

Norwich City Council

SCRUTINY COMMITTEE

REPORT for meeting to be held on 18 June 2009

Corporate Improvement and Efficiency Programme

Scrutiny Committee members will recall that Executive on 8 April 2009 agreed the setting up of a Corporate Improvement and Efficiency Board (CIEB) to advise and guide the development of a transformation programme to (i) achieve significant efficiency savings, and (ii) achieve major performance improvements, particularly in Housing and Planning services.

Since then officers have been developing the transformation programme, in consultation with the Executive. Executive is keen that the Scrutiny Committee should play a significant role in the transformation programme, particularly as it is anticipated that it may lead to proposals for significant changes in the way the council operates.

Therefore, following discussions with the Chair of Scrutiny it is proposed that at the Committee's meeting on 18 June:

- There should be a presentation to summarise the scale of the efficiency and improvement issues facing the City Council, and some details of early work already underway to develop a comprehensive response; and
- An opportunity to discuss with the Scrutiny Committee members how and when the Committee might get involved with particular elements of the transformation programme. This work would obviously need to be balanced with the Scrutiny Committee's existing work programme commitments.

By way of background information, attached is a draft of the Transformation Programme overview, methodology and guidance. This aims to summarise what needs to be done, and how it is proposed to tackle the issues.

Copies of the presentation to the Committee will be made available at the meeting.

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A greater Norwich,
a stronger Norfolk

AIMING FOR EXCELLENCE

Next Phase – Transformation Programme

Programme overview, methodology and guidance

DRAFT – WORK IN PROGRESS



NORWICH
City Council

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A. Introduction

Over the last 3 years Norwich City Council has been on an improvement journey. The “Aiming for Excellence” programme was designed to move the Council forward from its “Fair” CPA rating, and particularly to address significant weaknesses in key areas such as financial management, performance management and people management.

The programme has had a number of notable successes including:

- Significant service improvements such as vastly improved recycling rates, high numbers of affordable homes, improved customer response times and expanded wardens services
- A positive peer review report in 2008 which concluded *“In summary the peer review team congratulate NCC on the improvement since 2003 and believe that by further harnessing the motivation, drive and determination that exists in the council it will be able to continue to succeed”*
- Relaunch of the City of Norwich Partnership (CoNP), and publication of the city’s first “Sustainable Community Strategy”
- Publication of a new corporate plan, including a new vision, strategic priorities, and complete revamp of our performance management and reporting arrangements
- Development of a people strategy, and a range of supporting organisational development initiatives such as increased training and development, an annual staff survey, and a leadership development programme
- Additional management capacity in key priority areas such as procurement, neighbourhood development, growth and regeneration, and transformation
- Development of new customer care standards across the organisation, and improvements to customer care performance
- Achievement of Level 2 of the Equalities Standard
- Focussed work on improving financial management, which has resulted in:
 - Achieving Level 2 on the Use of Resources assessment
 - Successful closure of the accounts
 - Building up of significant levels of reserves
 - Major improvements to financial management and monitoring.

Despite these significant success areas, there remain a number of areas where improvement has been slower, and where new issues have arisen. For example, performance as measured against national indicators remains modest, and service inspections have revealed specific issues in key service areas such as housing and planning.

The recent economic downturn has also had a dramatic effect on the City Council's financial position. In September 2008, the City Council was in a strong position, having built up reserves of over £10m through prudent planning, and having identified over £2m of efficiency savings. We also had no money invested in any Icelandic Banks.

However, in the subsequent 6 month period the global economic situation has particularly impacted on our income levels, with the following negative effects on the funding available for service delivery :

- A loss of £1.4m per year in income from interest from investments
- A loss of £300,000 per year in income from commercial rents
- A loss of £500,000 per year in income from planning fees, land charges etc
- A loss of £300,000 per year in income from parking

This loss of income has been compounded by national changes to the concessionary fares scheme, which has seen Norwich City Council's costs rise by approximately £1.9m per year, whilst costs for most other councils in Norfolk have decreased.

