

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

Committee Report

Public

Date of Meeting:

17th January 2002

Title: SCOPING THE ORGANISATIONAL ASSESSMENT BEST VALUE REVIEW

Report of: Town Clerk and Chief Executive

Report reference: TC12/02

Summary of the Committee's Task:

1. Members will be aware that this major Best Value review is being led by consultants HACAS Chapman Hendy Ltd. supported by an internal project team itself led by the Town Clerk & Chief Executive. The lead consultant is Gerald Davis (with support, particularly on financial aspects, from Caroline Whyteside and Mike Jones with respect to the DSO) and the work to date has focussed on consultation, information gathering and diagnostic. This report is presented to committee as the key input to the scoping of this review by the committee.

2. Following scoping the next stages of the the review, taking on board the direction given during the scoping, will be undertaken by the Corporate Resources Overview and Scrutiny Committee.

3. The purpose of scoping is to give direction to the review and in considering the consultant's report the committee should therefore: -

a. examine and test the information gathered and findings to date

b. consider and question the proposals and options identified

and having done so

c. agree the way forward for the following phases of this work to be undertaken by Corporate Resources Overview and Scrutiny Committee.

4. In doing this Members need to identify those aspects which they consider are most important and any which they believe to be less significant. Members should also bring forward any issues which they feel are important but which have not been identified or which have not, as yet, been given adequate priority.

5. The presentation of the report itself and the facilitation of subsequent discussion will be constructed so as to aid the committee to bring out the above points and thus give the necessary direction and set priorities for the review.

6. Recommendation:

That the committee consider the consultant's report and undertake their task of scoping the review as outlined in paragraphs 3 & 4 above,

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Town Clerk & Chief Executive

CARLISLE CITY COUNCIL

CORPORATE ORGANISATIONAL

BEST VALUE REVIEW

SCOPING REPORT

1.Preamble To and Aim Of This Report

1.1 The thrust and rationale for this review is born out of the Council's proposal to transfer its housing stock through LSVT to a newly created Registered Social Landlord (RSL), however the prospective externalisation of certain Leisure Services and the transfer of a large amount of DSO work to the new RSL also influence it.

1.2 This report deals with the **diagnostic phase** of this work and forms the **scoping report** of the Best Value Review.

1.3 The aim of the review being undertaken therefore, is to examine the way the Council works at present (the diagnosis) towards formulating proposals for change including looking at

- Strategic aspects.
- Cultural issues.
- Structural arrangements.
- Managerial and organisational elements.
- Communications.
- Interrelated political concerns.

1.4 The report raises options in certain areas for Members to consider and indicate the issues to be taken forward into the next phase.

2.Structure of the Report

2.1 This report is set out in the following parts:	Pages
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3. Recommendations

3.1 To examine the proposals contained within this report.

3.2 To consider the options and way forward for the next phase of this work.

4. Background to the Review

4.1 This review partly arises out of the many major changes that have happened to local government, are continuing to happen and are likely to happen. It is almost ten years from when there was last a significant change in the Council's professional, managerial and administrative arrangements. In that time there have been massive reforms within British local government in particular we have seen:

- The growth in partnership as both a funding and delivery mechanism.
- The ending of CCT and introduction of Best Value with reviews and inspection.
- The considerable increase in single tier local government for the majority of the population.
- The development of regionalisation with a Parliament in Scotland and the Assembly for Wales plus the introduction of the Regional Development Agencies (RDAs) in England.
- The creation of new political management arrangements for English local authorities.
- The further progression in externalisation of functions and services despite the ending of CCT.
- The promotion of local authorities as being the principal vehicle for Community Leadership.
- The continuing development of performance indicators as a means of assessing the comparative abilities of councils to carry out their functions – particularly the statutory ones.
- A whole raft of new statutory duties eg. Environmental Protection Act; Disability Discrimination Act; new Planning Permission timescales; Food Standards Agency; and Health & Safety Enforcement.

4.2 Coupled with these changes is the realisation both in Carlisle and elsewhere that in order to provide better value and increased investment, certain aspects of the Council's services may have to be supplied through other agencies provided the Council's requirements and standards can be maintained or improved upon. With that in mind the Council has embarked on the process towards the transfer of its housing stock and the contracting out of its Leisuretime service.

