

Corporate Peer Challenge North Somerset Council

27-30 June 2016

Feedback Report

1. Executive Summary

North Somerset Council (NSC) has strong, purposeful and driven political and managerial leadership. In partnership, that leadership is striving to create a more prosperous unitary area and contributing towards a more prosperous West of England too. It has real ambitions and a compelling plan for the regeneration of Weston-super-Mare (W-s-M) and is already delivering on this. These ambitions, plans and actions are in our view transformational with a focus on improving its infrastructure, quality and delivering a university town.

The council has been a real change agent in creating and stimulating the growth agenda for North Somerset and has facilitated and brokered this very well. It requested that, as part of this peer challenge, the team reviewed its progress to date in terms of growth and regeneration and suggest options to help it determine its future role. Our view is that the council's growth ambitions and actions have been an overwhelming success. Now is a good opportunity for the council to determine its strategic role for the future, consider whether it wants to take a more commercial approach to its engagement in growth, and perhaps become involved in direct development. We have suggested some areas to explore given our focus on growth and we would be very willing to support the council as it considers these options further.

Our review focussed on local growth, but the council has effective plans and actions to improve outcomes for all its residents. Although broadly an affluent area there are significant pockets of deprivation, specifically in W-s-M in particular and this results in varying health outcomes depending upon where you live. Furthermore, the council is very aware of the projections for changes in the profile of its population in the period ahead; a higher than overall rise in population with specific growth in both younger and older people. As such it is responding with a real drive to improve outcomes for younger people by investing in early years and looking to develop a broad base prosperity around increasing job opportunities. Some of the council's key stakeholders and communities didn't always see the alignment between the physical regeneration of place and improved social outcomes for people in North Somerset and this is something we encourage the council to explore further and address.

Achieving growth in a beautiful place which has a significant footprint of an Area of Outstanding Natural Beauty is no easy task, but the council and its partners are intent on doing so to deliver the areas aims around prosperity, wellbeing and quality. This means it is tackling with the West of England Partnership some key infrastructure challenges, including east to west transport links across the area, a major uplift for the area around Junction 21 of the M5 and ambitions for the speed and nature of rail connections to and within the area.

The council itself has a good track-record for effective financial stewardship and has over the last six years delivered safely and wisely £55m of savings. It is aware of the real budget pressures it faces and given recent overspending in terms of its people services budgets it is very important it targets its spending plans as wisely as it can for the future. For the medium term we saw a clear finance plan in place which seeks to address this and has a focus on the future sustainability of the council through growing the economy and building houses. However, given these recent overspends and the demographic forecasts for changes in its population this must remain a core priority so as to ensure that future spending plans remain robust.

In delivering savings and focussing on growth the council has transformed itself and continues to do so. It has delivered a sea change in the use and deployment of its buildings and now occupies just two main office hubs. In creating a more strategic

focus around its services, assets and staffing it continues to invest in new ways of working and at the time of our visit we saw a range of progressive digital projects amounting to over £3.7m in investment on the council's behalf.

During our peer challenge we had the opportunity to meet with a range of council leaders both political and managerial, who in our view have a clear vision for North Somerset. We also met with partners who share those ambitions and want to work even more closely with the council to deliver them. Furthermore we met with representatives of the council's staff group who demonstrated energy, drive and a desire to improve outcomes for their residents. There are challenges ahead, one being the matter of ensuring NSC continues to have a strong and credible voice within the West of England, while standing outside the proposed combined authority. Given the evidence we saw and heard of strong partnership working, we are confident that the council and its partners will already be planning for this.

2. Key recommendations

- Undertake and complete a thorough review of all assets to determine how they might support the growth agenda
- Review the general engagement and communication strategy ensuring that it is more proactive to help you more effectively achieve your priorities. As part of this improve the branding and identity of NSC as a unitary council
- Ensure future spending plans are robust by reviewing all existing revenue and capital funding sources to determine any resources which can be redirected to support the council's priorities
- To create additional funding opportunities, capitalise costs as much as possible, particularly where projects are externally funded
- Fully develop and implement a cultural strategy to compliment the exciting physical regeneration plans
- Consider how the voice of NSC can be maintained and promoted in the light of the West of England devolution decisions

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 were agreed with you. The peers who delivered the peer challenge at North Somerset Council were:

- Neil Davies, Chief Executive, Medway Council
- Cllr Alan Jarrett, Leader, Medway Council
- Simon Machen, Corporate Director of Growth and Regeneration, Peterborough City Council
- Sophie Ellis, Assistant Director of Business Improvement, London Borough of Merton
- Peter Geraghty, Head of Planning and Transport, Southend on Sea Borough Council
- Paul Clarke, Challenge Manager, Local Government Association

Scope and focus

The peer team considered the following five questions which form the core components at all Corporate Peer Challenges. 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 look at and provide a view on your current and future plans and approach to growth and regeneration.