Furthermore, the recession has seen a dramatic increase in demand for certain Council services such as housing benefits, homelessness and family support. In order to support local people and businesses, the City Council has also commenced a range of new initiatives around economic development and financial inclusion. This is putting additional demands on City Council services at the same time that resources are being squeezed.

Overall, this means that despite our prudent financial planning over the last three years, due to circumstances beyond our control we are now facing a significant budget gap from April 2010 onwards. This represents a significant proportion of our base budget, and is so significant that it cannot be met by simple efficiencies, or trimming of costs.

The changed economic climate means the council now needs to focus, more than ever, on supporting the City and its residents through the recession and will need to become more efficient to ensure this is delivered.

It is, therefore, necessary to carry out a fundamental review of all the City Council's services and structures in order to identify "bottom up" what services we need to provide to our customers, and the most efficient ways to deliver them.

To achieve this the Council's 'aiming for excellence' programme will move into a new phase of a transformation programme to deliver improved and more efficient services for its customers within the financial envelope set by the council's medium term financial plan.

In addition, the structure of the local government within Norfolk is currently being reviewed by the Boundary Committee. In March 2009 the Boundary Committee published draft proposals of a greater Norwich unitary and rural Norfolk unitary (the doughnut model which is the council's preferred option) and a single Norfolk unitary. It is expected the secretary of state will make a final decision on any new unitary

councils to be created in September 2009, with implementation orders likely to be approved by parliament in December 2009.

It is, therefore, very important that the transformation programme is fully aligned with the comprehensive unitary planning and implementation work the council has been undertaking, so it leads seamlessly into the start of a new unitary council from 1 April 2011.

To assist with the delivery of the transformation programme the council has decided to embed systems thinking across the organisation through a programme of training, development and peer mentoring.

To ensure the council is fully focused on its key priorities over the next two years, a new corporate plan will be produced and service plans revised accordingly. It will also be necessary to establish robust performance and project management arrangements/controls across the council to ensure that the transformation programme is effectively monitored and delivered, in line with the new CAA framework.

Due to the skills within the team, the delay in overall the unitary process and the importance of alignment of these initiatives, it has been determined that the transformation team is best placed to project manage the transformation programme, in addition to completing the unitary preparation programme.

This document therefore sets out an overview of how the transformation programme will be delivered.

B. Key objectives

We have developed five key objectives for the transformation programme. They are as follows:

- To deliver a re-aligned Norwich City Council for 2010/11 that better meets the needs of its customers, and aligns with the councils unitary vision, within the financial envelope established by the Medium Term Financial Plan
- To deliver performance improvement in each of the key frontline services the council provides to its customers during 2009/10 and 2010/11
- To develop a new Corporate Plan 2009-11 that allows Norwich City Council to focus clearly on its key corporate priorities over the 2 year period
- To embed systems thinking methodology within the Council in 2009/10 to support the delivery of the transformation programme and the new Corporate Plan 2009-11.
- To establish the necessary performance management arrangements in 2009/10, in line with new CAA arrangements, to ensure that the priorities determined in the new Corporate Plan 2009-11 are fully delivered for the good of the council's customers

C. Organisational design principles

The transformation programme will result in a redesigned Norwich City Council. We have, therefore, formulated a set of key principles that will guide the redesign process. They are as follows:

To be added in – will be developed through the culture change work stream and in conjunction with the Corporate Improvement and Efficiency Board.