4.3 On top of these significant changes there is also the need to ensure that the Council of today can meet the needs of its citizens and the challenges of tomorrow.

4.4 This review therefore, encompasses the whole of the Council's administrative structures and financial position. It is not a review of the Council's political arrangements, as these have only recently been introduced, but it inevitably will raise issues in this area, particularly where there are matters of concern which interrelate with the primary thrust of this work.

5. Current situation and success and reputation of the Authority

5.1 Carlisle has been a district council with City Status since local government reorganisation in 1974 but its history as a Borough goes back many centuries. It was the premier centre in Cumberland and it has maintained that position within Cumbria despite being, relatively, up in one corner of the County area.

5.2 The City Centre has unparalleled shopping facilities both within the sub-region and caters for much of South West Scotland. It has a fast developing higher education sector with four institutions increasing their range and quality of provision on a yearly basis. It is also a developing tourism centre with emphasis on history, museums, visual arts and shopping.

5.3 It has continued to be a manufacturing, commercial and transportation centre for much of the sub-region and beyond.

5.4 This has not been achieved by a Council that has stood still but by an authority which has a record of significant achievement. The Council has a deserved reputation for the successful initiation, development and implementation of major projects which have taken the City forward, including in recent years:

- Kingmoor Park Industrial Complex;
- The Lanes Shopping Centre and
- The Gateway City Millennium Project. .

5.5 As part of the diagnostic work undertaken for this review there were interviews with the representatives of the eleven outside bodies (see **Appendix 5** for a full list) and the following which was came from those interviews is of interest:

- Their experience of working with the Council in general was predominantly good or very good with only one describing it as low.
- Their view of the Council's administration was that it was well run with no one citing it as poor or worse.
- All except two believe the Council consulted them meaningfully and there was a ratio 8: 3 in favour of the contention that the Council has a partnership approach.

5.6 With regard to the County and neighbouring District Councils the following points made (from a collation of views) by their Chief Executives are worthy of note:

- The redevelopment of the retail centre has drawn shopping to Carlisle but the Raffles estate is at the other end of the spectrum.
- The City has been struggling to overcome the legacy of the Millennium Project.

- Through the Foot and Mouth Disease (FMD) crisis, the Council has gained the support of the rural community.
- A reasonable authority – easily one of the best in Cumbria.
- The current standing with the public is mixed but this is largely based on the Millennium scheme.
- There is an inordinately high level of ambition.
- Their agenda is so big and there is concern that they may not have the critical mass to deliver what they are trying to do.

5.7 From the three Audit Commission Inspection Reports completed upon the Authority's work to date, the following were the outcomes:

- Economic Development - Good and likely to improve
- Communications - Fair and probably will improve
- Leisuretimes - Fair and probably will improve

5.8 It has not yet been possible to have obtained a consumer based perspective and the work to assess this will be undertaken in January with the results being reported at the next stage of the process.

6. Major influencing factors – why change

(i) Major changes affecting Local Government in England

6.1 Best Value

6.1.1 Best Value was introduced by Government as part of an initiative to modernise the way that local government works. The Council must deliver services to high standards by the most efficient and economic way possible. All local authorities must continuously improve their services by learning from others and comparison with the best. Not just with the best that is on offer from other authorities but also with that from the wider public sector as well as voluntary and private sector bodies. What is most important is that the services provided must be the ones that the community has expressed a need for. Under Best Value local people need to be clear about the standards of services they can expect to receive and better able to hold their council to account for its record in meeting them. Continuous improvement in both the quality and the cost of services is, therefore, the test of Best Value and the hallmark of a modern council.

6.1.2 Best Value is also the catalyst to improve performance management systems where, using the Best Value performance indicators as a base, challenging targets have been set, with formal monitoring and reporting on their achievement. Additionally, it gives the impetus to move the officer organisation towards a more open, co-operative management culture, tackling crosscutting issues as a whole authority. It is about continuous improvement, both in the delivery and management of services and in the councils working relationships and environment.

6.1.3 Best Value is therefore the opportunity for change. It is the opportunity to substantially transform for the better the way the Council carries out its business and therefore improve the quality of life for the residents, service users and the business community of Carlisle.

