

**Response to Bundred Review**

<p><b>Recommendation</b></p>	<p><b>Responsible Officers: – This response recognises that the actions and steps outlined require whole organisation change and as a result SLT will take collective responsibility for its delivery.</b></p>
<p>1. For future significant savings programmes, especially any involving <b>projects which embrace more than one Directorate</b>, the Council should ensure <b>stronger governance arrangements and clearer Member oversight</b> (paragraph 45).</p>	<p><b>Response:</b></p> <p>A new process has been designed and implemented that issues all budget Managers with ‘directorate Cash Limits’, meaning that budgets cannot be overspent unless permission is sought from the relevant authority such as, Cabinet, Full Council etc. This is to ensure that all budget holders are accountable and responsible for budget management and fiscal matters. In addition to this, to safeguard accountabilities, a ‘sign off process has been implemented to ensure budget holders are aware of their budget position and directorate cash limits and have collectively accepted them as being deliverable.</p> <p>To ensure that cross directorate saving proposal or proposals that covered more than one Directorate are achieved, each savings proposal has been allocated a named Strategic and Service Director lead as accountable officers. This provides the necessary transparency, clarity and accountability to ensure that savings can be clearly tracked and any risks addressed and mitigated where possible. The relevant proportion of the cross directorate saving has also been allocated to the relevant divisions so that there are no longer any centrally held savings</p> <p>The governance and delivery assurance framework was set out in the Budget and Policy framework agreed at Full Council in March 2017, which provides a robust framework for tracking and monitoring delivery, and provides early sight of any issues that may arise allowing for early intervention and mitigations to be put in place to bring delivery back on track. It has been developed by bringing together best practice from other organisations including the HM Treasury “Green Book” learning in relation to business case development. This new governance has been implemented but will be kept under review and adapted to ensure maximum effectiveness.</p> <p>As part of the governance and assurance framework, all savings proposals also now undergo a formal sign off procedure to ensure that appropriate accountability is clearly and transparently defined and responsibilities are clearly delegated to the appropriate Strategic or Service Director for delivery and tracking. We have also reviewed, aligned and combined the monthly mechanisms for managers and their Service/Strategic directors to submit a holistic view of savings delivery from a financial and action focussed perspective</p> <p>Member oversight is a new element of this governance process that now includes a Delivery Executive. This involves attendance by the Mayor and Deputy Mayor (Finance, Governance and Performance) who is the chair of the new Delivery Executive. This meeting provides an opportunity to discuss the savings proposals, delivery and implementation and provides an additional challenge, enables further investigation of the detail, reviews any mitigating actions and provides a formal feedback loop to Cabinet with an overview of progress on savings delivery. Relevant Portfolio holders also attend these sessions, providing joint ownership and accountability</p>