D. Priority Work Areas

The Council has looked closely at where it needs to improve, given the new financial climate, and has determined five priority work areas that it needs to focus on in order to ensure the most efficient and effective council for its customers. They are as follows:

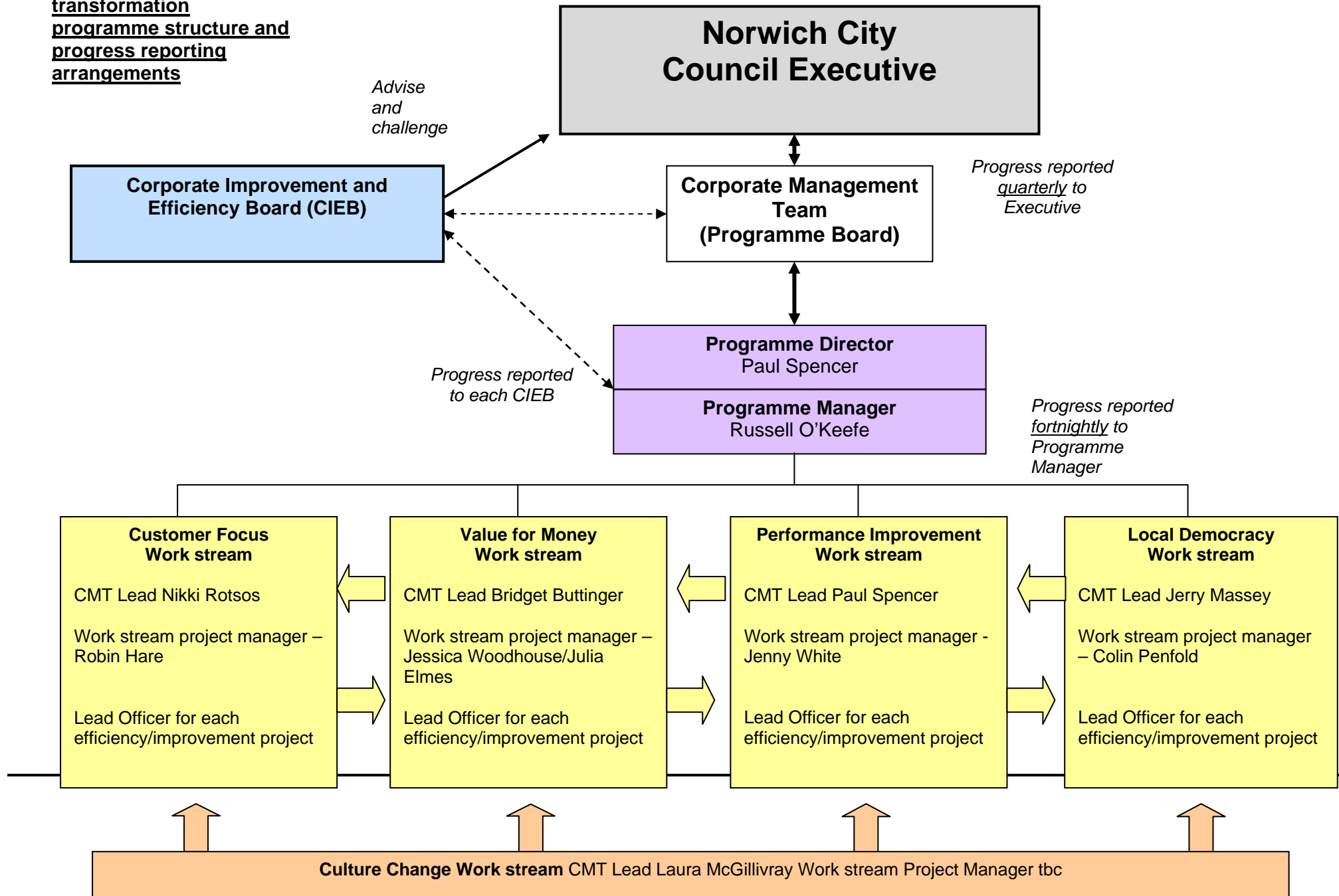
- **Delivering a clear focus on our customers (customer focus work stream)** - The recession means that more than ever before the council must prioritise and improve the services that are most important to our customers. We must listen and consult effectively to ensure that we provide access for all our customers to high quality services, through a choice of channels, which best meet our customers needs. We must ensure all of our staff put our customers at the forefront of everything they do
- **Delivering value for money for our customers (value for money work stream)** – In this time of financial hardship it is vital the council ensures the most efficient and effective services for all its customers. We must radically and robustly review all the council's current functions, services and structures, by listening to how our customers want things to improve, to determine the optimum ways of working, that deliver improved value for money
- **Delivering improved services for our customers (performance improvement work stream)** – The council must ensure that the services it provides to its customers are of the highest quality. We must make our customers fully aware of the standards of service to expect from us and how to let us know if we fail to meet them. We must set clear improvement targets for all our services which we will monitor robustly and transparently. We must focus clearly on those low performing areas with fast and effective interventions to ensure improvement for our customers are quickly realised
- **Delivering local democracy for our customers (local democracy work stream)** – We must engage our all of customers more so that they can fully influence the management of their local area, scrutinise the council's performance and hold us to account if we make mistakes. We will carry out a community governance review and establish the necessary mechanisms so that all our residents can become fully involved in the decisions that affect their local communities
- **Delivering for our customers through a 'one council' approach (one council work stream)** - To deliver maximum value for our customers the council needs to take a fresh and holistic view of the organisation and not be constrained by our current services, structures and ways of working. We must redesign the council into a more efficient system, driven by the needs and

