

Report for Information

Report to Executive
27 January 2010

Report of Director of Transformation

Subject Corporate Improvement and Efficiency Programme –
progress report

Item

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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 around an £8m shortfall in the general fund budget 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

01603 212994

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 approximate £8m budget gap, 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 11 November 2009. Since then the key developments have been as follows:
 - The CIEB continues to acknowledge the good progress that the City Council is making to tackle the budget deficit, the housing improvement programme, and our use of resources improvements. At the last meeting (30 November), the group agreed the following positive key messages:
 - *Good progress has been made to develop a range of savings and efficiency proposals to close with budget gap*
 - *There is growing evidence that the organisation is improving, such as the “harder test” Use of Resources assessment score, and by significant performance improvements made to the housing and planning services*
 - *The council is actively engaging staff and tenants in the savings and improvement processes, and is committed to continue this.*
 - As a result of this successful work, the Department for Communities and Local Government (CLG) has decided to interview the council as part of an exercise to identify best practice approaches to delivering efficiencies and improvements. This interview will take place in early January, and an oral update will be provided to the Executive
 - We have now received formal confirmation of Improvement East financial support to our transformation programme during 2010/11. We will receive up to £200,000, which the Council will need to match fund, which will be used to support work on overall programme management, a performance management system, and a wide range of staff and member training to support the Housing Improvement programme, and use of resources improvements
 - Progress on the efficiency savings programme remains on track:
 - On 16 December Executive received an update report confirming that, based on current financial conditions, the total savings target remains around £8m over a 3 year period, but with the majority of approx £6.3m savings needing to be delivered by 2010/11. However, there are a number of risks that still exist which may make the financial picture deteriorate further, and so we will continue to monitor the situation very closely
 - Formal staff consultation on the draft savings proposals started on 4 November. All staff and teams potentially affected by the savings

proposals have now received a series of face to face briefings. A large number of questions and comments have been submitted by staff concerned, and all of these have been carefully considered by the relevant service manager, and by the Corporate Management Team. As a result, a number of changes to the proposals have been agreed. Regular discussions will continue throughout the consultation period which continues until 5 February 2010. Discussions with UNISON have continued throughout this period

- Partner and public consultation also started in early November. There has been a lower level of external responses to the proposals. However, all comments have been considered by the relevant service manager, and again a number of changes are now being proposed
- On 16 December Executive received a report summarising the outcomes so far from the internal and external consultation exercises, and agreed a range of changes to the draft proposals based on the comments received. Based on this, the Executive agreed in principle a range of changes for implementation from early February 2010 onwards
- The next step will be for implementation of changes to take place. This will start in early February, once the consultation processes have been completed.
- We received the formal announcement of our “Use of resources score” score at Level 2 in early December 2009. This score represents a significant improvement and reflects considerable progress in the last year, especially as this is measured against the Audit Commission’s “*harder test*”. However, it is also important to recognise that Level 2 represents an adequate level of performance, and puts us on a par with most other councils in Norfolk. So further improvement is still needed, and work is now underway to prepare for the next Use of Resources exercise in Spring 2010.
- The review of key Human Resources’ policies continues. Following detailed negotiations, we have now agreed with UNISON changes to the Council’s redundancy and redeployment policies.
- 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 44% of the actions required by the audit commission have been completed; a further 56% are on track. Due to the involved work required with the value for money recommendations, whilst much work has been completed, the timescale has been changed from November 2009 to February 2010 with the agreement of the Housing Improvement Board. This represents good progress, which has been acknowledged by the Housing Improvement Board. It is now proposed to carry out a peer review week commencing 8 March 2010 to independently assess the programme, and hopefully celebrate the good progress being made.

- The efficiency and savings programme will mean that the Council will need to review its priorities, and ensure that it can afford to deliver the commitments that it makes from a reduced resource base. Accordingly, Executive has considered a revised set of draft aims, which will be debated at full Council. Priorities for the 2010-2012 period will then be agreed in February 2010, alongside the 2010/11 budget. It is planned to publish a new Corporate Plan 2010-2012 in March 2010.
3. Progress on the overall programme remains very good, and managers and staff continue to respond very positively to the challenges. The current phase involves a wide range of consultation on the savings options, but we will soon enter the decision-making period where proposals will need to be finalised, and implementation will need to begin. This will ensure that all proposals can be implemented by early 2010/11 so that potential savings and cost reductions are maximised.
 4. The decision-making period over the next few weeks will be a difficult period, as there is the prospect of significant staff changes being implemented, including some redundancies. We will be working closely with UNISON throughout this period to minimise the impact on staff, and will provide a range of support wherever possible.