

Corporate Peer Challenge **Bristol City Council**

11 -14 September 2018

Feedback Report

1. Executive Summary

Bristol City Council (BCC) is laying the foundations to underpin its improvement journey. The ambitious and collaborative leadership the Mayor has shown for the city is warmly welcomed by the council's partners. BCC has recently appointed a new senior officer leadership team which collectively has the potential to set a positive direction for the council's workforce. Two years ago the council was facing a funding crisis and commissioned an external review to assess its root causes and make recommendations to address them. Two years on the council's financial management and grip is stronger. Overall, BCC's 'green shoots' of improvement are visible but there is much more to do in order to turn that potential into reality. The council's leadership now needs to ensure it delivers, at pace, the agenda required to match the ambitions the Mayor and city partners are setting.

The sense of ambition for Bristol as a city is clearly evident and many stakeholders we spoke with talked variously about their hope and optimism for the future. The Global Parliament of Mayors, soon to be hosted by Bristol is evidence of this - Bristol rightly wants to position itself not just on a national but international stage too. Furthermore, the Mayor is setting a new tone for leadership within the city – working with partners to set a collaborative vision and new direction for Bristol, and one in which he is determined that BCC plays a full part. This is reflected in the developing 'One City Approach', and soon to be launched plan where partners are collectively starting to express ambitions and priorities for Bristol up to 2050. It will be important that as well as council partners, BCC's own members and officers are fully aware of and engaged in this so it is as successful as possible.

The churn in the senior officer's team in recent years at BCC has diluted both its managerial leadership capacity and impact, resulting in a significant void in terms of driving forward the council's plans. This has now been addressed proactively through the appointment of a new Executive Director team. This team are offering much needed leadership to the council's workforce. They have adopted and demonstrated daily the core values BCC has set for its staff. This refreshing new style must be allowed to prosper.

Even amidst the difficult period BCC has gone through, it has sought to be an outward-looking council with pockets of genuine innovation and this is something to be celebrated. Recent evidence, for example through its 'City Leap' prospectus, which issued a call to investors and innovators to join the council to build a city wide sustainable energy system, shows that this will continue. The fact that the council has seen a significant number of responses to this is an indication of the confidence that people have in the city and council. However, it also exemplifies a core and on-going challenge for BCC, which is how it best responds, acts upon and delivers change. This theme of effective response should be an area of significant focus for the council. In the past its delivery has not always matched its ambition, indeed it often lagged some way behind.

The council is seeking to engage the communities that make up Bristol in new and different conversations. This involves BCC discussing with them realistically the role of a council in a modern city, where public finances need to be targeted more carefully than ever before. The council is asking how it might support the growth in capacity and resilience of communities and as part of that move away from paternalism and delivery.

These are signs of an increasingly confident council and one that is becoming clearer about its own future role.

We found many initiatives in train or planned which have the potential to create an environment where BCC can lead and enable significant change for the city. However, some of these are in their infancy and the peer team recognise that several are in their early stages of development and implementation. We are confident the council is now on the right path and it should now consolidate and deliver the changes that all stakeholders we spoke with support, and do so at an accelerated pace. The pace of change is important. One stakeholder reflected the views of others, when they told us that BCC had 'lost a year', as a consequence of the inertia created by, amongst other things, a lack of officer leadership. Consequently delivery at pace and the demonstration of tangible achievements on the ground should be a key demand the council makes of itself.

Now more than ever the council needs clarity, certainty and stability, especially within its Executive Director team and in the top three tiers of senior management. BCC has many impressive officers at a senior leadership level but there remains a significant number who are interim; this does not help effective partnership working and it will slow both confidence and delivery if not addressed. We witnessed the good relationships BCC has with partners but those partners told us they desperately need 'anchor points' to connect them to BCC – it is as simple as people in partner agencies having steady and confident relationships with people in BCC they know and trust.