priorities of our customers. We must provide our managers and staff with the skills and support necessary to continuously improve the system to provide ongoing extra value to our customers.

E. Programme Structure

To ensure the effective delivery of the transformation programme a robust structure has been developed based on MSP and Prince 2 methodology. The diagram below sets out the structure for the transformation programme followed by a description of each element.

DIAGRAM:
Summary of the proposed
transformation
programme structure and
progress reporting
arrangements



Executive

This Executive will have overall democratic responsibility and decision making authority for the transition to an improved Norwich City Council through setting the strategic direction of the transformation programme and taking the key policy decisions.

Corporate Improvement and Efficiency Board

The Corporate Improvement and Efficiency Board (CIEB) will meet every six weeks. Its primary role is to advise the Executive and Corporate Management team on possible approaches, and to provide real challenge on progress being made.

The CIEB will be chaired by the Leader of the City Council and include both internal and external specialist expertise. The proposed makeup of the board would include:

- Cllr Steve Morphew, Leader of Norwich City Council (Chair)
- Cllr Brian Morrey, Deputy Leader of Norwich City Council
- Cllr Alan Waters, Executive Member for Corporate Resources and Governance
- Cecilia Tredgett, Director, Improvement East
- Sue Jewkes, Audit Commission
- Ian Jacobs, Places, Partnerships & Performance, GO-East
- Dennis Skinner, Regional Associate, IDeA
- Rob Hammond, CEO Cambridge City Council
- Laura McGillivray, CEO Norwich City Council
- Paul Spencer, Director of Transformation, Norwich City Council
- Russell O'Keefe, Transformation Programme Manager, Norwich City Council

Corporate Management Team (CMT)

CMT will act as the programme board. They will be responsible to the Executive for the overall delivery of the programme. The first two hours of each CMT meeting will be dedicated to the role of programme board.

Norwich City Council's Chief Executive will act as the programme sponsor and would be responsible to the Executive for ensuring the necessary resources are committed to deliver the transformation programme and for line managing the programme director.

Programme Director

The programme director (the council's director of transformation) is a core member of CMT and CIEB and is responsible for:

- Delivery of the overall programme objectives
- Ensuring the programme is effectively aligned with the organisation's strategic direction
- Providing senior leadership and promotion for the programme
- Directing the overall programme scope and budget
- Overall strategic communication, liaison and relationship management with critical stakeholders such as members, external partners, Unison etc.