6.2 Political Reform

6.2.1 A further strand of Government's modernising agenda is to revive interest in local government and improve the democratic deficit. The aim is for local government to be more accountable and open, with the public aware of who takes decisions. The previous Council committee structure was abolished on 11th September 2001 and a 'parliamentary' model introduced, following consultation. The main elements of the decision making, policy and review process are set out below.

- Council
 - Set policy and budget framework
 - Debate about policies, performance and local governance.

- Overview and Scrutiny
 - Advice on policy development and review
 - Publicly hold the Executive to account
 - Advise on matters of local concern

- Executive
 - Make decisions
 - Implements policy
 - Power to delegate

- Regulatory Committees
 - Planning]
 - Licensing]
 - Appeals] for quasi-judicial review
 - Standards]

6.2.2 The new arrangements prompted a review of the staff resource available to support the executive, overview and scrutiny and the standing regulatory committees. A major concern of the new arrangements is the role for nonexecutive member and the delivery of political reform will depend on enhancing the constituency role of Members and providing adequate information, support and a direct link to policymaking.

6.3 Partnerships

6.3.1 The Government has insisted upon more joined up thinking and has continued to develop the requirement for local authorities that commenced under the previous Government that they should work in partnership with other agencies and the introduction of Local Strategic Partnerships and Anti Crime and Disorder Partnerships are just two relatively recent manifestations of this.

6.3.2 It is important to note that the emerging North West regional agenda will further impact on the Council's work in the future and Carlisle will need to ensure its voice is heard at the regional level and that the interests of Cumbria are promoted effectively within the South West Scotland and the North West. New relationships will be needed with the County Council and Parish Councils to ensure the integration of public services. In future, there is likely to be insistence that all local authority services and activities are fully integrated and properly relate to all other public services including health, police etc.

6.4 Thematic Issues

6.4.1 The need for joined up thinking, policies and action plans is particularly relevant to thematic and crosscutting issues which face local communities

such has the need for regeneration, community safety, health action and better customer services!

6.4.2 Historically, the City Council has primarily developed policy and action within a traditional committee structure mirrored by departmental management arrangements. For the future issues such as Carlisle South and the Raffles Estate can only be tackled successfully with the co-operation and involvement of all relevant Council staff, local councillors, community leaders and partners (eg. the police, health authority, the business sector, voluntary agencies, County Council etc.) with a shared understanding of the outcomes that need to be achieved. Within the Council it will be necessary to clarify service areas and develop new horizontal lines of communication and new working relationships between service areas, to enhance effectiveness and re-focus the authority from internal, departmental processes to customer oriented themes. This challenge is at the heart of culture change in the authority.

6.5 Regionalisation

6.5.1 The Government seems determined to develop further its concept of regionalism following particularly the devolution in Scotland and Wales. A major White Paper on this is expected soon and this coupled with the success of the new unitary authorities will create new pressures upon the remaining two tier shire county areas in England.

6.5.2 Clearly the proposal to remove the strategic planning function from the County Councils seems to presage the reduction in overlap and confusion of roles that exist at present.

6.6 Further Local Government Reform

6.6.1 Since undertaking the diagnostic work for this report, the Government has published a major White Paper – “**Strong Local Leadership – Quality Public Services**”.

- Part one – entitled “*Strengthening Local Government*” – sets out what the Government has called “a comprehensive and radical reform agenda for local government”.
- Part two – entitled “*Local Government Finance*” sets out the specific proposals the Government has for the reform of the local government finance system.

6.6.2 This report is not the place for a review of the implications of the White Paper for the City Council nor has there been the time since its publication to thoroughly build in the consequences for the organisational review. However, in the next formative phase of the review the ramifications will be taken fully into account.

(ii) Major Changes Affecting the Council

6.7 Housing Stock Transfer

6.7.1 The proposed large-scale voluntary transfer of the Council's 7700 units of housing stock to a Registered Social Landlord (RSL) will fundamentally change the organisational and financial base of the Authority. The DTLR has included Carlisle onto its transfer list for 2002 with the Riverside Group as the Council's preferred partner and the actual transfer being to a specially created RSL, The Carlisle Housing Association, within the Riverside Group.