Trust and relationships within and across 'system leadership' in the city is key if Bristol is to live up to the ambitions of its One City Approach. There are challenges for certain parts of the public sector leadership in the city, for example, the performance in respect of Delayed Transfer of Care across Bristol is disappointing and begs questions about the effectiveness of the collective arrangements that partners, including BCC, have in place to address it. It is important that BCC, firstly for itself, but also with partners embeds a performance management and development culture so that they are collectively 'on top' of the delivery of the One City priorities.

BCC has a leadership challenge in relation to its own workforce. The findings of the last staff survey in 2016 were telling, with 46% of respondents thinking that the Senior Leadership Team did not provide good leadership. Some basic and core building blocks, such as completed appraisals for all senior leaders being delivered will be signs of change where accountability, responsibility and the ownership of change will be visible. It is important that such change happens so the organisation as a whole can see that performance matters and this should start from the top.

As part of the drive for improved performance it struck the peer team that now was an ideal time to 'grow' and develop BCC's top leadership team (politicians and officers). We found good relationships and a sense of joint purpose across this group. With new people in role, and with the level of ambition clearly identified, the new political and managerial leadership team needs to invest both time and energy in order to establish strong, sustainable and effective working relationships.

Not all of the political management arrangements the council has in place are as effective as they should be. The Mayoral model is relatively new and is neither fully understood nor

accepted by some councillors. At times this is coupled with a lack of co-operation and on occasions a flavour of mistrust across the political system. Given the ambition referred to, if this is not addressed it will continue to slow down progress. This can be seen, for example, in Scrutiny, where the impact of the function is limited. The limitations arise from the politicisation of issues and we were repeatedly told of some challenge of officers which may 'cross the line' of appropriate behaviour by councillors. For scrutiny to be truly effective it is important that officers can attend and feel able to be open with councillors. There is, therefore, work for the council to do to address improvements in these arrangements so that its governance enables better decision making.

The council's recent history of failings in the management of its finances and associated lack of confidence have been the subject of public reporting. Two years on the council is putting its house in order and has employed competent financial expertise to help it do so. It is now setting a realistic medium term financial plan and has better grip, based upon improved financial stewardship. A key job will be to take these high level budget plans, align them to the new Corporate Strategy and flesh out costed delivery plans to ensure that this promising base bears fruit.

Perhaps understandably, given the previous concerns over financial management and accountability, BCC has adopted very tight and strict controls. Now is the time to review this, especially given messages around delivery. A balance around compliance and empowerment needs to be struck throughout the council, as we found that BCC is undoubtedly process heavy and one stakeholder echoed the views of many, 'at BCC there is a form for everything'. As BCC improves and matures it will be important that its controls are reviewed, so that it rebalances the relationship between compliance and empowerment and develops new, more effective systems, to ensure its managers deliver against those expectations.

We found much innovation and learning across BCC; the impressive Operations Centre, with ambitions to become the 'brains of the city' is evidence of this. Yet, despite such innovation we also found that learning was not endemic across the council. Time and again we heard from managers and staff that they learn from their mistakes but the same mistake could easily happen again elsewhere. This is something that must be addressed if BCC is to become a cutting edge local authority and truly become a learning organisation.

Bristol strives to be an inclusive city and BCC's ambitions reflect this. This aspiration we heard strong and clear and the inspiring vision the council is helping create for the city, around inclusive growth, is evidence of this. However, the current reality in terms of BCC's workforce composition demonstrates that it although it is making progress it needs to strive further and harder to ensure its staff group reflect the diversity of the city, especially at senior officer level, and that this is measured against the whole population and not only the 'economically active' population.

The council is now in a stronger position to take the critical decisions the city of Bristol needs to fulfil its exceptional potential. BCC's political and managerial leaders need to continue on that trajectory and build momentum and pace. If they do so they will shift a long held perception that the council has, as one stakeholder said, 'for many years punched below its weight'. If BCC builds upon the foundations it is establishing then such

perceptions will be replaced by belief, hope and trust in the council and its leadership - and it will lead to real change for Bristol.