- Ensuring that the Executive, CMT and CIEB are appropriately engaged with programme.
- Line managing the programme manager

Programme Manager

The programme manager reports to the programme director. They attend CIEB and the programme board element of CMT (the first two hours of each meeting). They are responsible for:

- Providing day to day management of the programme and work streams
- Line management of the work stream project managers
- Identifying and managing/resolving major programme issues/risks at the work stream level an escalating to the programme director and CMT as and when necessary
- Providing consistent, accurate and timely programme progress reporting and information to the programme director and CMT
- Assisting the programme director in managing critical stakeholders
- Managing the relationships with any external consultants (if appointed)
- Ensuring the programme methodology is followed
- Identifying and managing dependencies between the work streams
- Reviewing and challenging content and approach of work streams and projects to ensure quality, timeliness and that the programme objectives are delivered
- Providing specialist advice to lead officers (project managers) across the programme to assist the effective delivery of key projects
- Promote a 'can do, will do' attitude across the programme

Scrutiny

It will be important for there to be effective scrutiny of the work programme and the governance arrangements. The detail of these arrangements is to be discussed with the relevant Scrutiny Committee members at their meeting on the 18 June.

Work streams

There will be five work streams within the programme based on the five priority work areas identified, with a range of efficiency and/or improvement projects within each.

For each of the work streams within the programme there will be:

- A CMT lead who will be responsible at CMT level for the delivery of the work stream
- A work stream project manager assigned from the transformation team who will be responsible for project managing the work stream.
- An overall work stream PID, project plan and risk matrix formulated by the work stream project manager and agreed by CMT

Please see section F for more details of the programme management methodology.

For each of the projects within each work stream the council's corporate management guidance will be followed.

At Annex A we have included a detailed description of the roles and responsibilities of the:

- work stream project manager,
- lead officer (project manager) for each project,
- project team members for each project
- volunteers for each project (project volunteers).

Timescales

Detailed timescales will need to be worked out by relevant work stream project managers and lead officers. However, the overall timetable needs to be brisk in order to ensure that efficiency and improvement ideas are identified quickly, and work starts quickly. Broad overarching milestones are as follows:

- Medium Term Financial Strategy agreed by end March (completed)
- CIEB in place by end May (completed)
- Initial consultation on efficiency and improvement ideas during April and May
- Lead officers identified in May
- Range of projects agreed by end of June
- VFM business cases completed by 17 July
- New corporate plan, VFM business cases and workforce strategy signed off by end July
- New service plans completed by end September
- New budget consultation formally commences in October

F. Programme and Project Management Methodology

We have developed a robust programme and project management methodology to ensure the transformation programme is delivered in a consistent, controlled way that provides clear monitoring of progress and effective management of risk.

It will be the responsibility of each work stream project manager and the CMT lead to ensure the methodology is followed by the lead officers for each project within the work stream.

Overall compliance with the methodology across the programme will be monitored by the programme manager.

The programme methodology is based on MSP (managing successful programmes) and the project methodology to be used is the council's recently approved corporate project management guidance. This can be found on the intranet under work aids/project management guidance.

Set Up

For each of the work streams an overall work stream project mandate, initiation document (PID), work stream plan and risk matrix will be completed by the work stream project manager and agreed by CMT. They will act as a contract between CMT and the work stream.

For each of the projects, within the five work streams, the council's corporate management guidance should be followed. However, one addition to this guidance is that due to the importance of the programme, project mandates, PIDs and project

plans for each project must be signed off by CMT as well as the project sponsor. As such, once these documents have been completed by the lead officer and agreed by the project sponsor, copies of the documents should be supplied to the programme manager (via the relevant work stream project manager) who will request formal sign off from CMT as part of their regular report to CMT on the programme.

Risk management:

We have developed a robust process, based on best practice, for assessing and managing risks within the programme. The overall management of programme risks will be a key responsibility for CMT (the programme board).

Each lead officer for a project will be responsible for identifying and managing project risks and keeping an up to date risk register. The work stream project managers will manage overall work stream risks using a risk matrix which will be reported fortnightly to the programme manager through the reporting process set out below.