6.7.2 The timetable provides for a formal offer to be made to tenants in May 2002, the ballot to be held in July 2002 and if the ballot is in favour of transfer, transfer to the new RSL in December 2002.

6.7.3 As well as the management of the transfer process and the establishment of a new RSL in Carlisle, discussions are currently being held to:

- Clarify the HRA functions and staff to be transferred to the new RSL.
- Clarify the GF functions and staff to be transferred to the new RSL.
- Clarify the DSO functions and staff to be transferred to the new RSL.
- Establish the scope and size of the retained strategic housing function.

6.7.4 Provisional discussion at the time of preparation of this note suggests the following:

To be included in the transfer –

- General needs housing
- Sheltered housing

Not to be included in the transfer –

- Housing strategy
- Benefits advice centre
- Housing advice

Subject to further assessment –

- Careline
- Hostels
- Administration of homelessness and waiting list services
- Housing visitors

6.7.5 Whatever is included, the proposals, if supported in the tenants' ballot, will trigger major organisational changes and consequential effects on the central departments and Carlisle Works.

6.8 Leisure Trust Contract

6.8.1 The Council has recognised the need to find capital investment to refresh and modernise the Council's leisure product. The Best Value Fundamental Performance Review of some of the operation of Leisuretime conducted in 2000/1 concluded with a 19 point action plan. Some aspects of the plan required fresh revenue and capital investment in the services but the report also showed how delivering the service through, for example, a leisure trust could release resources. The Council decided that it wished to undertake a competitive process, accepting a bid from a "trust" to be compared with bids from other potential partners. Tenderers will be required to allow for specified capital investments and will also be expected to deliver reductions in operating costs. At the same time, the adoption of an outcome based specification will ensure that the community enjoys the same or a higher quality of service to that which they currently support so extensively. The timetable being applied allows for the selection of a partner in April/May 2002 and for the new contract to be in place from July 2002. This change will have an impact on the Council central services which, although small in comparison to the impact of the housing LSVT, is none the less appreciable and is currently being assessed.

6.8.2 The basis of the performance contract in either case would be that service standards, quality, performance and customer care is maintained or improved.

6.9 Future of the DSO

6.9.1 Carlisle Works is a financially successful DSO, which has consistently won contracts in commercial competition, employs 400 direct staff and has a turnover of £12.5m per annum. It has also, over many years, made significant contributions to the finances of the authority.

6.9.2 It is important to recognise that the DSO is an integral part of the Council, with a responsibility to assist in fulfilling corporate objectives with staff who ideally should have equal treatment and conditions as found elsewhere in the Authority.

6.9.3 The long-term future of the DSO requires early resolution as the organisation is fundamentally affected by proposals for a new Housing Landlord, with some 50% (by turnover) of the DSO affected by transfer. It is possible however, for the DSO to be employed by a new RSL for up to two years post transfer. The current view of the Riverside Group is that they are considering a transition period of some fifteen months (to April 2004).

6.10 Implementing Political Reform

6.10.1 To support the new executive management arrangements, policy support at both senior and junior level will be required for the Executive and overview and scrutiny functions. The future organisational structures will need

to provide capacity at senior management level to support the overview and scrutiny processes as well as there being separate staff for the Executive's functions.

6.10.2 Committee Administration will continue to be required to publicise notices, forward plans, operate decision making processes, minute meetings and manage the processes including joint decision making where appropriate and possible future area based arrangements. It is likely that the workload on Committee Administration will not reduce as may have been anticipated when political reform was first introduced but may increase and a separate report on the administrative support to Committee Administration has been completed and shows the need for continued monitoring in this area.

6.10.3 The experience of other authorities has shown the key to the success of the new political arrangements is the support given to the representational role of Members and it is clear that Members in Carlisle whilst well supported politically are not well provided for in terms of secretarial and administrative support.

6.11 Regeneration

6.11.1 The Council has not yet established a comprehensive policy based approach to regeneration. The Best Value Inspector, in her Best Value Inspection report on Economic Development, commented that the corporate approach to regeneration is holding back the economic development of the more deprived areas of Carlisle.

"The Council should drive down neighbourhood unemployment by adopting clear strategy for neighbourhood regeneration based on the guidelines set out in the recent Social Exclusion Unit report, 'A New Commitment to Neighbourhood Renewal'. This is an urgent priority."