2. Key recommendations

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

1. The council should continue to implement its new cultural plans, values and behaviours and regularly review their impact (through for example staff surveys - with a view to improving the level of staff satisfaction with the council's leadership). This should include staff engagement and communication plans.
2. To ensure sufficient capacity, stability and help reinforce confidence of partners and staff, BCC should seek to complete as soon as is practicable the outstanding permanent appointments to the rest of its senior structure.
3. In collaboration with partners establish a narrative and plan which underpins the One City Approach: key stakeholders and BCC's staff, so that the One City Plan is known, understood and enacted.
4. Given that the mayoral model is still relatively new to BCC, there needs to be collective responsibility to make this work and BCC should review its governance arrangements to ensure they are more effective in enabling good decision making. Specifically addressing :
 - a. forward plan arrangements to make them more transparent and open, ensuring information is shared in good time and used responsibly by all
 - b. structure, focus and impact of its Scrutiny arrangements
 - c. the effectiveness of the application of its member and officer protocol
5. The council should ensure it has in place an effective performance management framework and culture. As part of which it should specifically ensure:
 - a. all officers have a performance appraisal, starting from the very top of the organisation
 - b. alignment between the One City Plan, BCC's new Corporate Strategy, MTFP, resourcing and delivery plans
 - c. it regularly reviews delivery plans so that it maintains focus and pace in this area
 - d. key performance issues for the council or across partnerships e.g. DToC, are flagged and then tackled
 - e. there is an effective balance between empowerment and control: equipping, enabling and then holding to account managers to deliver the outcomes required of them
6. At this critical stage of change, BCC's top team of Mayor, Cabinet and Executive Directors should prioritise their own development and working practices so they set the tone for the council in terms of values, behaviours and focus on delivery of priorities.
7. The council needs to ensure it maintains a strong financial oversight and accountability. It must continue to develop its transformation plans and approaches to demand

management so that its high level budget plans become detailed delivery plans which are credible and seen through.

3. Summary of the Peer Challenge approach

The peer team

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

- Sir Steve Bullock, former Mayor of the London Borough of Lewisham
- Carolyn Downs, Chief Executive, London Borough of Brent
- Cllr John Lamb, Shadow Executive Member for Health and Wellbeing, Trafford Council
- Cllr Joyce McCarty, Deputy Leader, Newcastle upon Tyne City Council
- Anthony Payne, Strategic Director for Place, Plymouth City Council
- Lynne Ridsdale, Director of HR & OD at Manchester City Council
- Tasnim Shawkat, Bi-borough Director of Law, Royal Borough of Kensington and Chelsea and Westminster City Council
- Guy Ware, Director of Local Government Performance & Finance, London Councils
- Paul Clarke, Peer Challenge Manager- LGA

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?

As part of the above the council, were keen that the Corporate Peer Challenge (CPC) helped them address the following questions which the team has sought to address within the body of the main report:

- Is BCC's vision and strategic direction of travel appropriate for achieving its aims and how well understood and embedded are they amongst colleagues and partners?
- Is BCC well placed to maximise the benefits of partnership working as part of the proposed 'One City Approach'?
- Is it appropriate and timely to reduce the burden on colleagues of a more restrictive 'compliance-based' operating culture?
- In the context of continued financial pressure, are BCC's ambitions considered achievable and well-enough focused?

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 four days onsite at Bristol City Council, during which they:

- spoke to more than 200 people including a range of council staff together with councillors and external partners and stakeholders
- gathered information and views from more than 60 meetings, visits to key sites in the area and additional research and reading
- Collectively spent more than 460 hours to determine their findings – the equivalent of one person spending more than 13 weeks in Bristol.

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 (11 – 14 September 2018). 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

Bristol City Council (BCC) has a good understanding of the challenges for Bristol and the extraordinary opportunities it offers. It utilises a good evidence base to underpin this, from State of the City Key Facts to Ward Profiles and undertakes a wide range of engagement activities directly with communities. To further inform and guide that understanding, the council, led by the Mayor, has been a driving force behind a revitalised One City Approach for Bristol, drawing together business, public and voluntary sector partners to know, understand and then collectively establish ambitions and priorities for Bristol to 2050.