In turn the programme manager will use these reports to formulate an overall programme risk matrix which will be reported to CMT.

Stakeholders/Communication

In managing the projects the lead officers (project managers) will need to develop an understanding of key stakeholders for the project, determine the nature of the relationship required and establish the necessary processes to ensure they are appropriately engaged and communicated with. This will be achieved through the production of a communications plan. They will be supported in this by the work stream project managers and the council's communication team who will help to ensure appropriate consultation and liaison is being carried out in a coordinated way.

Change Control

Inevitably as we go through the transformation programme changes will need to be made to the original objectives, outcomes and deliverables in certain of the PIDs and milestones in certain of the project plans. .

Most changes to project PIDs and plans can be made through the authorisation of the relevant project sponsor through the change control request process outlined in the council's corporate project management guidance.

However, in certain cases changes will require formal authorisation from CMT and in others also the Executive. They are as follows:

- Significant changes to overall work stream milestones – e.g. any major alteration to how, when or if a milestone can be delivered or where a more minor alteration to a milestone would have a major impact on the delivery of milestones of other work streams. In such case this will require authorisation of CMT.
- Significant policy/political consideration – any policy changes which normally would require political consideration within a local authority or any other changes that are likely to have significant impact on the political elements of Norwich City Council. In such cases they would require approval from CMT and the Executive.

It is the responsibility of lead officer for the project in liaison with the work stream project manager to determine where changes meet the requirements for formal authorisation from CMT and in certain cases executive.

In these cases the proposed changes should be included in a report to CMT. If the changes are agreed by CMT and executive approval is required then a formal report will be made to the next meeting of the executive by the lead officer.

Benefits realisation

Responsibility for monitoring of the overall outcomes within each work stream will sit with work stream project manager. They will be set out clearly as part of the workstream PID.

Lead officers (project managers) for each project, with the assistance of the work stream project manager, will ensure they are mapped against the plans for each project.

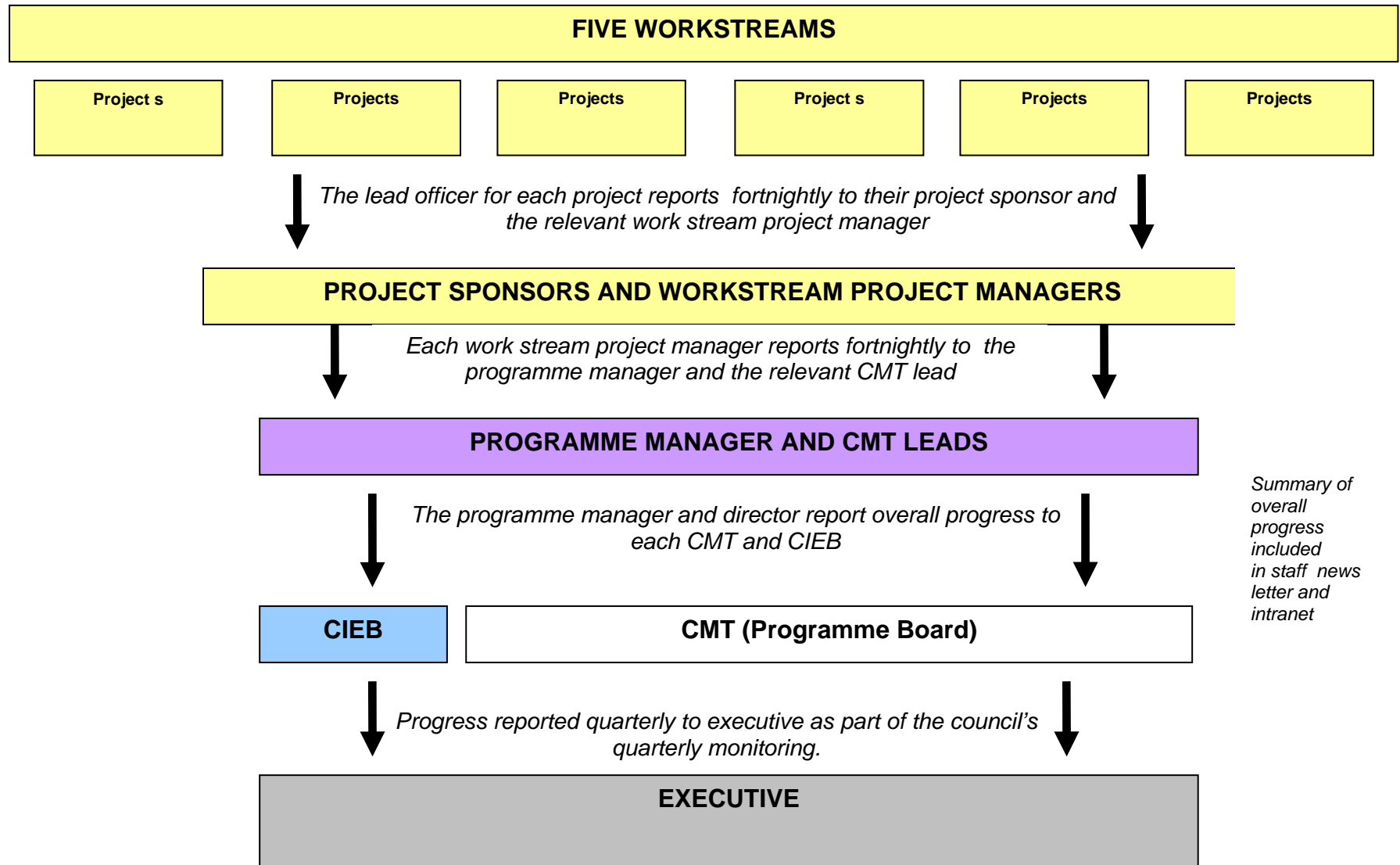
Progress in benefits realisation will be reported as a core part of the reporting process outlined below.