	<p>for savings by both members and officers.</p> <p>There is currently an OSMB led review of the Council's arrangements for Scrutiny as this is an important part of ensuring accountability and transparency. The outcome of the OSMB led review will be discussed at full council in September 2017, however officers envisage that scrutiny will wish to receive reports from the Deputy Mayor in relation to delivery.</p> <p>The updated position in respect of the delivery of savings will be routinely reported as part of the budget monitoring report to enable transparent oversight of all savings proposals.</p> <p>A one-off investment fund has been allocated to support savings related change activity across the council, this also includes funding a proportion of the change resource within the council. The resource is limited, making the threshold for allocation of this resource high, therefore promoting local ownership of service change and savings delivery, whilst mitigating against increased savings targets in future years for replenishment once this resource is fully used. Where additional resource is required this will be agreed by the Deputy Mayor and Chief Executive, unless it requires a key decision in which case Mayoral approval in Cabinet will be sought</p> <p><b>Actions, Steps and Timeframe:</b></p> <p>Further consultation will be required in respect of some areas of savings proposals and will commence when the General Elections have concluded. This has required Officers to consider further mitigations to assure delivery of the budgets in these unusual circumstances.</p> <p>Where there is a risk to the delivery of savings, mitigation plans will be developed immediately in conjunction with the relevant Portfolio Holder. All Strategic and Service Directors (who will ensure all budget managers) will manage their budgets in line with their directorate Cash Limits and where necessary, will hold expenditure in abeyance to ensure delivery of the budget. In addition, Directorates will be challenged to explore alternative options for meeting the cost pressures faced within their existing resources or seek supplementary estimate to increase the directorate spending limit – <b>On-going</b></p> <p>The first budget monitoring report will be reported to Cabinet in June 2017 and in the intervening months when there is no Cabinet a draft budget monitoring report will be made available to Members as per normal procedure - <b>On-going</b></p>
<p>2. Wherever possible, the Council should ensure that responsibility for the delivery of specific savings initiatives is allocated to Directorates so that ownership of savings programmes and accountability for them is clear (paragraph 66).</p>	<p><b>Response:</b></p> <p>As stated above responsibility for delivery is clearly and transparently assigned to Strategic and Service Directors to ensure accountability. Responsibility for this has been accepted and signed for by Directors and shared with Portfolio Holders.</p> <p>Cross cutting projects have now been allocated to specific Strategic and Service directors, who will design and ensure delivery of the saving. Most cross cutting savings have been apportioned and built into each Service Directors budget, but further work remains on services such as Admin and Business Support (ABS) for example.</p>
<p>3. The Council should adopt a more disciplined, centrally driven approach</p>	<p><b>Response:</b></p> <ul style="list-style-type: none"> <li>• A new simplified but succinct business case template has been</li> </ul>

to business cases supporting investment decisions or savings projects. There should be a standard template of what constitutes an acceptable business case and a standard procedure through which the template must be completed and approved (paragraph 65).

implemented which covers all development gateway stages and adopts the principles of the Her Majesty's Treasury (HM Treasury) Green Book best practice methodology. This puts an emphasis on the identification, management and realisation of benefits. This has now been put into implementation and should ensure there is a shared understanding and approach to council processes across the organisation that supports all Members. The business case template and guidance includes information which facilitates the development of a robust and transparent document. It includes some pre-defined questions to prompt the author / quality assurer, e.g. "does the business case sufficiently answer the following questions":

- Has the full or key range of possible delivery options been stated and evaluated?
- Is the rationale for the shortlist linked to evidence?
- Is there a clear qualitative and quantitative result pointing to an optimal option and is this clearly stated with the difference outlined?
- Are all Capital, Revenue costs (start-up/ongoing/financing) accounted for?

A new decision pathway has been implemented which identifies an end to end process from idea generation to outcome evaluation. Feedback is being encouraged to ensure that it is clear and efficient, and it will be reviewed and amended when necessary. This includes the development of business cases, when an idea has been deemed to have "legs" and is in accordance with the strategic priorities or generates significant new income. This will also ensure that the, Mayors 'hot coffee, hot topic' sessions and innovation Hothouse for capturing early ideas for commercial income generation, are brought within the Governance framework. As part of this process we will ensure that the protocols regarding the independent assurance of reports is refreshed and strengthened to make sure that all of the relevant professionals e.g. legal, HR, finance, ICT, Property services are given ample time to comment on reports.

The resource implications associated with any evidenced proposition will be included within the business case and should demonstrate the delivery of strategic objectives, the annual savings or medium term financial plan implications. It is envisaged that the return on investment assessment will be a key element of the evidence.

**Actions, Steps and Timeframe:**

Review of the decision pathway, associated protocols and process map to ensure consistent implementation - **May 2017**

Business Case training for managers when required along with support from a Change Business Partner who support Directors and Managers to complete the Business Case template to ensure high quality and robustness - **May 2017 & On-going**

All professional Business Partners, such as Finance, Legal, HR, Change, IT etc. have an independent overview of business cases allowing for an unfettered professional view of viability that is centrally held on record allowing for an open and transparent process.