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 focus. 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 North Somerset Council, during which they:

- Spoke to more than 110 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 40 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 260 hours to determine their findings – the equivalent of one person spending more than 6 weeks in North Somerset.

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 (27-30 June 2016). 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 Does the council understand its local context and place and use that to inform a clear vision and set of priorities?

North Somerset Council (NSC) has a clear understanding of the key challenges and opportunities for the area and for itself as a council. Although broadly an affluent area there are significant pockets of deprivation, particularly in Weston-super-Mare (W-s-M) where the gap in male life expectancy between two wards with the highest and lowest life expectancy in the area is 18.6 years. Additionally, whilst the forecast growth in population for the South West up to 2037 is 16%, North Somerset is set to grow by 24% in the same time period. Importantly the council's plans seek to respond to these pressures and challenges. For example, the regeneration and growth plans for W-s-M seek to directly address, amongst other things, improved health outcomes, more employment opportunities, more quality housing as well as the financial sustainability of the council as it stimulates the growth of the economy and prosperity of its residents.

There is a clear sense of place, for example the prioritisation of W-s-M as the focus for sustainable growth is critical to the council's future plans and we also heard and saw ambitious plans for improvement and growth in many of the towns and villages across the area including Clevedon and Pill, amongst others. We visited the Royal Portbury Docks and Bristol Airport, both of which lie in North Somerset and serve to reinforce the role of the council in driving the economic prosperity of the West of England too. Indeed the West of England Partnership has proved to be an effective partnership across the four local authorities that cover the area and this provides a perfect strategic vehicle to help set, reinforce and drive the ambitions for the wider region.

NSC adopted earlier this year a new corporate plan for the period to 2019. The plan has a clear focus on three improvement priorities: prosperity and opportunity, health and well-being and quality places. We saw appropriate, comprehensive, 'live' and iterative strategies underpinning this, such as the developing economic plan for the area. Additionally, we saw a clear evidence base underpinning the plan and highlighting precisely why these are the current priorities for the place and the council, for example: JSNA, GVA, skills, customer insight etc.

We met with partners who understand, share and have prioritised these same aims and also feel that the council reciprocates this arrangement well. This is a real strength as there are many pressing issues for the area, not least of which is a significantly challenged health economy. The council is a clear and committed partner as it works with others to address this, for example the Chief Executive of NSC jointly chairs the sustainability board for W-s-M General Hospital. As one stakeholder said 'NSC is a proactive and committed partner, it supports us'

There are areas we would encourage the council to explore further as it builds upon the strong foundations outlined above. We felt that its ambitions around social regeneration for the area are less well understood by some of its key stakeholders and communities and we would suggest that more focus is given to this. For example, some people didn't feel the council had promoted the link between growth

and improved health outcomes well enough, as one told us 'You can build all the posh flats you like but what will change?'

The review team felt you should improve your engagement and messaging with communities. The quote in the paragraph above reflects perhaps the unintended consequences of growth and that some stakeholders do not recognise the causal link between economic growth and better outcomes for current residents.

Furthermore, based upon the conversations we had with a range of stakeholders across your area we didn't get the impression that the impact of high value growth in W-s-M on other areas across NSC is clearly understood either. Some see it as a concentration on W-s-M to the detriment of other places in the area and others as W-s-M absorbing NSC's growth to protect the remainder of the North Somerset area. We believe there is a strong strategic rationale for the focus of physical development on W-s-M, and the protection of the special character of places across North Somerset, however the council would benefit from communicating this more proactively.