Progress Reporting

A comprehensive framework has been developed for the reporting of progress across the programme which will provide information to CMT, CIEB, the executive, staff on the programme, staff outside the programme and any external parties who need this information.

The reporting framework is developed around the PIDs, project plans and deliverables established and agreed. Please see the diagram below followed by a description of the main elements.

DIAGRAM: PROGRAMME REPORTING STRUCTURE



The lead officers for each project will formally report progress to the project sponsor and work stream project manager through a fortnightly highlight report.

In the event that a project significantly deviates from the project plan or budget an exception report and plan should be provided quickly by the lead officer to the work stream project manager and project sponsor

The work stream project manager will use the project highlight reports to formulate a fortnightly overall highlight report on the work stream to the CMT lead and programme manager, including any exceptions reports received and the plans that have been put in place to address the problems.

The programme manager and director will report overall progress on the programme to each CMT and CIEB. This will include progress and risks on the overall programme. As part of this the programme manager and director will clearly highlight to CMT and CIEB any projects that are significantly off track including providing the relevant exceptions report and exception plan from the particular project.

Progress will be reported quarterly to Executive as part of the quarterly monitoring.

G. Specific guidance for lead officers

We have included some very simple key steps to assist managers who have been designated as lead officers to get their projects underway. The relevant work stream project manager or the overall programme manager can provide specialist help and advice with getting projects moving.

The key initial steps for people designated as lead officers are as follows:

1. Ensure you have fully read and understood this document and the council's corporate project management guidance.
2. Ensure you understand the nature of project you have been asked to work on and contact the relevant work stream project manager or overall programme manager if you are unsure.
3. Carry out an initial scoping session for the project to help to determine ideas, issues, opportunities and scale utilising the people who have volunteered to help with the project (if you have not be sent a list of people please contact the relevant work stream project manager).
4. Formally assess the scale of the project using the project scale matrix in the corporate project management guidance.
5. Follow the project management guidance for the type of project identified including completing the formal scoping of the project through completing the project mandate, determining the project sponsor etc.
6. Bring together the project team, establish the project board (if necessary) and formulate the PID and project plan.
7. .Achieve sign off for the project mandate, PID and project plan from the project sponsor and CMT and begin work.