The solid foundations referred to above have helped create a clarity of understanding of what is important for Bristol and why. This has informed the council's view of how it might best respond which is reflected in a new Corporate Strategy 2018 -23. This puts in place a clear vision for the council and core themes for itself to prioritise: empowering and caring, fair and inclusive, well connected and wellbeing. These are underpinned by principles about the way the council will undertake its business and associated values and behaviours to help steer and guide the organisation. This approach is refreshing and welcomed by the council's staff, but it is new and needs to be rolled out, communicated well and then delivered upon.

A key change in recent years is the way the council, led by the Mayor, is seeking to engage differently with its partners and communities. This is perhaps best shown in the way that council has, often leading from behind, been the key driving force behind developing the 'One City Approach', through a route of 'convene and ask' rather than 'lead and tell'. This may have taken longer for the partnerships and priorities to establish themselves but they have created a foundation of trust and engagement through which they are likely to be collectively owned.

The council seeks to reflect the needs and ambitions of Bristol as an international and inclusive city and, in certain areas, is now moving at pace. For example, it is seeking to 'up its game' in respect of accelerating housing delivery for the city and is prepared to be less risk averse and more dynamic in its pursuit of that priority. The forthcoming Bristol Housing Festival, epitomises this – BCC is driving a collaborative partnership agenda to promote innovative solutions designed to accelerate the delivery of quality, affordable housing. In this and associated areas, notably smart cities, Bristol is leading the way. The challenge for BCC is to demonstrate that same determination to deliver on the ground across its range of priorities.

The council is seeking to have a 'new' and more mature dialogue with its communities about its role and purpose and it should continue to do so. That is underpinned by the council's aim to establish sustainable communities moving away from a dependency culture and a default to BCC, to one which creates space for innovation and communities to take the lead. In the same way as the council's 'convene and ask' approach is driving change at a strategic level across the city, this approach is taking hold at a local community level too and it is evidence of a council seeking to know and respond to support its communities priorities as a true place shaper. While such approaches are welcomed it is important that the council engages more effectively with

some key groups. For example, the council's Citizens Panel was not always as well sighted at it might be on changes. In the peer teams view this panel, which needs to reflect the city's diverse communities, may be a useful resource for helping to shape the style of community wide messages and advice on the style of consultations but its potential is not being exploited to the full.

4.2 Leadership of Place

The Mayor is respected and trusted by partners and staff at the council and is setting the tone for collaboration across city leaders. That 'One City Approach' for Bristol has been fostered through significant engagement exercises with over 375 stakeholders. It is positive and refreshing as it is setting out a longer term vision for the city up to 2050 and is clearly not dominated by immediate and short term political cycles, timescales and ambitions. As one stakeholder said 'We need a plan for Bristol for the long term', and this is indeed what is being sought through this new approach.

That collective ambition is underpinned by a determination to drive improved outcomes for residents around seven overarching outcomes, which by 2050 will make tangible improvements for everyone in Bristol, for example, by giving people the opportunity to live in an affordable home that meets their needs within a thriving and safe community. Our main advice is that as the 'One City Plan' is rolled out that it will benefit from a strong narrative to back it up, so it is presented in a clear and practical way and avoids being all things to all people. As part of this, and reflecting the views we heard from many stakeholders, it will benefit from striking a balance between long term ambition and short (1-2 years) and medium (3-5 years) visible delivery on the ground. Giving more specific detail will give confidence to people that they will become a reality (seeing is believing)

The Corporate Leadership Board in the council is newly formed and provides a platform to help BCC achieve its ambitions, within the context of the One City Approach and overall leadership of place. They provide the strategic officer direction for the council but they equally have the wherewithal to create an environment for the more effective delivery of priorities. There was a strong recognition of the benefits and improvements this new group has the potential to create by all the staff with whom we spoke. As such it is a strong lever to drive change.