All officers have access to the new business case template through the source which provides a step by step guide to developing a robust business case at all stages in the project lifecycle, by:

	<ul style="list-style-type: none"> <li>○ Establishing a clear need for intervention - a case for change</li> <li>○ Setting clear objectives - what you want to achieve from the investment</li> <li>○ Considering a wide range of potential options - ensuring an optimal balance of benefits, cost and risk</li> <li>○ Putting the arrangements in place to successfully deliver the proposal</li> </ul> <p>The Change Business Partners work alongside the service leads and signpost to the guidance available on the source as required. In addition, the governance process is explicit that no changes can be made to the reports following completion and sign off without formal changes being made that are recorded at the Delivery Working Group or SLT – <b>April 2017</b></p> <p>The officer responsible for delivering the agreed business case, supported by their Service and Strategic Director, will be responsible for tracking the assumptions underpinning the business case and, where there is a material change are expected to report this to SLT and their portfolio holder(s) in a timely manner and, where appropriate report to Cabinet. In addition, these officers will be also be responsible for preparing closure reports which will evidence to what extent the original benefits have been realised. Such reports will be subject to the independent professional reviews outlined above.</p>
<p>4. The Council should take steps to build on recent improvements in the quality of reporting and document management. Where necessary guidance should be issued, or training provided, to report authors emphasising the importance of clarity, transparency, analysis and advice (paragraph 121).</p>	<p><b>Response:</b></p> <p>All reports must include all of the feasible options available to be implemented and be supported by a robust evidence base or business case. Where not commercially confidential this supplementary information will be available via modern gov as a background paper to all members.</p> <p>SLT have agreed and the Chief Executive has recently reinforced the need for reports rather than presentations to be used as the basis of discussions and decisions at officer meetings and, that our ICT application needs to be used in accordance with standard protocols for storage of all documents received and discussed to improve audit trails.</p> <p>In future each report should have sufficient detail to 'stand- alone', key messages and recommendations must be clear and succinct, supported by appropriate evidence and relevant professional advice; and where necessary, reports must enable councillors to refer easily to relevant policies and previous decisions and discussions. Each report is required to be signed off by the relevant Service and Strategic Directors before submission into the decision pathway process as part of the improved decision making process.</p> <p>Officers are currently developing a new development programme for the Bristol Manager that will assist managers with the key competency requirements.</p> <p>In building on this and in addition to formal arrangements for reporting and challenging budget performance, such as Cabinet and Scrutiny, the Council will also develop more informal, but nevertheless robust arrangements for member briefings on key issues or ward matters. The standard requirements for member briefings include the need; to be clear</p>

	<p>on purpose, capture officer recommendations and the supporting / background information provided.</p> <p><b>Actions, Steps and Timeframe:</b></p> <p>Strategic and Service Directors ensure that sufficient time is provided to enable reports to be fully considered and signed off by all the relevant professionals (Legal, Finance, HR etc. and in accordance with the protocol (see response 3) prior to submission for inclusion on agendas <b>(Review April – 2017 / On-going)</b>.</p> <p>SLT and Service Directors will ensure that the minute taking of meetings and working groups is improved ensuring that a summary of the report and discussion is included along with clear agreements/recommendations and timescales – <b>In progress / on-going</b></p> <p>New protocols will be issued to emphasise the need to comply with internal storage of documents to facilitate audit trails and transparency. <b>June 2017</b></p> <p>As part of the development of the revised working arrangements for the Council, the necessity for all of the current officer working groups will be reviewed, terms of reference will be refreshed / or developed and the levels of delegation that these Boards have, linking back to the constitution, decision pathway and budget and policy framework will be clarified. <b>Ongoing</b></p> <p>The scheme of internal officer delegations will also be reviewed at least annually, if not, when changes in Officer responsibilities occur.</p> <p>A learning and development programme will be created that will help support colleagues across the council to have the right skills and tools to enable them to do their job to a high standard. A module of this will cover report writing, which will enable the production of high quality, transparent, plain language, evidence based reports – <b>July 2017</b></p>
<p>5. Members should be less tolerant of poor quality reports than they appear to have been in the past (paragraph 120).</p> <p>6. Where they do not already exist, arrangements should be made for report authors to receive feedback from Member or senior officer discussion of their reports as a matter of routine (paragraph 113).</p>	<p><b>Response:</b></p> <p>The Mayor, Deputy Mayors and Cabinet members are all encouraged to provide feedback to Officers, on reports throughout their development.</p> <p>A consequence of the need to improve the quality of reports has created a necessity for SLT to be used as a “clearing house”. This is an ineffective use of SLT’s time and has reinforced the need for Strategic Directors to clear all reports before submission to SLT/Cabinet etc. thus reinforcing the leadership responsibilities of Strategic and Service Directors in relation to raising the quality of reports.</p> <p>The new decision pathway facilitates improved Member and Officer engagement through the development of reports.</p> <p>Members will be supported through the Member Development programme to recognise &amp; challenge when a report is of poor quality</p> <p><b>Actions, Steps and Timeframe:</b></p>