8. PLEASE NOTE: For all the projects in the Value for Money work stream - a key set milestone that must be achieved for each project is the completion of a full VFM business case by 17 July 2009. A special template has been developed for the business case at Annex A. The VFM business case will set out the

- **net projected level of savings that can be realised**
- **likely impact on customers, performance indicators, staff, reputation etc (the list of people who have volunteered to help with the project could be utilised again at this stage to assist with the impact assessment through a workshop approach)**
- **difficulty of implementation including an outline implementation plan**
- **risk of non-achievement of the saving by 2010/11**

Once the business case is completed it must be brought to CMT via the programme manager and then Executive for approval before implementation can be progressed.

GENERAL POINT- Overall, it is important that all lead officers follow the programme and project management methodology as they work through their project ensuring they report progress on time and any exceptions immediately. If as a lead officer you are unsure of something or need advice with your project please contact either the relevant work stream project manager or overall programme manager who will be happy to help.

H. General guidance for all teams across the council

There are a range of actions that all managers and teams across the council can take now. This includes:

Savings

- Managing cost rigorously – we must all be really careful about any expenditure at all – if its not absolutely essential, money must not be committed/spent – any money we save now may save jobs next year!
- Challenge any evidence of waste or unnecessary spending even if it is not in your own service area
- Continue to look for opportunities for savings and put them forward so they can be included in the programme

Improvement

- Performance and improving the service we provide to our customers should be a key focus for all of us
- This should be a big part of all team meetings and 1-2-1s
- Think about your customers and find ways to ask what they want, and develop responses and improvements
- Actively and continuously explore ways to do improve– find best practice from other councils or other organisations, use benchmarking, develop targets for improvement and feed them into team plans and revised service plans

Any overall ideas for improvement and savings – please send them to: transformation@norwich.gov.uk

I. Evaluation criteria for programme

To ensure the objectives of the transformation programme are met, we have developed a set of indicative outcome measures for the programme that will be monitored by CMT and also possibly by CIEB. Although, CIEB may well want to develop its own measures, but some initial ideas are detailed in the table below:

Objective	Outcomes
To deliver a redesigned Norwich City Council for 2010/11 that best meets the needs of its customers, and aligns with the councils unitary vision, within the financial envelope established by the Medium Term Financial Plan	<p>Balanced budget delivered for 2010/11</p> <p>Improved customer satisfaction with the area</p> <p>Reduction in avoidable customer contact</p> <p>Improved customer satisfaction with council services</p>
To deliver sustained performance improvement in each of the frontline services the council provides to its customers during 2009/10 and 2010/11	<p>Improved customer satisfaction with council services</p> <p>Increase in key service measures achieving upper quartile performance</p>
To develop a new Corporate Plan 2009-11 to let Norwich City Council to focus clearly on its key corporate priorities over the 2 year period	<p>Key corporate priorities delivered by April 2011 (see specific outcome measures for each)</p>
To embed systems thinking methodology within the Council in 2009/10 to assist the delivery of the transformation programme and the other key priorities within the new Corporate Plan 2009-11.	<p>Increased level of service improvement/efficiency projects being proposed from frontline managers and teams</p> <p>Key corporate priorities delivered by April 2011 (see specific outcome measures for each)</p> <p>Improved customer satisfaction with the area</p> <p>Reduction in avoidable customer contact</p> <p>Improved customer satisfaction with council services</p> <p>Reduced transaction costs in key areas</p>
To establish performance management arrangements in 2009/10, in line with CAA arrangements, so that the priorities in the new Corporate Plan 2009-11 are fully delivered	<p>Key corporate priorities delivered by April 2011 (see specific outcome measures for each)</p>