Those levers of change need to positively foster and spread the narrative and plan referred to above. As part of this, the One City Approach and BCC's own leadership of Place needs to reflect the priorities for the city's growth and regeneration ambitions but equally reflect and help embed the wider communities' agenda. This can best be achieved through alliances with key stakeholders, for example the Universities and health partners, so complimentary priorities which stimulate growth, jobs and health are effectively joined-up and delivered. BCC and indeed other strategic partners have significant assets at their disposal, both physical and non-physical. The delivery of the city's growth and regeneration priorities should look to maximize the use of those assets where appropriate to support deliverable propositions.

That potential for more effective leadership needs to be harnessed and improved in two key ways. Firstly, in terms of partners, we gained a clear view that whilst relationships are improving and the intent behind them is positive, everyone we spoke with said that understanding of joint priorities was not always clear, that delivery was often slow and impact not always evident. Indeed, BCC will need to build upon ways through which they can more effectively bring partners along with them. Secondly, in terms of BCC's own workforce the theme is the same - we believe greater buy-in, support, and commitment for the One City Approach and indeed the council's own Corporate Strategy needs to be garnered, in particular at the third tier where a consideration of appropriate resources is clearly required so that the priorities of the city and the council can be delivered.

Bristol is a city of innovation and in respect of this BCC is pushing boundaries. There are many examples including the council's Operations Centre, which hosts the 'First Bus Company' in its midst (the increase in use of public transport, year on year by 10% is bucking the national and international trend and others could learn from the approach). Furthermore, the Smart City Bristol initiative provides a massive opportunity to leverage tech know-how and infrastructure to support the city's growth. In addition it is evident that such positive conditions have led to greater confidence from investors, witnessed by the response to City Leap Prospectus aimed at attracting partners in a city-scale low carbon, smart energy infrastructure programme. It is self-evident that there has been a shift in culture and there exists real ambition to push out ideas and become bolder - BCC is really trying to be a catalyst for change.

Within the wider geography, Bristol is part of the West of England Combined Authority (WECA) and we came across a general view that relationships at a senior level are improving and there is recognition of the role and benefits that will flow from being part of the Combined Authority. This will need to be reflected at all levels within the council and across the political arena. The combined authority is a relatively new construct and ensuring that internal and external parties fully understand what it means for how work is done on strategic matters will be critical if it is to achieve its maximum potential. The role of the dominant city in a CA always creates tensions and this is the case in Bristol. Therefore, a clear understanding of the powers of WECA would be beneficial in developing the relationship further. Bristol has a large role to play in making the combined authority work and can ensure that a lot of its technical expertise can support the WECA agenda e.g. excellence in areas such as housing and energy. Structures already in place to support these agendas could be utilised beneficially to expand work across the wider geography and will help guard against the occasional view expressed that BCC was trying to take over the agenda of the wider area.

4.3 Organisational leadership and governance

The Mayor's approach has provided clear leadership and a sense of direction. It has won the hearts and minds of stakeholders as they are engaged in shaping Bristol's future in terms of the 'One City Approach and Plan'. There are infrastructure, resources and governance in place or being established to oversee the new One City Approach, for example a City Office and a City Fund and BCC has been instrumental in the development and drive behind all of this. The key task as always is to communicate

these changes across the partnership spectrum and engage people well in the developing that infrastructure to its maximum potential – some partners told us that this had not worked as well as it might have done to date, specifically in relation to the organisation of arrangements to work within the City Office and this may be worthy of reflection. In terms of BCC specifically, it has a responsibility to ensure the approach is shared more widely with its own staff, as at present it is not as socialised as it might be. The roll out of the council's own Corporate Strategy provides an ideal opportunity to do so.

The new Head of Paid Service and Executive Director team are welcomed and very well regarded by everyone with whom we spoke. These appointments will be crucial to the renewal of BCC's fortunes. They provide a new beginning and a platform for the stability of leadership that BCC's workforce needs. The opportunity should be grasped for the Mayor, his Cabinet and that team to both formally and informally establish strong working relationships. Providing space and time to develop themselves will be important, and create a great opportunity to strengthen collaborative member-officer leadership of the council. This is important since the collective strength of officer and member leadership at BCC has not as been as effective, in the past, as it should have been.