	<p>All Strategic and Service Directors will provide the appropriate support and guidance to ensure that the quality of reports improves to address this recommendation. <b>Ongoing</b></p>
<p>7. Relevant officers should be reminded of their responsibilities to keep backbench and Opposition Members properly informed (paragraph 125).</p>	<p><b>Response:</b></p> <p>The relationship between Councillors and Officers is essential for the successful working of the Council.</p> <p>Strategic and Service Directors will make arrangements to brief Members on major issues e.g. MTFP, corporate strategy, savings proposals and policy changes concerning the Council and, more specifically, about issues and events affecting the Ward areas as appropriate.</p> <p>Portfolio holders will also facilitate briefings with backbenchers and opposition members to ensure Councillors are fully briefed on key policy decisions as they evolve.</p> <p><b>Actions, Steps and Timeframe:</b></p> <p>The development of a Protocol On Councillor/Officer Engagement <b>June 2017</b></p> <p>Strategic Directors will provide the appropriate support and guidance to ensure these protocols are embedded throughout their Directorates. <b>Ongoing</b></p> <p>Officers will continue to reflect upon the feedback from OSMB and other Members to further enhance the approach adopted to engaging with all Members on the 2017/18 budget issues in the development of key strategic documents. For example, in developing the Medium Term Financial Plan we will provide comprehensive information on the challenges and options we face and stage a series of early engagement meetings with political groups and scrutiny to listen to the views and seek input into the process, <b>May - July 2017</b></p>
<p>8. The incoming chief executive should be invited to consider and report on the steps needed to improve the <b>management culture within the Council</b>, recognising that any necessary changes will take three to five years to embed. There should be an emphasis on greater openness, professionalism, delegation, mutual respect and better internal communication, but with fewer large and lengthy meetings (paragraph 129).</p>	<p><b>Response:</b></p> <p>The new Chief Executive is taking opportunities to set the tone for a new management culture, and is developing a programme to address the weaknesses identified in this report and issues raised in the staff survey. In addition to this, work is underway to develop a new target operating model that will provide the necessary clarity to ensure the organisation is clear about its priorities, values and behaviours.</p> <p><b>Some of the actions associated with addressing this recommendation are set out below:</b></p> <ul style="list-style-type: none"> <li>• Clarifying and focussing on our strategic priorities with measurable critical success factors – target for delivery <b>June 2017</b></li> <li>• Developing and piloting a programme to ensure there is a single culture within Bristol city council, addressing values, behaviours, and internal communications. This programme is being co-designed with employees and a member steering group is in place to ensure colleagues have ownership for shaping the future organisation - <b>March 2017 and ongoing</b></li> </ul>