We saw the evidence of your housing and development plans and in achieving your ambitions you will create even more growth. As said your population forecasts see an increase in population of 24% by 2037 compared to a regional and national average of 16%. It struck us that the existing plans may suffice for now but can the existing growth potential, which places emphasis on W-s-M entirely satisfy your growth agenda beyond 2026? (The end period for your existing plan) That question is posed within the context of the wider North Somerset area and indeed the West of England as a whole, and the role the council will need to play into the future about accommodating growth in the wider sub-region and, in particular, developer pressure for development to the North of the unitary area on the southern fringe of Bristol.

4.2 Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?

The council has real ambition for the area and the council itself. At the heart of that is the driven leadership of the Leader of the council and its Chief Executive, and importantly we felt there was clear political and managerial support and buy-in across the council. This view was also constantly reinforced by the numerous positive external stakeholders we met. Indeed, NSC works tirelessly with its partners to lead and shape its area. We were very impressed with the range, sense of purpose, real ambitions and results that are being delivered. We found the North Somerset Partnership which combines public, business, community and voluntary partners, to be collaborative, engaged and driven. You have a truly unique and progressive partnership with the Homes and Communities Agency (HCA) which has created the impetus to unlock the potential of W-s-M. Your partnership with Weston College and your collective ambitions to make W-s-M a university town are visionary. Your partnership approach to community safety and how you and your partners are jointly tackling real challenges, for example, domestic abuse are excellent.

Importantly these partnerships deliver results. Your growth deal as part of the wider West of England Partnership will deliver £230m investment over the period 2016-2031. There are many projects already delivering or in train. For example, the iconic Winter Gardens being transformed into the start of a university centre and the speed and ambitions you showed in responding to the opportunity to work with Banksy to deliver 'Dismaland' last year was a real coup. You have with your strategic partner Agilisys added 300 jobs to the local economy and created 60 apprenticeships.

As your ambitions rise so does your commercial acumen and we saw your risk appetite equally expanding. We do believe you can exploit this further but importantly you now have a solid base on which to do that.

In terms of 'system leadership', we felt that in adult health and social care, despite a very challenging environment, you are striving to provide such leadership. Furthermore you have maintained a strong focus on supporting 'early years' and good standards and achievement in schools and this continues to be a priority for you.

We feel there is scope to review the effectiveness of your communications. A small example was the way you described yourself several times during our visit as a district which we feel plays down the fact that you are a very credible and important unitary council. Furthermore, we felt your narrative about the physical regeneration of W-s-M was compelling but wondered if you could enhance this still further? We heard a lot about the young entrepreneurs you are trying to attract to W-s-M but heard far less about the potential benefits for existing residents. We suggest this is something you would benefit from reflecting on in reviewing your approach to communications.

Related to the communications theme, we heard towards the end of the peer challenge about some fantastic local innovations in relation to performing arts and clearly you benefited massively from the Banksy exhibition last year. We felt you could strengthen your messages regarding the developing cultural offer, particularly in W-s-M, and we would also advise you to reflect upon this in the review of your communications.

4.3 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?

Our strong reflections from reading the material you sent us in advance and exploring this with you and your key stakeholders whilst in North Somerset is that the ambitions for place and council are very self-evident. These ambitions are transformational for both, they are jointly and effectively owned by your senior politicians and officer leaders. Your vision '*A great place to live where people, businesses and communities flourish. Modern, efficient services and a strong voice for North Somerset*' is driving forward your organisation.

From our brief time with you, during which we met a good cross-party representation of your councillors, we had a strong sense that that they are collectively committed

to the council's vision and priorities and there is cross-party consensus on many things. This does not mean there is a lack of political challenge but it does demonstrate the effectiveness of the way you have led and managed the aims contained in your corporate plan.

This proactive leadership is reflected in positive councillor/officer relationships which starts, at its core, with the Leader and Chief Executive. In our view this engenders trust and a joint sense of purpose. We felt there was collective ownership across the piece and that this was also underpinned by a will and determination to influence positive change.

Given the range of ambitions and partnerships it is important that you have strong and focused governance and we found that you do. Our view was that it was proportionate, focused and keeping pace with the breadth of changes you are initiating and contributing to. These are reflected in the way you are involved in governing the West of England Partnership, your own Transformation Programme and latterly the governance of W-s-M's regeneration. As one stakeholder told us 'the right people are in the room making the decisions-it's clear, transparent and well-managed.'

We saw mature approaches to your arrangements for policy development and performance review, particularly within your political governance arrangements. This also extended to very effective ways through which you enact formal and informal scrutiny.

