

# **LGA Corporate Peer Challenge – Progress Review**

Bedford Borough Council

29<sup>th</sup> and 30<sup>th</sup> October 2024

Feedback



**Corporate Peer Challenge**



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# 1. Introduction

The council undertook an LGA Corporate Peer Challenge (CPC) in October/November 2023 and promptly published the full report with an action plan.

A Progress Review is an integral part of the corporate peer challenge process. Taking place up to a year after the CPC, it is designed to provide space for the council's senior leadership to:

- Receive feedback from peers on the early progress made by the council against the CPC recommendations and the council's related action plan.
- Consider peers' reflections on any new opportunities or challenges that may have arisen since the peer team were on-site including any further support needs
- Discuss the early impact and learning from the progress made to date

The LGA would like to thank Bedford Borough Council for their commitment to sector led improvement. The Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

## 2. Summary of the approach

The Progress Review at Bedford Borough Council took place on 29<sup>th</sup> and 30<sup>th</sup> October 2024. It focused on the recommendations from the corporate peer challenge:

- Ensure the approach to developing the Corporate Plan maximises engagement internally and with partners and communities
- Determine a clear set of council priorities through the development of the Corporate Plan
- Continue the work to strengthen evidence-based decision-making in the council
- Engage with partners around the idea of a strategic partnership body being established for the borough

- Invest the time and effort to forge the necessary relationships across the council's senior political and managerial leadership – investment in 'top team' development
- Ensure the senior political and managerial leaders are providing the required collective, corporate and visible leadership for the borough and the organisation
- Urgently re-clarify respective roles and responsibilities across the senior political and managerial leadership
- Capitalise upon the widespread desire to develop pre-decision scrutiny and, in due course, commission an externally-led review of the approach to Overview and Scrutiny
- Ensure reports for elected members are always of good quality and accurate
- In a context of the council's future financial sustainability being at risk, ensure the driving forward of mitigating in-year actions and urgently clarify responsibilities and timescales for determining budget options for 2024/25
- Establish a completely refreshed approach to budget-setting for 2025/26, founded upon collective endeavour and cross-cutting thinking and with absolute clarity around roles, responsibilities and timescales
- Corporately provide training for officers on budgetary responsibility and ownership
- Develop a capital strategy, underpinned by a clear understanding of the council's capital assets base
- Ensure the council has the expert capacity necessary to leverage appropriate levels of capital funding, including Section 106 monies
- Extend the council's horizon of the council's capital programme in a context of the ambitions of the Administration and the borough
- Ensure appropriate Executive oversight of the council's approach to capital
- Address the series of 'unintended consequences' that are resulting in issues around staff retention, high proportions of agency staff, ineffective use of

people's time and managers at all levels being focused on operational matters

- Develop a streamlined approach to performance reporting, aligned with financial reporting, relating to the new Corporate Plan and include benchmarking to enable the comparison of Bedford with similar councils
- Establish the necessary mechanisms and approaches to:
  - Enhance the informing and engaging of staff across the organisation
  - Enable managers at all levels to feel more empowered
- Switch the thinking, narrative and approach of the organisation to reflect the huge opportunities for the borough and engage, enable and inspire others to ensure they are capitalised upon


The following peers were involved in the Progress Review:

- Denise McGuckin, Managing Director, Hartlepool Borough Council
- Councillor Philip Broadhead, Leader of the Opposition, Bournemouth, Christchurch and Poole Council (Conservative)
- Craig Cheney, former Deputy Mayor and Cabinet Member for Finance, Governance and Performance, Bristol City Council (Labour)
- Jake Bacchus, Executive Director of Finance and Resources, London Borough of Hounslow
- Janie Berry, Director of Law and Governance and Monitoring Officer, Bournemouth, Christchurch and Poole Council
- Chris Bowron, Peer Challenge Manager, Local Government Association

### 3. Progress Review - Feedback

#### Place Leadership

The council has acted positively in the last year in relation to its 'place shaping' and 'place leadership' roles. This has taken a variety of forms and crucially includes the




community response it has delivered both to recent severe flooding in the area and the first ever naturally occurring gas explosion in the country, which tragically involved two fatalities. The council has also been working in communities, with faith and community leaders, in the face of risks and concerns around the borough potentially becoming exposed to far-right extremist activity.

Place leadership and place shaping activity has also been seen in the setting of strategic direction for Bedford in a number of priority areas. This includes the development of a vision statement for the town centres in the borough; a cultural vision; and a leisure vision and strategy. Strategies for health and wellbeing and carbon reduction have also been established. Additionally, the council has played an important convening role in certain key partnerships. This includes the formation by six councils of 'South Midlands Authorities' and the work under its auspices around a potential 'devolution deal' and a Business Board focused on shaping an economic strategy and growth.

Increased engagement can be seen with community partners, including town and parish councils. Close working has also been taking place with Integrated Care Board partners, including to shape the council's £9m investment in the 'health estate' in the borough and facilitate the discharge from hospital of patients needing additional support in a community setting. The schools estate in Bedford has also been enhanced, with the creation of a new Special Educational Needs and Disabilities (SEND) school, a new primary school and a new Academy.

