



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: CROSS CUTTING

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Date of Meeting: 5 May 2009

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Public

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Key Decision: Yes

Recorded in Forward Plan:

Yes

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Outside Policy Framework

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**Title: ESTABLISHING A TRANSFORMATION PROGRAMME FOR  
CARLISLE CITY COUNCIL**

**Report of: Town Clerk and Chief Executive**

**Report reference: CE10 09**

**Summary: This report outlines the proposed timetable for the City Council's Transformation Programme. The restructure and refocusing of the organisation will be driven by new priorities, and the broad form that these could take is presented here for consideration by the Executive.**

### **Recommendations:**

1. That the Executive considers the work so far on new priorities and refers them for consideration by all Overview & Scrutiny Committees (Community on 28 May, Corporate Resources on 9 June and Infrastructure on 11 June).
2. That the Executive approves an allocation of £75,000 from the earmarked budget provision for reorganisation in order that the Chief Executive can procure external support from the North West Employers' Organisation to expedite the restructure of the Council.
3. That the Executive comments upon the proposed timetable which will be tabled at the meeting.

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**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None**

## **1. BACKGROUND**

Members will be familiar with the City Council's financial situation – in particular the forecast budget deficit and the need identified in the 2009/10 Budget Resolution to significantly reduce the council's operating costs – recurring revenue savings of approximately £1m are planned to be delivered by 2010/11. The primary plan to achieve this was the proposed programme of collaboration and shared management with Allerdale Borough Council. The work with Allerdale, though still a possibility for the future, cannot now proceed with the necessary pace to satisfy the City Council's requirements. The economic downturn will place further pressure on the Council's budgets both in terms of the need to support citizens and businesses, and the likely expectations from central Government for even greater efficiency from the public sector.

It is critical to couple the delivery of the required budgetary savings with the establishment of a sustainable and fit-for-purpose structure for the Council. A transformational programme rather than just a re-structure means that the organisation will be in a stronger position for the future from top to bottom – from clear, unambiguous priorities to empowered staff with a clear understanding of what matters.

Restructure with a clear sense of purpose (about improvement, not just savings) will help to ensure that the savings required are delivered. When savings are being made in the context of a clear purpose and a drive for improvement, it is much more manageable to communicate clearly what is being done and why. Subsequently the all-important 'cultural change' can be made.

Broadly the programme will be composed of the following elements:

- establishment and articulation of clear and unambiguous priorities for the Council to drive all other elements of the programme
- establishment of a new, smaller management team shaped by the priorities – and concomitant delivery of savings
- implementation of some early decisions about activities currently undertaken by the council that can change, thus delivering savings
- support and development of senior members and the new management team to review and re-engineer the Council's activities in order to deliver further savings and maximise efficiency. This work will include a proactive approach to creating and exploiting shared-services opportunities. These service reviews will begin in accordance with the tabled timetable

### **Review of Priorities**

The importance of reviewing the Council's priorities is evident not just from the need to reorganise. The existing priorities have successfully driven some key achievements over

the past few years, but the Council's ambition to achieve more requires refocused priorities that are clear and unambiguous. Moreover the economic downturn is having a significant impact on Carlisle and the Council has a critical role to play in leading the City through the recovery.

The Executive and the Senior Management Team have reviewed the priorities, considered where the Council could usefully focus its efforts over the coming years and consequently suggest two priority areas for consideration by Members. There are two suggested priority areas around the environment and the economy as follows.

It is envisaged that the first priority area translates into action to address the numerous "quality of life issues" for citizens. Through effective community engagement and area based working in partnership with other service delivery organisations we would aim to build a flexible and responsive organisation that can respond quickly and efficiently to residents' concerns. Empowered staff working closely with communities and ward councillors will be clear about what's important and be able to make confident decisions themselves about how to solve problems at a local level. A customer-focussed "back-office" would effectively support them in delivering those aims. Addressing these basic issues can have a tremendous impact on the quality of life for residents and therefore addresses strategic themes such as Health and Crime & Disorder.

The second priority area would include the City Council's activities around economic development, housing, planning and the support of Carlisle Renaissance. These activities will be guided by a clear vision for the City, taking into account our status as a Growth Point, Carlisle Renaissance objectives and planning for recovery from the economic downturn. The principal aim here is to harness all of this activity in support of a commonly understood vision for Carlisle. The city's recovery from the economic downturn and positioning to best exploit the opportunities that recovery will offer depend upon the City Council delivering in this priority area.

These priority areas are suggested to stimulate thought and discussion around where the authority should concentrate its efforts and how a more efficient organisation should be configured.

