

## Report for Resolution

**Report to** Executive  
28 July 2010

**Report of** Chief Executive

**Subject** Approval of a blueprint for a lean City Council

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**Item**  
**5**

### Purpose

To report on the outcomes of consultation on the draft blueprint for a lean City Council, and to recommend a final version to be used to guide the development of efficiency and improvement proposals.

### Recommendations

Executive is asked to:

1. Note the summary of consultation responses received on the draft blueprint for a lean City Council
2. Endorse the revised version of the blueprint for a lean Norwich City Council for use as a guiding framework for the development of a range of efficiency and improvement proposals
3. Delegate authority to the Chief Executive, in consultation with the Leader of the Council, to make any final changes arising from the consultation process.

### Financial Consequences

The effects of the recession continue to impact on the City Council's income levels. In addition, the Government has already taken considerable steps to reduce public sector spending in order to repay the national debt. The emergency budget announced on 22 June set out some specific proposals to reduce public sector funding, including a reduction in spending by most Government departments by 25% over the next 4 years.

The Government is also expected to impose further funding reductions on local government as part of the Comprehensive Spending Review (CSR) in Autumn 2010. Projections put these reductions within a possible range of 20-30% reductions in funding.

In order to meet both existing funding reductions, and those projected for later in 2010, we currently estimate that the City Council will need to identify cost reductions of approximately £7.5m in its General Fund budget over the next 2 financial years, in order to balance its budget and achieve safe levels of reserves in 2011/12 and subsequent years.

Over the last 2 financial years the City Council has already reduced its General Fund spending by over £10m. This has been achieved with only a minimal effect on front-line services. To deliver a further £7.5m of savings over the next 2 years will be a difficult task, amounting to approximately 15% of our controllable budget.

The financial situation continues to change on a regular basis, and this uncertainty means that things could improve or worsen. If the situation improves, then by identifying a range of potential savings options it may be possible to review and consider removing or deferring

these as additional funding becomes available. If it worsens, this could mean that additional savings may also be needed in future years.

## **Risk Assessment**

The medium term future for local government is expected to be extremely challenging. Over the last few years the City Council has already been pursuing a comprehensive and radical improvement and efficiency programme, and the outcomes have affected all of the council's services.

So far the majority of cost reductions have been achieved from improved efficiency, with a minimal impact on front-line services. However, the scale of the reductions in funding now being imposed on local government mean that whilst we will continue to seek efficiency savings and cost reductions wherever possible, there are likely to be some impacts on services and to customers.

It is therefore vital that the overall programme is effectively managed, and that proposed service and structural changes are fully risk and impact assessed and prioritised in dialogue with residents and stakeholders.

## **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

**Wards:** All

## **Contact Officers**

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## **Report**

### **A blueprint for a lean City Council**

1. On 30 June 2010 Executive received a report setting out the anticipated impact of the Government emergency budget on future funding levels.
2. The Executive agreed a draft blueprint for a lean City Council which would help the Council develop proposals to meet the expected cuts in funding. The purpose of the blueprint is to set out the guiding principles for how the City Council will be organised in future, and the content is built upon the core elements of customer focus, cost consciousness and continuous improvement.
3. On 30 June Executive agreed that this first draft should be sent out to consultation with staff, trades unions and elected members. The purpose of the consultation was to test the draft guiding principles within the blueprint document, so that the revised document could then be approved in advance of starting formal work to identify efficiency proposals and transform the authority.

### **Consultation process**

4. Following approval of the draft blueprint it was sent out for consultation with staff, UNISON and elected members. Responses were invited by 26 July 2010.
5. The blueprint was discussed at the 13 July meeting of the Joint Negotiating and Consultative Committee (JCNC) with UNISON.
6. The draft blueprint has also been discussed with the Council's Strategic Managers Group (SMG) which includes all of the most senior managers within the council. SMG managers have been asked to cascade this down into their management teams, and to encourage responses to be made.
7. A number of meetings have also been held with different political groups to explain the blueprint document.
8. Finally, between 19 and 23 July a series of 10 staff roadshows were also held in which the Corporate Management Team explained the purpose and content of the blueprint and sought staff views.

### **Consultation responses and final version of the blueprint document**

9. The deadline for consultation responses is 26 July 2010.
10. At the time of writing this report, a number of responses have already been received, the majority of which are broadly supportive of the thrust of the blueprint document.
11. A revised version of the blueprint document which takes account of the consultation feedback will be circulated to Executive members as soon as possible in advance of the meeting on 28 July. Executive will be asked to approve this version. It is also proposed that the Chief Executive be given delegated authority, in consultation with the leader of the Council, to make any final necessary adjustments to the blueprint, so that it can be finalised and then used to identify proposed service changes during August 2010.