	<ul style="list-style-type: none"> <li>• Ensuring that performance objectives for all managers flow from our strategic objectives but equally a demonstration of commitment to values and behaviours –<b>June 2017</b>.</li> <li>• The Chief Executive will continue to monitor and challenge the need for the number Officers at meetings. Strategic Directors will provide the appropriate support and guidance to ensure that the issues raised in the Bundred report will be embedded. <b>Ongoing</b></li> <li>• The Chief Executive is leading a more visible way of working by visiting a range of workplaces to listen and talk with colleagues, providing an opportunity for them to share work priorities and challenges. Meetings are being held in different locations and targeting offline staff. <b>March 2017 -Ongoing</b></li> <li>• Improving internal communications by creating space for working collaboratively and transparently on cross-cutting issues, developing a single shared view amongst colleagues of our strategic priorities and our progress against them. A culture that ensures it is “safe for truth to be spoken to power”, encourages two way feedback and values honesty integrity and transparency. April 2017 – <b>Ongoing</b></li> <li>• A learning and development programme will be created for The Bristol Manager that will help support to have the right skills and tools to enable them to do their job to a high standard. <b>July 2017</b></li> <li>• Through the focussed internal communication approach we will actively seek opportunities to recognise and celebrate success – <b>April 2017 - Ongoing.</b></li> <li>• A fund has been allocated to support the work on culture development and invest in colleagues learning and development. <b>Ongoing.</b></li> </ul> <p>In respect of all of the above Strategic Directors will provide the appropriate support and guidance to ensure that the issues raised in the Bundred report will be addressed and new ways of working embedded. To further support the required changes in Culture the Chief Executive and the Mayor are in the process of agreeing a number of LGA peer challenges covering the following areas:</p> <ul style="list-style-type: none"> <li>- Corporate Peer Challenge – Late June/July 2017</li> <li>- Housing Delivery and HRA Peer Challenge – late July/early August 2017</li> <li>- Children's Social Care Peer Challenge (scope to be determined) – circa October 2017</li> <li>- Adult Social Care Peer Challenge (scope to be determined) – Spring 2018</li> </ul>
<p>9. The Council should take further steps to improve the quality of its Finance function, modernise its role and enhance its status.</p>	<p><b>Response:</b> Finance functions are being restructured to implement a more robust business partnering delivery model. This will enable finance to be at the heart of the organisation and influence business decision.</p> <p>The finance function will improve the efficiency of transactional processes</p>

<p>Relevant outstanding recommendations of the review commissioned in December 2015 should be actioned as a matter of urgency (paragraph 130).</p>	<p>which will bring insight, intelligence and support complex propositions. In addition we will seek to improve how reports produced by the internal / external auditor, other regulators and inspectors are dealt with and shared and continue to strengthen our approach for responding to recommendations. Monitoring and proactively managing non-compliance will be essential to ensure systems are embedded throughout the organisation.</p> <p>Within the report, it was acknowledged that the recommendations from the external consultant review of finance in February 2016 were appropriate. Key areas highlighted again with in the Bundred report have been incorporated into the actions below.</p> <p>A prime example of a positive outcome achieved through delivery of the recommendations was seen through the Improvements to the Final Accounts closure process. The 2015/16 accounts were successfully prepared and approved by the external auditors with a similar process being undertaken for the 2016/17 accounts closure.</p> <p>To ensure the achievement of long term improvements in the function, it will be necessary to take an end-to-end approach, combination of top-down and bottom up initiatives, take along those involved in the execution of the operations; optimise the finance functions by removing waste and re-focus on core and value add activities.</p> <p>A more robust approach to providing assurance through the Annual Governance Statement has been developed, ensuring that all budget managers and responsible officers are an integral part of the overall governance assessment. All responsible officers now complete and sign off an AGS statement that feeds into the wider overall assurance across the authority.</p> <p><b>Actions, Steps and Timeframe:</b></p> <p>Continued implementation of the Improvement Plan which will be updated to take into account the recommendations of the Bundred Report. This will continue the development of the financial monitoring arrangements, capital strategy and monitoring thereof, revision of the financial regulations – <b>Ongoing</b>.</p> <p>A more robust approach to providing assurance through the Annual Governance Statement <b>April 2017</b></p> <p>The Resources Directorate are piloting a new delivery model in accordance with the approved policy framework to test internal shared service arrangements in the first instance, which also responds to the advice from the external review of finance - <b>Ongoing</b>.</p> <p>Restructure the finance function (see sections below)</p> <p>Resources Transformation team has taken direct line responsibility for the Finance systems to progress the identified requirement to conclude the IT system developments and avoid the need for significant use of spreadsheets etc. which jeopardises the “single version of the truth” – <b>Initiated April 2017</b>.</p> <p>Peer review of the Internal Audit function has been commissioned which will also embed Key Audit deliverables in Service BAU. Additional resource has been appointed on an interim basis to support the improvement journey - <b>April – September 2017</b>.</p>
<p>10. The previous</p>	<p><b>Response:</b></p>