We saw the strengths and values of NSC being played out during our time with you. You are a nimble, agile council with a 'can do' culture; and your Leader's mantra "*Low spending, low taxing, high performing*" was constantly repeated to us by your councillors and officers. We felt it was in the 'DNA' of the council and underpinned all of your approaches to leadership and governance.

To enact that mantra you have and continue to embed sound principles in respect of 'One Council'. This has included a strategic finance review which reflects your strong corporate message. We also read about the introduction of core values and behaviours for your staff group. We had the opportunity to meet with and witness these very progressive and positive behaviours being both owned and demonstrated, including the focus group with your enthusiastically engaged staff as well as the Senior Leadership Forum we attended.

You have put in place an impressive leadership development programme which also serves to reinforce ownership of your corporate plan and core values. Likewise when we tested them it was clear your priorities as a council are known, understood and embraced by staff. Furthermore these priorities are used to frame your performance management systems which we found to be effective and well understood.

Whilst you clearly have effective leadership and governance we do believe you should reflect on how you might improve this further. Some stakeholders expressed a view that there was the potential for, as one put it "group think". The support for your plans is a strength. However, you also need to ensure people can ask difficult questions and that there is room for creative challenge. An example, to reinforce

this point comes from your latest staff survey were 42% of staff say they don't feel able to challenge.

You have impressive downwards communication and inform staff about priorities, changes and general news well. Feedback from staff was that they didn't feel there was always such good opportunities for upwards communication and perhaps this reinforces the findings from the staff survey. Also we were told that your approach to knowledge sharing could improve. People expressed views that knowledge of core processes, structure charts (beyond the senior team) and a sense of 'who does what and where shall I go to know that', wasn't as developed as it might be.

Finally, whilst we were on site with you at the end of June your West of England partners all made similar decisions in respect of the devolution deal. These decisions were at variance with your own and given this the obvious challenge we pose is how you will manage to maintain the excellent NSC voice in terms of the broader sub-region in light of these devolution decisions?

4.4 Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?

NSC has a good track record of budgeting and financial management. In the last six years savings in excess of £55m have been identified during budget setting, with annual outturn reports delivering either a balanced position or an underspending. We heard and saw that there is regular and effective financial management and reporting of both revenue and capital. In line with the 'One Council' theme we know that the finances of NSC feature prominently in SLT discussions and are collectively owned.

We were impressed with your strategic finance review. It reinforces best use of your finances to deliver your corporate plan ambitions. There was evidence to suggest that each department managed its savings plans not necessarily on a themed or cross council prioritised basis. This still resulted in the council formulating a balanced budget and with robust savings plans, however the future arrangements for managing the council's financial plans are even more strategic and credible.

We saw evidence of a pragmatic medium term financial plan, which is much improved and realistic. There are various spending and demographic pressures reflected in the financial plan, which based on this set of assumptions, results in relatively small deficit forecasts in future years. The overall position is improved as a result of a recent windfall in business rates income. These challenges appear manageable and the council is taking appropriate steps in relation to this.

We saw evidence of sound efficiency planning and creative funding solutions being explored and delivered in recent years including a range of shared services arrangements, wise use of assets and a very successful strategic partnership with Agilisys. The council has and will continue to explore new and different ways of commissioning services and employment models.

We found very good linkage between the council's medium term financial plan, its corporate plan and importantly how it both funds and manages the current organisational transformation programme. Going forward the financial prognosis looks positive as the council is promoting a growth agenda, encouraging businesses into the area, seeking to build more houses, and hence to be financially self-sufficient with increased council tax and the retention of business rates.

In our view all of those financial plans make sense and from our discussions with the council's external auditors they too view the council's track record for financial management and future planning, as prudent and effective.

That said, there are pressures and the growth plans also bring with them significant estimated increases in the demographic profile of the area with a higher than average increase in population overall and real spikes in growth in terms of younger and elderly residents. Despite the council managing its finances well overall, the People and Communities budget has in the last two years overspent. One might question the original spending base adopted when that directorate was established in 2013/14 which appeared to many as unrealistic, indeed in 2015/16 that budget overspent by £2.9m (and by £1.7m in 2014/15) . The reasons for this overspending are apparent with a strong reliance on temporary and agency staff, particularly in children's services and high costs associated with Looked after Children. It would appear the council is putting plans in place to address these and the current strategic finance review is seeking to tackle some of these underlying issues, although one stakeholder described the future saving plans in this area as 'heroic.'

