

Report for Information

Report to Executive
11 November 2009

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 around an £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 14 October 2009. Since then the key developments have been as follows:
 - The CIEB has now met five times, and continues to acknowledge 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. At the last meeting (end September), the group agreed the following key messages:
 - *Work to bridge the budget gap is well underway and considerable achievements have been made*
 - *Improved performance is being delivered in key areas*
 - *The organisation has grown in confidence which is bolstering motivation*
 - *Executive have set out a clear picture moving forward: with members and staff having greater clarity about what is happening*
 - With support from CIEB members, we have made a successful bid to Improvement East for financial support to our transformation programme. 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
 - The financial picture continues to fluctuate, and therefore we continue to review the overall savings target. The main development is that spending in the current financial year (2009/10) has reduced as staff respond positively to the need to be prudent, and this is having a beneficial impact on the overall savings target that we need to achieve. We now estimate that the total savings target will be 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 is due to start in early November. All staff and teams potentially affected by the savings proposals will receive face to face briefings, and regular discussions will continue throughout the consultation period. Discussions with UNISON will also continue throughout this period.
 - Partner and public consultation is also planned to start in early November.

We will contact partners, and organisations affected by proposed changes (eg grant funded organisations)

- We expect the formal announcement of our “Use of resources score” score in early December 2009
 - 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
 - Scrutiny Committee has focussed on the charging policy at its meeting on 15 October. Members have agreed to establish a small working group to examine the policy, and some of the more significant charges, and to report back to Executive in due course
 - 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 24% of the actions required by the audit commission have been completed, a further 74% are on track and there is some concern with the deliverability of the remaining 2%. 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.
 - 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. Therefore, alongside the development of the savings proposals, we will be reviewing the current corporate plan 2008-10, and updating it for the 2010-2012 period, and to make sure that it fits with the new financial context. Accordingly, it is planned to publish a revised set of draft priorities in December 2009, alongside the proposed savings package, for full Council consideration. 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.