recommendation that the Council should “Develop a Competency Framework and agree the way forward re Assessment and Development centres” in relation to its Finance staff is overdue and should be given priority (paragraph 134).

11. This should be actioned alongside a review of the role and requirements of Business Partners as part of the current review of the Finance Directorate structure (paragraph 134).

The finance function has undergone a sustained period of change; particularly over the last year, we have seen improvements in some key areas and we must not lose sight of that fact when we are considering the further work we need to do on this journey.

In response to Business Partners interpreting their strategic role as meaning they “don’t do detail”, further clarification and professional support has been provided to relevant colleagues. Additional external resources have also been recruited on an interim basis to bolster the skills available within the organisation to enable the S151 Officer to deliver their statutory requirements.

The appointment to the permanent structure will be based on CIPFA principles utilising an assessment centre developed and successfully utilised in other authorities.

The function needs to create the conditions that enable it to be agile, adaptable, and accountable and to learn from success as well as failure so that responding quickly to change is second nature, constantly striving for the best possible services and outcomes for Bristol residents and tax payers.

**Actions, Steps and Timeframe:**

A transitional structure will be implemented (pulling on project resource and realigning budgets from vacant positions to provide the additional resource / capacity to deliver the improvements that we seek – **April – May 2017**

The structure has addressed the concern identified in the external review that there are too many direct reports, recommending two would be more manageable in the context of BCC. Within the transitional structure Business Partners and the new internal shared service will lead the Business Support function, ensuring the smooth, seamless coordination and execution of the finance service provider function, including project delivery and maintaining a consistent level of deliverable quality.

Both the interim and final finance structures will incorporate a mentoring and larger trainee scheme to enable BCC to “grow its own” ideally with partners in health and private sector

As described above appointment to roles will on a skills based assessment **May 2017 – June 2017**

A competency framework will be implemented which outline the set of competencies needed to perform each of the roles effectively and career progression pathway - **April – May 2017**.

The organisation is in the process of building the learning & development programme and there are four key areas that finance needs to focus on - **April – September 2017:**

- workforce performance: including talent development, learning and productivity
- workforce resourcing: making sure we have the right level of resource with the right skills, and a planned pipeline for the future
- organisation development: Members / Officers with financial responsibility, e-learning suite of training; induction new manager’s members –
- professional training, the employee ‘deal and support’ and what we expect from our employees in return

<p>12. The more timely reporting of budget monitoring information that has now been introduced should continue into the future. If the Council opts to return to quarterly budget monitoring and the first quarter report cannot be considered in July, there should be routine reporting in June or July of the position as at the end of May (paragraph 118).</p>	<p><b>Response:</b></p> <p>Members and scrutiny receive regular, detailed budget reports that provide information on progress, variance against plans and corrective action already underway or planned. This allows members to scrutinise and challenge financial performance effectively and to hold lead members and officers to account.</p> <p>There will need to be clear links between the Council's capital programme and its service and revenue budget planning processes, both of which take account of the MTFP, to help in minimising the impact of ongoing financial pressures.</p> <p><b>Actions, Steps and Timeframe:</b></p> <p>Finalise the guidance for the new monthly monitoring process to ensure the processes are embedded for 2017/18 financial year – <b>March 2017</b></p> <p>Publish the 2017/18 budget monitoring timetable that reflects the new 6 weekly cabinet cycle. – <b>April 2017</b></p> <p>Capital reporting to be automated and reflect multiple year programme direct from the Finance System – <b>May 2017</b></p>
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