There remains a question therefore as to whether the current set of assumptions for spending in people related services adequately covers the increasing demographics. If not, this will further exacerbate the funding gap in the financial strategy and restrict the ability to make available additional revenue funding to support the growth agenda. Therefore, given the recent overspending, the changing demographic and the increasing demands in people related services it is clearly crucial that the council undertakes a further review of its funding and spending priorities. This peer review focussed upon growth and regeneration and not people related services specifically. However to assist the council's resourcing challenge, we were made aware of the ever increasing focus on prevention as part of the council's plans to tackle demand pressures. Combined with other measures to increase funding and capacity, this in our view should be an area of increased focus going forward. The council is leading a whole range of very exciting and progressive projects including infrastructure and building projects with partners including the Local Enterprise Partnership and the Homes and Community Agency. Again to assist with leveraging additional capacity, we pose the question whether you might capitalise more costs to such projects freeing revenue funding for other purposes? Additionally, we would also ask whether you think there may be further opportunities to review existing funding sources to reallocate them to your council priorities?

Finally we heard that you have made some savings when retendering, procuring and commissioning a range of services, which is positive. We endorse your thinking as this could be a fruitful area going forward and this begs the question as to whether you could drive still further category management and procurement savings?

4.5 Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

You have worked to good effect in recent years to make the very best of your assets. You have transformed your working environment having reduced from 18 council offices to two core hubs and vastly improved the technology and HR policies to encourage flexible working. In doing so you have helped deliver savings and improved your productivity. You have a dedicated Transformation Programme and have invested £3.7m in funding digital projects to help you continue your strong efficiency and customer focus track record.

Your workforce is motivated and committed and feel they have the skills to deliver the task they have been set. You have a very positive approach to staff development. We met with many of your staff and partners and both groups spoke about how effectively you develop staff. These views were reinforced through the very positive outcomes from your staff surveys.

Given your key focus on growth it is important to highlight that you have an equally growing credibility with partners. They spoke positively about your capable staff, particularly in relation your regeneration plans. This is such an important asset to hold on to and nurture as you progress your plans.

You have an excellent track record of successfully attracting funding and bidding for resources. Your collaboration with partners and key stakeholders, for example your support for the 'One Team' to manage a range of issues across the Bourneville area adds valuable capacity and enhances your successful partnership working.

We heard people describe your arrangement with Agilisys as a 'true partnership', which was creating real opportunities and benefits to both parties. This has resulted in securing over 300 jobs for North Somerset and 60 apprenticeships thus far. You have been adept at using this partnership both strategically and pragmatically to lever in capacity where needed.

We believe you have a good programme management arrangements in place. Through your Transformation Programme we saw effective operation, systems of assurance and monitoring in place. Again this all provide confidence in delivery of the key initiatives that will ensure you achieve the transitional elements of your ambition by making sure milestones are being met and resources directed to the right activities.

Your ambition and zest to achieve your goals are truly inspiring and your underpinning programmes to deliver against them are impressive. This requires that the organisation is not just good but great, so even areas of strength will need to be honed and refined and improved. We were told a number of times during our week with you that your capacity in some areas below your senior leadership was stretched: specifically recruitment, retention and skills shortage issues in planning, highways (those services that support your growth agenda), and front line social work and likewise in some other technical issues notably in client and contract

management. In truth, these matters are typical of local government nationally, although given your aspiration and ambition you are rightly looking at how you can mitigate their impact.

We heard at various times that the accountability and responsibility for delivery against some core issues at a senior level, for example in respect of health inequalities, was held by different people. There is a risk that this dilutes accountability and creates a 'gap' between which key activities fall where ownership is unclear.

You have strong foundations in place to address capacity gaps. Your People Strategy is sound and you are delivering well against the expectations outlined within it. We have already said how well you manage staff engagement and development. Given this our suggestion is to consider how you might refine, prioritise and embed your 'One Council' approach to delivery in terms of a comprehensive Workforce Plan, so that the full skills, knowledge and capacity of your workforce are even more honed.

Digital capacity and inclusion will be essential to the realisation of the council's vision. The digital strategy is starting to set out what the council will do in respect of this but we would suggest that further work may be needed quickly to batten down how activity will be resourced to address poor connectivity and connection speeds in the area. We saw this issue at first hand when we visited the impressive Hive business centre (which has suffered from connectivity issues); it is an area of frustration for you and one that requires further attention.