Good cross-party working can be seen in the devising and adoption of the homelessness and rough sleeping strategy and agreement on the acquiring of property to increase temporary accommodation capacity. The same applies with the joint working across the elected membership and all political groups which demonstrates the shared commitment to the proposed establishment in the borough of Universal Studios' first theme park in Europe. These examples are positive and it would be beneficial to be able to build upon them in a context of the minority Administration arrangement in Bedford.

The level of ambition of the Administration remains high and the opportunities and potential of the borough, with its combination of natural assets, geography and




connectivity, are still clear to see. There has been a positive response from the Administration and the council to the desire expressed by partners and staff for greater clarity and engagement on the future strategic direction of the borough and the organisation. This can be seen with the enhanced engagement offered to them and Bedford's communities through the approach to the development of the draft Corporate Plan.

We recognise that work to develop a strategic partnership body for the borough has yet to be taken forward amidst the range of other priorities facing the council. There is still real potential here and hopefully this can be progressed in the coming period.

## **Organisational Capacity**

The culture of the organisation has continued to evolve since the corporate peer challenge, with increased engagement, communication, collaboration and valuing of people. Staff at various levels reflected on the internal communications mechanisms that have been adopted, including the 'One Team Hour' sessions with the Chief Executive which are open to all; the open question and answer sessions hosted by the Mayor and Chief Executive each month for all staff and elected members; and the 'Bedford Leaders' forum engaging the senior managerial leadership. 'Pulse surveys' have been introduced to gain insights to how people across the organisation are feeling, although these have been placed on hold whilst a corporate restructure is being undertaken. A staff recognition scheme – 'STARS' – is also being introduced. Staff at various levels reflected how welcoming they are of a culture now in which they have greater autonomy, they can be more open and there is greater psychological safety.

There is a desire to see this being built upon, with reflections in particular around further refinement of the approach to 'Bedford Leaders' to make it more two-way. Heads of Service recognised that they needed to be clearer themselves in what they wanted from that forum and be willing to take greater responsibility in helping to shape it and contribute more. Also, there is a desire to see more consistency in the messages being conveyed within the organisation, particularly in relation to the corporate restructure.



Phase 1 of the restructure, the related consultation phase for which has just concluded, has been founded upon clear principles and is designed to address specific challenges. Crucially these include it establishing clearer accountabilities; enhancing strategic capacity; establishing greater consistency in spans of control; supporting greater cross-organisational working; and it not being driven by the need for financial savings. It was clear from our discussions that there are different levels of understanding around this within different parts of the organisation and that there has also been variation in the way, and the extent to which, staff and teams have been engaged in helping to shape the thinking.

It is also the case that people are starting to speculate around the Phase 2, which we understand is due to be embarked upon in January. Things therefore need to move quickly to develop clarity in relation to the purpose of, and approach to engagement, around this phase. As an example, the fact that the council is facing a significant gap in its medium-term financial strategy is leading to people assuming that the next phase is being designed to help to contribute to addressing that.

If the council gets it right, then the approach to Phase 2 has the potential to accelerate the culture change agenda in the organisation by engaging widely and enabling people to contribute thinking and ideas. There was a very strong reflection from Heads of Service that they are very well placed to help the council develop the best solutions. A key part of this would involve addressing what the corporate peer challenge highlighted as the ‘unintended consequences’ of previous organisational changes which were driven by bottom-line budget savings. This has seen major reductions in corporate capacity around the likes of procurement, finance and HR. Based on our discussions, there is a strong desire for the next phase to provide the necessary capacity and expertise in key corporate functions to support middle managers, who are currently struggling for support and facing challenges in utilising the systems intended to aid them, and therefore the wider organisation. An example would be the limited HR capacity, and what are seen as the unnecessarily bureaucratic systems, to support managers and teams with staff recruitment.

The approach to addressing the challenges and budget pressures around children’s social care placements and SEND transport provides an excellent example of just how much there is to ‘play for’ under Phase 2. There has been constructive



challenge, including from expert capacity commissioned to explore the cost pressures of placements; some injection of additional internal capacity through recruitment; access to procurement capacity to support, for example, the re-tendering of transport provision; and the demonstration of an open and inquisitive mindset and culture in challenging established arrangements and ways of doing things, such as revising SEND transport routes. What has emerged from this is a significant reduction in spend in these areas, with Bedford now on a par with similar councils in, for example, its cost of care placements. Thus, what can be seen is the securing of major financial savings through the injection of a degree of capacity and investment.

Similar approaches are also being applied with homelessness and temporary accommodation provision, which has been a major contributor to the financial pressures on the council. There is also investment being made in the re-establishing of a level of face-to-face customer service provision as the council seeks to support residents and address another of the 'unintended consequences' of changes driven by the bottom-line.

## **Financial Management and Planning**

There has been a positive response in relation to the recommendations from the corporate peer challenge around the council's approach to capital and assets. This includes the creation of a ten-year horizon for the capital programme; a modified attitude towards capital investment to impact positively on the revenue budget challenge; and the establishment of a Strategic Asset Board which enables Executive oversight, including of progress on capital projects.