Between members and officers, for the most part we saw and heard about respectful relationships. However, this was not universally so and in some areas we heard examples where the opposite was true. BCC has this year sought to direct attention to reviewing its protocol and using the opportunity of the development of the new values and behaviours to undertake development with the senior officers within the council. The council has a Member Development Steering Group which has prioritised the need for similar training for Members. The peer team would endorse this as an effective way of ensuring the council's values are shared, owned and understood across the political as well as officer side of the council.

It is important that BCC members take opportunities like the one outlined above as they help to build more effective relationships across the political spectrum. Like many councils, there is political tension at BCC which manifests itself in a number of ways. For example, the Mayoral model is still relatively new to BCC and more time and effort needs to be taken by party leaders, the Mayor, and all members to make that work better for the benefit of the citizens of Bristol, and in the interests of good governance and decision making. All sides should positively utilise the learning arising from the experiences they gain to improve matters, for example the judicial review decision in respect of reduction in SEND funding could possibly be an area where BCC may wish to reflect whether, if its political management arrangements worked more effectively, the matter may have been better executed.

There are approaches that are reflective of good practice, openness and transparency at BCC. For example, we heard that the Mayor actively facilitates debate and questions from Members at Cabinet and there is delegated decision making from him to his cabinet. This demonstrates openness, inclusivity and distributive accountability. However, in the lead up to Cabinet decisions we also heard about a *de minimis* approach to forward planning and sharing of information in good time, which whilst it is within procedure is not necessarily within the spirit of good governance and decision

making. Collectively across the political spectrum, there has to be a strong sense of responsibility in terms of managing matters of sensitivity and confidentiality, and we would advise that the Mayor and Group Leaders reflect on how they all might improve arrangements in this area.

It is positive that opposition members chair scrutiny and can often be a sign of political maturity. However, we heard from nearly all those stakeholders we spoke (irrespective of political colours), that scrutiny is too often seen as a place for political point-scoring. We were told that at times some members may have crossed a line of appropriate challenge to officers. It is crucial that officers are both encouraged and enabled to be open and challenged appropriately, as the absence of this is not helping good governance.

The council has invested in training and development for scrutiny members and is rightly keen to strike that important balance to get the most effective value from scrutiny, including how the function can more effectively undertake policy development, pre decision scrutiny and post decision scrutiny. We believe building upon the recent masterclasses, there is an opportunity to revisit with purpose how BCC makes the best use of its scrutiny arrangements and as part of this establish a more strategic work programme, based upon improved knowledge, understanding and engagement around improved access to a longer term forward plan.

4.4 Financial planning and viability

The council's financial management has improved significantly since the independent report of February 2017. That report highlighted a range of issues including a failure of the Single Change Programme to realise savings and poor practices in terms of reporting accurate and timely budget monitoring information. In contrast there is now much more of a financial grip at BCC and the necessary expertise and competence in the financial team. However, as previously highlighted a number of key senior roles, in this case in audit, financial and risk management are filled by interim post holders. It is essential that the council appoints permanent postholders urgently. That said, overall we found more robust corporate ownership and better accountabilities in place for finance. The budget outturn for 2017/18 was a £300k underspend and the council is on track to complete all 85 recommendations arising from the independent report – it is clear that things are improving.

There is now more effective budget reporting and monitoring than was previously the case. The council produces regular monitoring reports that use risk ratings and key performance data effectively to highlight budget variances and identify the mitigating actions required. Aligned to this there is also a coherent medium term financial plan 2017-2022, with a clear line of sight to the end of that period. We saw evidence of developing but, importantly, realistic plans to bridge the necessary funding gap of £46.7m covering the lifetime of the plan. The MTFP and its progress is overseen by a 'Delivery Executive', comprising senior officers and cabinet members and as a consequence it is clear that there is now far more rigour in the way BCC manages its finances.