6.11.2 The City contains areas of multiple deprivation which are particularly concentrated in four wards in South Carlisle. One of these is ranked in the 8% most deprived wards in England (Upperby).

6.11.3 Government Guidance stresses the importance of co-ordinated action and particularly the importance of jobs in tackling this type of neighbourhood deprivation. An officer team from Economic Development, Planning, Community Support and others has been created as a first step. There is also a Best Value review of Regeneration currently being undertaken.

6.11.4 The housing stock transfer, if that goes ahead, will bring in massive inward investment to the current Council housing areas of the City and the Riverside Group are proposing to commit an additional £400k per annum into regeneration activity on housing estates.

6.12 The Customer Interface

6.12.1 Customer contact and the way they interact and interface with the City Council is a vital area of concern and a foundation point for ensuring that the Council is both truly accessible and wholly approachable. Customers do not want to, and should not have to decipher the organisation and be forced to work their way around various sections and departments to seek the information which they require.

6.12.2 The development of ICT as an integral part of local government and as a tool for the radical transformation of services delivery has been recognised by the Government who have set stringent targets for all services to be available digitally by 2005.

6.12.3 The Council's Executive as the first step towards implementing these requirements has approved the report on E-Government which will lead to further developmental work in this area.

6.12.4 The Council has commenced a Best Value Review of customer contact which will include examination of the concept of a single point of customer contact which would take the majority of all enquiries for the Council.

6.13 Best Value

6.13.1 The Council's original five year programme consisted of 117 service-based reviews which; experience showed, was a massive managerial task but contributed little to strategic improvements within the authority.

6.13.2 In order to integrate Best Value with the strategic development of the authority and to enable significant improvements to be identified and actioned, a thematic and cross-cutting approach to reviews was developed for 2001/2. This is consistent with the Council's new political structure and will enable Best Value to be used as the mechanism to drive strategic change in the future.

6.13.3 Thematic reviews encompass a 'basket of services' (or part-services) which relate to the theme in question and begin with a scoping session to agree the objectives of the review and diagnose the Council's strengths and weaknesses in relation to the theme. The gaps between the objectives of the review and current performance become the key issues for the review, which the review team will investigate before generating an action plan to address them.

6.14 Service Context

6.14.1 The Council currently operates from five main departments: Town Clerk and Chief Executive, Environment and Development, Housing and Care Services, Leisure and Community Development and, City Treasury.

6.14.2 All departments are significantly affected by the proposed externalisations. The summary of potential financial impacts arising is set out in **Appendix 4**.

6.14.3 The sections most affected are:

Town Clerk's & Chief Executive

- Personnel Services (includes training)
- Legal Services
- Corporate Policy & Strategy
- Communications

City Treasurer's

- IT Services
- Audit
- Payments
- Corporate Support
- Accountancy
- Debtors
- Cashiers

Environment & Development

- Building & Contracted Services
- Environmental Services
- Property Management
- DSO (Carlisle Works) loss of critical mass
- Highways
- *Additionally the curtailment of the United Utilities contract will affect Land Drainage & Sewerage.*

Leisure & Community Development

- Loss of critical mass through the Leisuretime externalisation

Housing Services

- Loss of critical mass through the housing stock transfer.

7. The Council's Requirements, the Four Phases and the interrelationship with the Best Value processes

7.1 The Council's brief for this assignment is set out in **Appendix 1**. This consultancy agreed with the Council 4 phases for the work:

1. Diagnostic.
2. Formative.
3. Consultative.
4. Implementation.

7.2 These four phases will interrelate with the **4 C's** and the first part of this is set out below.

7.3 This report includes the product of the diagnostic work undertaken to date,

the extent of which is detailed in **Appendix 3** to this report, but it should be noted that two significant elements are yet to be carried out, these are:

- Employee Workshops.
- Consumers' consultation event.

7.4 The project plan for this assignment is attached at **Appendix 2**. This envisages the following:

1. The diagnostic phase will be completed fully by the end of January 2002.
2. The formative phase being finalised and reported to O and S Committee will end in March.
3. The consultative work will run in parallel to the formative work and be completed by the end of April.
4. The implementation phase will then run until December 2003/ March 2004 when the agreed DSO functions are expected to transfer to the new RSL.