The suggested priority areas represent a good mix of strategic and operational activities that will enable the authority to respond to the issues that concern the people of Carlisle.

## **Restructure**

Clear definition of unambiguous priorities is necessary but not sufficient to deliver the financial savings required by the Council. Form should follow function, and the definition of

the Council's purpose through its priorities will enable decisions about structure based savings to be made with confidence. The restructure of the authority will begin with the creation of a new management team. This will be led by the Chief Executive with support from the North West Employers' Association. The recommendation in the report will delegate authority to the Chief Executive to procure this support.

The outline timetable for restructure will be tabled at this meeting, along with the timetable for agreeing and implementing new priorities. The dates for reorganisation will be firmed up in the light of advice and guidance from the North West Employers' Organisation.

## **2. CONSULTATION**

The Overview and Scrutiny Committees and the Employment Panel will be involved throughout the Transformation Programme as appropriate.

Members of staff affected by restructure (and their trades unions) will be consulted as soon as is practicable and in any case in accordance with statutory requirements.

Communities and our partners will be consulted on the priorities according to the timetable.

## **3. RECOMMENDATIONS**

1. That the Executive considers the work so far on new priorities and refers them for consideration by all Overview & Scrutiny Committees (Community on 28 May, Corporate Resources on 9 June and Infrastructure on 11 June).
2. That the Executive approves an allocation of £75,000 from the earmarked budget provision for reorganisation in order that the Chief Executive can procure external support from the North West Employers' Organisation to expedite the restructure of the Council.
3. That the Executive comments upon the proposed timetable which will be tabled at the meeting.

## **4. REASONS FOR RECOMMENDATIONS**

The Council has identified the need to deliver substantial financial savings and better address the needs of Carlisle's citizens, communities and businesses in the current economic climate. Decisions about savings should be informed by a clear sense of purpose for the authority. The definition of priorities will enable this to happen. The support from the North West Employers' Organisation will enable the timely and effective delivery of the management restructure.

## 5. IMPLICATIONS

The longer term implications of this work will be the subject of future reports to members, for example financial savings from restructure, impact of service remodelling on customers, impact on staff of restructure etc.

**Finance Comments.** There is currently a £2m budget provision in 2009/10 earmarked for an internal management restructure and for assessing the shared service agenda for other council services, which is subject to achieving a target saving of £1m per annum. Approval of the Executive is required prior to the release of any monies from the earmarked budget.

### Programme Plan – Key Dates

Suggested target dates for key activities are shown below, for discussion, and are subject to further refinement. A full programme plan will be developed.

Activity	Target dates	Notes
<b>Review of corporate priorities</b> <ul style="list-style-type: none"> <li>Proposals developed</li> <li>Consultation period</li> <li>Approval</li> </ul>	Early May 2009 May - June 2009 14 <sup>th</sup> July 2009	This work is needed to inform development of future organisational structure, planning and service reviews. A Communications/Consultation Plan has been developed. Initial consultation will be on the overall priorities to enable recommendations to be submitted to July's Council meeting. Further consultation will be undertaken as part of service reviews as the transformation programme progresses.
<b>Senior management structure</b> <ul style="list-style-type: none"> <li>Outline proposals inc. new job descriptions</li> <li>Consideration by Exec, O&amp;S Committees &amp; Employment Panel and CJC</li> <li>Approval by Council</li> <li>New Senior Management structure in place</li> </ul>	May 2009 May - June 2009  14 <sup>th</sup> July 2009 December 2009	With assistance from NWE0.  Preparation of proposals, for consultation, can run concurrent to review of priorities.  Timescales have been set based on advice from NWE0.  Restructuring below senior management level will be determined as service reviews progress.
<b>Service Provision Review</b> <p>Identify and confirm statutory services (inc estimated costs of provision)</p> <p>Identify and review provision of non-statutory activities and initial assessment of potential service reduction areas.</p> <p>Determine future delivery methods and process improvements</p> <ul style="list-style-type: none"> <li>Phasing Plan for review of services</li> <li>Review period</li> <li>Recommendations produced</li> </ul> <p>Implementation of service changes inc. staff structure changes</p> <p>Follow-up reviews</p>	end May 2009  Some identified and confirmed by end August 2009	  This work will continue beyond August, as part of the service review. A phasing plan will be developed that will reflect the amount and complexity of information that needs to be collated and analysed and accommodate adequate consultation periods.  Phasing to be determined and will be influenced by capacity and appointment dates of Senior Managers   Ongoing from end August 2009.  From December 2009