Preparations for the budget setting for 2025/26 has seen some improvements in the way the process has been approached. This has included greater input and engagement from across the Executive and the Corporate Leadership Team. However, the council's future financial sustainability – not uniquely to Bedford – continues to be at risk and the situation is now more significant and requires an urgent response. The council is forecasting an overspend this year of £5m and a financial gap of £18m in 2025/26. The gap across the four years to 2028/29 is forecast to equate to £42m. Addressing the financial situation requires greater

collective ownership by the Executive and the Corporate Leadership Team. The greater input and engagement at these levels to date has essentially been seen in the form of Executive Members and Executive Directors demonstrating greater awareness, insight and input on an individual or bilateral basis. This needs to translate now into greater collective input and decision-making. Extremely strong political leadership will be required as the choices and decisions become more and more difficult eighteen months into this Administrative cycle.

## **Governance and Culture**

In the report from the corporate peer challenge, we reflected that time was of the essence in forging the necessary relationships across the Executive and Corporate Leadership Team and, through this, developing the collective leadership crucial for the future of the organisation and borough. Twelve months later, it can be seen that there is good engagement at a bilateral level between Executive Members and Executive Directors. However, the investment of the necessary time and effort to develop the all-important collective leadership has not yet materialised. There is an enormous amount to be gained here through the forging of the types of relationship that can demonstrate the resilience necessary to navigate the council through the challenges of the coming years. The obverse is also true – that much would stand to be lost, at both the organisational and individual level, if relationships aren't set correctly. We strongly recommend that what we have outlined here is responded to as an immediate priority, including the establishing of a regular and structured set of meetings and capitalising upon the mentoring and facilitation support that has been made available to the council by the sector.

Whilst there are process changes that can be made to enhance the timeliness and quality of council reports, what is being experienced currently is symptomatic of the wider issues around not yet having established the necessary collective leadership and relationships. Dedicating the time and space necessary to collectively and informally consider emerging issues for the council would generate the opportunity for the Executive to provide senior officers with a political steer on them right from the outset, with these considerations then being used to shape early draft reports. This

would enhance the council's Forward Plan and facilitate collective political ownership of reports which should then merely need an element of refinement as they flow, in a timely way, through sign off ahead of formal meetings of the Executive.

Supplementing this more strategic approach with the enhanced use of the 'Modern.Gov' tool that the council has invested in would enable the types of process changes that would support greater timeliness, sign off and ownership of reports, not just at Executive level but for other forums and committees too.

The fact that the council has had to rely upon Counsel's Opinion on aspects of the Constitution is a clear indication of the need for a comprehensive external expert review of it and we strongly recommend that this is undertaken. One element that it would be beneficial to cover within this would be the adoption of the LGA Model Code of Conduct when the national review of this has been completed. That said, the council could move already to adopt the Model Code as it stands. Irrespective of when it may happen, the principle is one of ensuring the council's Code is consistent with much of the rest of the sector. With Parish and Town Councils invariably adopting the Code of the principal council for their area, this is likely to also see the 47 such councils in Bedford borough operating in line with established good practice. An external expert review of the Constitution would also offer the means by which to deliver on our recommendation from the corporate peer challenge of the council commissioning a review of Overview and Scrutiny.

The corporate peer challenge highlighted the potential to streamline performance reporting in the council, particularly in the light of a new Corporate Plan being developed. Although the Corporate Plan remains in draft form at this stage, the potential for this streamlining remains. The key objective would be to ensure the flow of appropriate performance information to the relevant 'place' in order to ensure the necessary oversight and enable a difference to be made in how the organisation is performing.

The 'place' for information to flow to may be the Executive but it could equally be an Overview and Scrutiny Committee or another public council forum. Equally, it may be to a management level, either corporately or within a directorate or service. It could also be to specific individuals, including elected members with an interest in a

particular issue. An example of where the council has got this streamlining absolutely right to date is the weekly dissemination to all elected members of information on a specific set of metrics that is pertinent to them in their capacity as 'corporate parents'. A similar dashboard is currently being developed, again for all councillors, relating to homelessness and temporary accommodation.

As the council refines its approach to performance reporting and seeks to move to a position where a new Corporate Plan is adopted, it may well be that less performance information is reported to the Executive than has traditionally been the case in Bedford. This does not represent an issue. The most important things are that the information presented to the Executive to consider is pertinent; that oversight of the relevant information is ensured in the appropriate 'place'; and the principle of openness and transparency around performance reporting by the council is upheld.

## 4. Final thoughts and next steps

The LGA would like to thank Bedford Borough Council for undertaking the Progress Review.

We appreciate that 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.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

Rachel Litherland, Principal Adviser for the East of England region, is the main contact between your authority and the Local Government Association. Rachel is available to discuss any further support the council requires and can be reached via [rachel.litherland@local.gov.uk](mailto:rachel.litherland@local.gov.uk)