved to individual services, operating within their agreed service budgets with a higher degree of flexibility; and thus empowering staff. This is a key consideration in ensuring the appropriate balance between political oversight and operational freedom, for example in respect of the council's commercial partnerships and entities

We saw a renewed focus on performance management and the council's 'Vital Signs' reporting system does offer opportunities, within the context of recent changes and new priorities to review the core organisational targets and confirm ownership of these. It will be important that the council is in a position to assure itself that it has a coherent organisational performance culture which reinforces the 'golden thread' from council priorities to individual appraisal and provides a clear 'line of sight', for both members and officers, so that this reinforces good and transparent governance.

The council is often a partner of choice and clearly benefits from this. We found a willingness amongst the council and some of these partners to go beyond this. Therefore, in the view of the peer team a further strand or aim of the councils transformation plans could be to build upon such good relationships to look at the

potential for shared services with core partners (with neighbouring councils and significant local institutions) in order to build reliance and share scarce capacity.

Much of what the Council wants to achieve depends on really effective communications, with the new political leadership setting high standards for public engagement on key issues. Communication is also fundamental to the cultural change necessary to address the climate emergency, to attract and support visitors, and to ensure that the council is listening to the voices of the whole community, not just those who speak loudest. The recent experience of consultation on the clean air zone offers some positive and very valuable lessons. Therefore, the Communication approach and resourcing within B&NES will need to be reviewed regularly, so that it proactively addresses the communications challenges the council is facing and enables it to achieve its future ambitions for community. The LGA is able to offer support based on best practice from across the sector, and the council is also encouraged to take advantage of this advice. .

The simple thing to do, following such a profound change at the May elections and with the chief executive announcing his retirement, was to postpone the Corporate Peer Challenge. The council chose the opposite, opening itself to external challenge and scrutiny and we hope the process of doing so and this report adds value to that. That commitment to external challenge, learning, expertise and innovation were all features of our visit and this report and is a demonstration of the council's desire and intent in respect of improving for the benefit of its citizens.

4.6 Engagement with Communities

The new leadership has a clear critique of the council's previous practice of community consultation and engagement. They wish to substantially extend opportunities to bring citizens into decision-making, and for the council to place a greater emphasis on listening to diverse viewpoints before determining a way forward. Although there are examples of good practice to build upon, it is recognised that this will require adjustment to the culture of the council, as well as amendments to practice which establish new ways of working.

This critique of the council above is universally recognised by staff and partners, and there is a commitment to do things differently. Therefore the challenge is to turn this ambition into new practical ways of working, and establish this as a core element of the council's culture and the way it manages risk and expectations of communities, in a similar way to that which other councils, notably Wigan, have done so. There are also opportunities to celebrate some of the examples which exist of strong communities working together to solve problems, asset transfer and service delivery, community initiative etc and use these to support other communities. Sorry covered later!

Many of the considerations, observations and suggestions already made in respect of governance, transformation, performance management and communications all have equal relevance for this section. Their collective strength needs to be harnessed so they help inform and underpin progress in relation to engagement.

Within in the context of this area of focus we have highlighted below three specific relationships that in the view of the peer team needs specific and prioritised attention:

- Engagement with students – in the view of the peer team, this needs to be radically improved. The existing Forum working well to address practical issues, but there is what we described as a ‘community cohesion challenge’, where the needs and expectations of students and residents in the city need to be properly and jointly addressed harnessing the strengths and assets of these members of the communities and opportunities to contribute to the future of Bath
- Engagement with Parishes – there are effective parish and community forums. But we found there were often patchy and tense relationships, with some divisive narratives. The peer team felt the revised Parish Charter could be applied more proactively, (recognising that this requires a shared commitment) to manage respective responsibilities more transparently and be utilised as a lever for change – there are also opportunities for communities to build a sense of pride about what is unique and good about them, as well as building a plan for their future and focusing on how they benefit from Bath assets
- Engagement with the Third sector / Community leaders – we came across great examples of local community action (e.g. the “Wombles”). We also met what is a very engaged and committed ‘third ’sector. It struck us that through there earlier and more effectively managed engagement real progress could be made. They want, and we think need, a ‘seat at the table’. Given the councils priorities, service and financial challenges, early and effective engagement should help the council protect local services, with community support. Include in strategic engagement / consultation plan.

5. Next steps

Immediate next steps

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

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

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

Follow up visit

The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the council. Our expectation is that it will occur within the next 2 years.

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that the council will commission their next Peer Challenge before 2024.