Two further observations in this area from us in terms of digital are whether you are firstly fully utilising the joint funded post associated with the Connecting Devon and Somerset project – the feedback we received was that perhaps you weren't. Furthermore in terms of digital capacity what are your next steps to addressing the poor connectivity and connection speeds in many parts of your area?

You are acutely aware that IT remains a major and current frustration for staff, albeit within the context of huge improvements made and an improvement in performance of Agilisys and our discussions with staff suggest that further messaging to them about how you are addressing this in the short to medium term would be welcome.

4.6 Your current and future plans and approach to growth and regeneration

Your growth and regeneration ambitions, also importantly your achievements so far, are of the first order. To reinforce a key message throughout this report, partnership working is in your DNA. We were impressed at your arrangement with the Homes and Community Agency and their commitment to North Somerset. The Local Enterprise Partnership absolutely believes that you will deliver what you say you will. Your business community, other councils, your very impressive airport, and some of your key reference fora, e.g. the Ambassadors Group all completely support your intent.

The reason for the commitment and buy in is twofold. As one stakeholder told us 'the Leader and Chief Executive walk the talk on growth' and that is why you are seen as credible. The other reason you are viewed as credible is you deliver. We saw at first hand a range of projects delivered, or on schedule, - Junction 21, The Hive, Dolphin Square, public realm improvements, etc.

You have a strong and improving educational sector, specifically Weston College (with a dynamic and inspiring principal). The legal and professional services Academy proposals are impressive. We heard about your thriving creative culture and music scene: performing arts school, 3 recording studios, evolving creative hub project, talented cohort of students (artists, sculptors etc.). Furthermore you have a strong entrepreneurial culture and a growing number of start-up companies.

That delivery on the ground has a sound foundation of a comprehensive suite of plans and documents to underpin broad vision including: core strategy (although modified), Joint Spatial Strategy (subject to adoption), Prospectus for Change, West Villages SPD, Spatial Investment Framework, Town Centre SPD, Joint Local Transport Plan, Digital Strategy (draft). We would suggest that the next stage is to take this suite of plans and documents and identify the golden thread to work up a clear communication and engagement strategy which can be used also to develop a branding and identity for NSC.

Whilst your communications are improving we would advise you, as a stakeholder told us 'They need to up their game on explaining the benefits of growth to the wider population'. We are very clear your partners understand and buy-in to the vision, but beyond that we found a mixed understanding of the benefits of growth amongst both your own staff and some stakeholders.

Your partnership with the HCA is a real strength. The issue we would raise is around your dependence upon this to fund growth into the future. Is this a sustainable financial approach and is the council a true partner in delivering that growth from a risk and reward perspective?

In our four days with you we gleaned only limited evidence of demand for commercial inward investment and of demand for high quality, high value residential development in W-s-M town. Commercial rental values are low, and the council needs to consider what more it can do to encourage speculative build and support the employment-led growth strategy.

We felt that NSC needs to establish a clear position that informs your delivery plans, for example determine whether NSC is prepared to become a commercial development partner and take the associated financial benefits and risks? In coming to a decision you need clear and specialist legal and financial expertise to identify delivery model options. This should be underpinned by a set of clear plans and strategies support this approach and enable staff to be able to communicate this to partners, members and residents.

We understand completely the focus on regeneration in W-s-M, but in our view the debate on housing growth to the south of Bristol is an issue that will at some stage

need to be tackled. If not addressed it has the potential to create uncertainty and tensions with other councils.

We heard that housing affordability is a growing issue across NSC. Thinking longer term this could become a problem in W-s-M if the vision for a more prosperous town is achieved. As part of this we would also encourage you to develop positive messages around addressing the benefits for some disadvantaged groups and at times we heard language such as 'fixing the demographic profile' and 'social engineering' which are not helpful, and could serve to further disenfranchise existing communities.

The council's action-focussed approach is proving very successful in respect of your vision for W-s-M, although some people 'see individual pieces of the jigsaw' and not the 'picture on the box'. There is a risk that a focus on individual projects could jeopardize the intent, purpose and vision on the underpinning plans and strategies. In relation to this there is work you need to do in terms of perception and branding of your growth and regeneration plans. We were told that you are deliberately targeting young professionals for example and, if you are, is the evidence underpinning this target housing market commercially sound and realistic? We raise this issue as we were not clear and other people told us they weren't either so these key issues and communication messages need to be addressed.

