

Report for Information

Report to Executive
14 October 2009

Report of Director of Transformation

Subject Corporate Improvement and Efficiency Programme –
progress report

Item

5

Purpose

To update Executive on progress against the corporate improvement and efficiency programme.

Recommendations

To note the report.

Financial Consequences

The financial consequences of this report are that the Council is developing plans to meet an estimated £8m shortfall in the budget for 2010/11 as a result of the recession. The improvement and efficiency programme will therefore need to generate a range of proposals to make changes to both the Council's policy and financial frameworks. Any such proposed changes will therefore need to be reported to the appropriate member groups for consideration and approval.

Risk Assessment

The improvement and efficiency programme is comprehensive, and the outcomes could possibly affect all of the council's services. As part of the normal project management methodology, each workstream project will carry out a risk assessment to evaluate the potential impact of any proposed policy, financial or service changes and this assessment will be included in relevant reports to members. The overall programme will be regularly risk assessed.

Strategic Priority and Outcome/Service Priorities

The report helps to meet the strategic priority "Aiming for excellence – ensuring the Council is efficient in its use of resources, is effective in delivering its plans, is a good employer and communicates effectively with its customers, staff and partners".

Executive Member: Councillor Waters - Corporate Resources and Governance

Ward: All

Contact Officers

Paul Spencer, Director of Transformation

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Report

Corporate Improvement and Efficiency Programme – progress report

1. Executive on 8 April 2009 agreed to set up a Corporate Improvement and Efficiency Board (CIEB) to advise on the development of a transformation programme for the City Council. This programme is intended to develop a range of options to close an estimated £8m budget gap by April 2010, and to ensure that significant improvements are made to key City Council services.
2. Executive last received an update on activity at its meeting on 22 July 2009. Since then the key developments have been as follows:
 - Progress on identifying approx £8m savings for the 2010/11 year is on track. Following the period of diagnostic work, an initial schedule of potential savings has been developed, and was agreed by Executive on 16 September. This is updated on a regular basis, and is currently showing target savings (both efficiency savings and options for service reductions) which total around £7.2m
 - The majority of proposed savings are efficiency savings which will not affect front-line services. However, due to the sheer scale of the savings target, the proposals inevitably include a number of service reductions and staffing implications. It is also very likely that the remaining £0.8m which still needs to be found will also include service reduction proposals and staffing implications
 - For this reason, the report to Executive proposed a period of staff, partner and public consultation on the draft proposals during the autumn period. It is expected that final decisions will be taken by full Council in December 2009, so that changes can be implemented as quickly as possible
 - The CIEB has now met four times, and has regularly acknowledged the good progress that the City Council is making to tackle both the budget deficit, but also the housing improvement programme, and our use of resources improvements
 - A formal application has been made to Improvement East for financial support to our transformation programme
 - A review of key Human Resources' policies is underway. In particular, we are reviewing the redundancy and redeployment policies, and changes are being negotiated with UNISON
 - Communications have continued with articles in the Inner City staff newsletter, and in the Citizen newsletter sent to all households in the City Council area. There has also been significant media coverage, and this has linked together a number of situations where other organisations are facing the need to cut costs in order to respond to the effects of the recession
 - The efficiency and improvement programme is now being considered at all Scrutiny Committee meetings, and a specific discussion on the charging policy is scheduled for the meeting on 15 October

- Initial work on the City Council's "Use of resources" assessment has been completed, and we are still awaiting the final score. Some additional work will be needed to ensure that the performance management assessment is consistent with the changing financial situation at the council.
 - The Housing Improvement Programme is designed to transform the housing function over a 2 year period to the equivalent of a two star service. This task includes addressing by November 2009 and April 2010 some 45 issues raised in recent audit commission inspection of landlord services and an audit of council house lettings. The current position is that 6% of the actions required by the audit commission have been completed, a further 88% are on track and there is some concern with the deliverability of the remaining 6%. This represents good progress, which has been acknowledged by the Housing Improvement Board. Work is now underway to consider a peer review in early 2010 to independently assess the programme, and hopefully celebrate the good progress being made.
3. Progress on the overall programme remains very good, and managers and staff continue to respond very positively to the challenges. The next phase is a very important one, as it will involve a wide range of consultation on the savings options. It will be important that this is thorough and open. Care will be needed on any savings proposals which might have possible staffing implications, as formal consultation timescales and processes will need to be applied.