There are opportunities to further secure and sustain the council's financial future, of which BCC is aware and on which it is capitalising. It has a relatively strong asset and resource base including an extensive property portfolio and relatively robust revenue reserves. In line with its Corporate Strategy priorities, BCC is promoting a growth agenda around housing, business and population growth which will provide a growing tax base. Additionally, in line with its refreshed approach to communities it is supporting them to be more sustainable, looking to grow social capital and seeking to leverage funding with partners to help better manage demand this should be maintained .

Importantly, the council appears aware of its key risks and challenges. The medium term financial strategy includes a number of significant – and inherently risky - savings targets based on transformation of operating or funding models, income generation and broad cost reduction programmes such as those relating to third party procurement or requiring directorates to absorb incremental salary increases. Such initiatives will require both strong strategic oversight and robust operational project and programme management to deliver them successfully. Our advice is to maintain that focus on effective financial stewardship and never return to the complacency which led to the external review and for a period held the council back. BCC is aware and making plans for Spending Review in 2019 and likewise the Fair Funding/Business Rates Review. It knows that it has 'red' savings, in adult social care for 2018/19 i.e. identified savings that will not be achieved. Likewise there are spending pressure concerns across its Education spending plans including the Dedicated Schools Grant. Therefore, the council also needs to respond to these unbudgeted pressures and mitigate against risks.

In common with many councils, BCC has articulated a strategic ambition to shift the balance of expectations from dependence upon these services to greater personal and community resilience. In the long run this will help transform the operating model, the demand for - and cost base of - key local services. There is some evidence of real progress, for example in the "Better Lives" strategy for older people within Adult Social Care services. However, the council needs to ensure that it has in place the clear and robust implementation programme and the strong financial management arrangements it will need to translate this strategy into cashable savings. Furthermore, this must be extended into the broader and more challenging social care services for people with physical and learning disabilities.

The council is investing in its IT infrastructure, equipping itself with the capacity and capability to support such transformation plans more effectively, and in some areas, notably smart cities and the use of predictive analytics, it is very strong indeed. Such progress should now form the basis of a broader digital strategy to support the council's ambitions in terms of service transformation, cost reduction, user satisfaction, and completion rate and take up.

In finance especially, but across the board in terms of its systems and processes BCC needs to agree a more effective balance between compliance and empowerment. We have highlighted the substantial improvement in financial controls but equally there are still a number of 'significant' annual governance statement issues and limited audit assurance. So in line with earlier comments BCC should not be complacent. That being said, having strict rules is not necessarily the same as effective control and BCC has many strict rules. For example, one senior manager told us they had to complete

several forms in a day to authorise minimal spending in a priority area. Such practice slows progress and is at odds with the council's new values. BCC needs to strike the right balance between robust oversight and embedded control through empowered but accountable managers reinforced through consistent performance management framework.

4.5 Capacity to deliver

The partners, politicians and staff we spoke with, expressed a desire and motivation to deliver real change for Bristol and its communities. Many described their hope for a more positive future for the city and council. However, whilst they were able to express hope, they were less able to describe with clarity how they would deliver this ambitious change agenda nor how they would collectively create the focus and capacity to do so. The council needs to take a leading role in establishing a coherent resource and delivery plan which responds both to the ambitions within the One City Approach and its own Corporate Strategy. In turn this should be cascaded into clear objectives for officers to deliver, within the framework of a meaningful performance and development plan. We know that the Council is underway with the refresh of its performance management framework and think it is right that this is prioritised. As well as a key tool for organisational engagement, effective performance management will also allow some of the burdensome resourcing governance, which is not consistent with BCC's aspirational culture, to be relaxed by mainstreaming corporate priorities and individual accountability.