The existing retail and traditional hotel choice and quality in the town is not consistent with your own ambitions and will not attract the market you are seeking to target. Again we felt there could be greater clarity on the 'USP for the future offer' and how it will be achieved. We support the strategic approach of increasing town centre footfall to attract retail, but there may need to be a targeted approach higher-end retail. You have made some progress in securing town centre regeneration but stakeholders questioned the design quality of some of this new development in respect of hotel and retail, and again we believe this is worthy of reflection.

We were very impressed with a range of public realm improvements you have undertaken and your plans for the future, especially the way you plan to connect the seafront through to the town and re-energise your wonderful architectural heritage. We were less clear about how into the future the range of ambitions would be funded. We pose the question 'Is the ambition for future public realm interventions fully understood in the context of the costs and the sources of funding that might be accessed to deliver them'? These works, if done to a high standard, will be costly.

A further observation is that we were really impressed about the way you engaged in, promoted and benefitted from the Banksy exhibition last year. Previously, you have also held 'T4 on the beach' events at Weston's seafront. It is important that you capitalise fully on the potential for culture to help drive regeneration, which we believe is a very important ingredient of your growth agenda, and to build on the legacy from these events.

The council appears to be at a crossroads in terms of whether it remains primarily a facilitator of growth or whether it takes a more direct involvement in development going forward. There is an opportunity for the council to benefit financially from future success if the growth vision is delivered but the council will have to consider

up-front investment to unblock opportunities. While we recognise the council has a limited asset base, there are models that could be employed to drive growth with the council using its covenant and borrowing capacity to support growth schemes in a move away from a grant led focus. The appetite for risk and reward needs to be very carefully considered and high level legal and financial advice sought on the most appropriate commercial vehicle or vehicles. The council through, for example, joint venture company models, could become a developer in the true sense of the word but this will need increased capacity of in-house commercial skills and a proportionate approach to governance and risk management.

Continuing to learn from best practice elsewhere, (both coastal and inland town regeneration) could help NSC to position itself for the future and the Peer Challenge Team and the LGA's Productivity Programme could also be used to help facilitate and inform the council's next step in relation to the options we have raised in this report.

4.6.1 Growth and Regeneration areas we would encourage the council to explore further

In respect of growth and regeneration we have also highlighted below specific areas that we would encourage the council to explore further as it considers its future strategic role:

- Engagement to maximise your growth ambitions - agree a W-s-M brand/USP with stakeholders. Simplify the messages that underpin this and develop a communications and engagement strategy with dedicated resource, (possibly co-funded by partners)
- Addressing quality of place issues - put in place a quality assurance process, e.g. independent design review panel
- Delivery models for your growth plans - establish a clear position that informs your delivery plans, for example determine whether NSC is prepared to become a commercial development partner, rather than a facilitator, and take the associated financial benefits and risks? If you decide you will be then be able to:
 - Buy in high level legal and financial expertise to identify the most appropriate delivery model options. These could include: Public/public, Public/private, Direct developer, LABV, JVCo's: housing, infrastructure, commercial, Development finance, Development agreements, New Communities Partnership
- Expand your in-house commercial skill set in terms of growth to help you further deliver against your priorities in this area
- Funding your future growth ambitions:
 - Consider a funding model that is an alternative to a grant-led approach
 - Quantify the cost of the growth agenda and whether it is affordable/fully understood, e.g. the cost base of future public realm interventions
- Creating sufficient capacity to deliver your future growth aims:
 - Agree your fundamental approach e.g. whether you grow in-house resource or commission a solution?
 - Review highway/professional services contract options, and determining what the size of client side needs to be

- Explore opportunities for professional services/trading company, in particular with West of England partners
 - Expand intelligent client function
 - Consider whether the capitalisation of growth staff costs is being maximised?
- Risk management in relation to your growth aims- we would advise that your Growth delivery needs should be included on your strategic risk register

5. Next steps

Immediate next steps

We appreciate that you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the Council 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/her contact details are: andy.bates@local.gov.uk
Tel 07919562849.

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA 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 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 12-24 months.