

Report for Information

Report to	Executive 22 July 2009	Item 8
Report of	Director of Transformation	
Subject	Corporate Improvement and Efficiency Programme – progress report	

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 a significant 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 a significant 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 24 June 2009. In the last 4 weeks since then the key developments have been as follows:
 - Progress on identifying approx £8m savings for the 2010/11 year is on track. An initial schedule of potential savings has been developed. This is updated on a regular basis, and is currently showing target savings (both efficiency savings and options for service reductions) which total around £9m, at least £5m of which are efficiency savings and will not affect front-line services. This is only just enough to close the budget gap, and more work still needs to be done to assess the impact of service changes, and to test these savings options out with customers, partners and elected members. It will also provide the chance to consider where some savings might be re-invested back into priority service areas
 - The CIEB has now met for the second time (6 July). At the end of this meeting the Board agreed the following key positive messages:
 - Progress on delivery and implementation is good
 - The Council is showing a clear commitment to change, and a high level of awareness of the need to change and be challenged
 - The pace of the change programme, and its focus, are good
 - There is a need for care around the balancing of resources once the Local Government Review announcement is made in mid-July
 - The CIEB partnership approach is working well, and is yielding clear benefits.
 - Deloitte have been appointed to carry out a diagnostic review of the City Council's spending, including a comparison of spending patterns with other city district councils. This work will culminate at the end of July with a long list of possible savings opportunities, for consideration by elected members
 - A review of key HR policies is underway. In particular, we are reviewing the redundancy and redeployment policies, and changes are being negotiated with UNISON. Revised policies were considered at the Joint Consultative and Negotiating Committee (JCNC) on 10 July 2009
 - A programme of Zero Based Budget (ZBB) meetings with all Heads of Service has now been completed. This has resulted in a list of possible service improvements or savings which will now be explored as a matter of urgency
 - Work is continuing to explore with Improvement East the potential for financial support to our transformation programme
 - Further communications have been made with articles in the Inner City staff

newsletter, and in the Citizen newsletter sent to all households in the City Council area. An all member briefing has been held with good attendance

- Presentations have been made to Scrutiny Committee on the emerging transformation programme, and discussions have commenced about how and when the Committee will be able to contribute to the programme
 - An organisational diagnostic has been completed, and the final report is awaited. This will examine the strengths and weaknesses of the organisation, and how its culture and “way of doing things” can be improved to support the change programme
 - Initial work on the City Council’s “Use of resources” assessment has been completed, but we await 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 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 10% of the actions required by the audit commission have been completed, a further 80% are on track and there is some concern with the deliverability of the remaining 10%. The housing improvement board is monitoring progress and provides both guidance and challenge on how service improvements are being carried out and the benefits these are delivering for tenants and leaseholders.
3. Progress so far remains very good, and managers and staff continue to respond very positively to the challenges. However, timescales are very tight, and we will need to develop broad options for improvement and efficiencies in the next 2 months. Formal approval for implementation will then need to be sought where necessary. Clearly, the sooner that decisions are made, the earlier savings can be realised.