Culture change takes at least 3 years to effect and 5 years to embed and BCC is only just starting on this journey. A good start has been made and the right building blocks are now in place but much more needs to be done. The council has worked hard during the last 6-12 months to develop far more progressive employee engagement approaches. BCC staff we spoke with welcomed the change in the leadership culture and embrace the newly established values and behaviours. They now want to see these adopted from the top down and become enablers to achieve real change, in terms of more effective management and delivery. This is important since the most recent staff survey, albeit back in 2016, shows a lack of faith in the leadership of the council. As such this new approach, if sustained should signal a sea change in approach and result in far improved results from the next scheduled survey. To make this a reality, it will be important to ensure that all BCC policies are aligned with the new values. We know, for example, that BCC took a values-based approach to recruiting senior managers recently and think this good practice could be extended to other tiers of recruitment and the wider employment and organisational policy framework.

The council's new officer leadership have made simple but quick and effective changes that epitomise good leadership. We heard that there has recently been more routine communication of success to staff from the Executive Directors and the Head of Paid Service – an antidote we were told from some previous communication, which was reflective of an organisation of strife and discontent. Such changes are warmly welcomed and a clear signal for a new change in approach to staff.

BCC has invested in its management and leadership programmes and has adopted a new Leadership Framework, which sets out the qualities and behaviours expected of

managers working at BCC. These, alongside the soon to be published Organisational Improvement Plan demonstrate BCC's efforts to embed a new culture, values and behaviours. Indeed middle managers and staff told us they were certainly now more engaged than ever before, but there is still much to do as they also said they didn't routinely feel 'in the know', about changes and developments in BCC nor fully engaged in the new and changing corporate direction for the council. The roll out of the Corporate Strategy will provide a good springboard to link with the launch of the currently draft Organisational Improvement Plan and ensure everyone is up to speed with both, using that opportunity to tighten the core relationship to and with the councils key strategic and operational delivery plans.

It is plain that there is an emerging stability in workforce. There are real strengths to report in certain areas, notably children's services where they are bucking the national trends in respect of agency staff, with no more than ten at present and as a consequence there is certainly and confidence in that work area. The appointment to senior officer posts is continuing and whilst that is of course very positive, there remained many key posts still filled at a number of levels on an interim basis. BCC should therefore continue with vigour to roll out its appointments to these posts. Customers need certainty, partners need certainty, staff need certainty and the council needs good leaders to ensure the delivery of a significant agenda of change

In some areas BCC is leading the way nationally in terms of innovation around as reported smart cities. Whilst no-one could expect this to be reflected across the whole organisation we had hoped to see a more systemised approach to learning across the council, but this was not the case. The council clearly will have learnt from the way that its approached its engagement with communities about, for example, the future of libraries, yet we had the impression that some of the opportunities it missed in terms of that engagement might as easily repeated next time around on another significant change - as such learning is not embedded. There will be many more changes to come and as such BCC needs to learn from them for the benefit of the council as a whole, as it will help speed delivery through avoiding as one stakeholder described it 'banana skins and blind alleys'

The city-wide ambitions for equality and diversity are strong and clear, the concept of inclusive growth resonates with stakeholders and overall there is a strong strategic policy and delivery framework for Bristol. The council has sort to confront, respond to and accelerate its own approaches in respect of equality and diversity, for example, it is working through the recommendations arising from its independent review of the Equality and Diversity function at the council which reported in June this year. As such this is positive but very much work in progress and BCC knows it has to further invest in and drive its own equality, diversity and inclusion strategies to keep pace with those of the city as a whole.

The council is in the midst of establishing a new suite of strategic policies and is aware of the need of ensuring synergy between them all. The Organisational Improvement Plan is soon to be launched and there are a key themes and actions which will, if delivered enable capacity covering: An empowering organisation, Diversity and inclusion, Performance and talent management, Workforce health and wellbeing, Structure, pay and policy, our brand and recruitment. With that strategic framework in

place it will be crucial that BCC embeds a strong performance culture to really drive organisational change and utilise the capacity it has to deliver better outcomes for the residents of Bristol.

5. Next steps

Immediate next steps

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

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

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

Follow up visit

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

Next Corporate Peer Challenge

The current LGA sector-led improvement support offer includes an expectation that all councils will have a Corporate Peer Challenge or Finance Peer Review every four to five years. It is therefore anticipated that the council will commission their next Peer Challenge before 2023.