7.5 This Corporate Organisational Best Value Review is the Council's most far-reaching thematic review and is key to integrating Best Value with the strategic development of the authority. This review will 'set the scene' for future reviews in that it establishes the 'ideal' corporate structure and culture for taking forward the organisation's objectives in the future.

7.6 This report provides the **scoping report** and meets the requirement for the **Consult** element of the 4 Cs and allows the **Challenge** to begin to be formulated.

7.7 Future reviews will use the findings of this work as a starting point from which to develop their recommendations.

8. Issues for the organisation requiring attention.

Arising from the diagnostic field work undertaken in October and November a number of issues have been identified which the organisation must tackle if it is to move forward as a modern, innovative, proactive, strategic and financially sound authority. These are set out below and are grouped under the following heads:

- Strategic
- Political
- Cultural
- Management and organisational
- Communications
- The Working Environment
- Financial resources
- DSO

The options, where these have been deemed appropriate to use, are set out for Members consideration and are not always alternatives (except where shown) and otherwise should be viewed as inter-related issues which will all require attention.

8.1 Strategic

Issue: The apparent lack of any medium to long-term corporate aim, objectives and strategic policy.

Evidence:

- Much excellent work was done on City Vision which fully and genuinely involved a range of outside bodies with the significant benefit that they identified with the task, felt involved in the process and owned the outcome. The final document, with one known exception, has been widely accepted and welcomed. Whilst placing the City into contextual vision – it is nevertheless a “high level” document and only through the translation into purposeful, tangible and practical realities will its value become fully realised.
- The proposed externalisation of Housing, (through LSVT), and Leisuretime (through a trust or contract) are themselves meaningful in that they should produce significant inward investment and a better product or service than the Council is itself enabled to do.
- Beyond these two externalisations and the City Vision there seems to be nothing concrete which could amount to a medium term strategy.
- The effect of this is brought out in the evidence both from the workshops and the interviews with particularly its senior managers being unable to identify with any path or direction the authority is being taken along.
- Consequences of this situation are apparently (amongst others):
 - ❖ Apathy
 - ❖ Lowering morale
 - ❖ Tendency of good staff to leave
 - ❖ Poor work rates
 - ❖ Increasing absenteeism
 - ❖ Alienation
- There is no shortage of useful ideas and proposals for the strategy which have been made as part of our diagnostic work. Amongst these are:
 - ◇ Role of the Council
 - ◇ Community empowerment / Area Committees
 - ◇ Customer contact
 - ◇ Increasing accountability
 - ◇ Health of citizens
 - ◇ Crime and disorder
 - ◇ Leisure and tourism
 - ◇ The regional agenda and potential unitary status
 - ◇ Transport infrastructure
 - ◇ Holistic Regeneration / Renewal both urban and rural
 - ◇ Putting Carlisle on the map
- This list illustrates the range and variety of proposals

Options:	<p>that have been made and more importantly the keenness there is to get involved to help the Council formulate its forward strategic plan.</p> <ol style="list-style-type: none"> 1. To consider the nature of the authority, its role and purpose – particularly to explore whether it should continue to undertake the development of a Community leadership function. 2. To consider whether to develop a medium term strategy. 3. To consider whether to engage the citizens, community organisations, “hard to reach” groups and employees in the development of medium-term strategic planning. 4. To consider the relative priorities and balance between the resources allocated and emphasis given to the Council’s statutory and discretionary functions.
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8.2 Political

The move to the new political arrangements with a strong leader and Executive plus the Overview and Scrutiny and Regulatory committees is still very new and thus it is too early yet to see whether it will deliver the material results the Government expects.

There are however certain issues which have arisen out of the diagnostic work which need examination. These matters all warrant inclusion in this report because without resolution they have the capacity to frustrate the proper processes of the Council and thereby prevent a smooth operation.

Issue (i):	Communicating the nature, purpose and operation of the new system and procedures.
Evidence:	<p>A number of respondents expressed concern that there was no longer a shared understanding by both employees of the Council and its citizens of the way in which the Council makes and reviews policy. In the past the process was easily understood – putting it simply it worked something like this >> a proposal was made >> a report was written >> a committee considered the matter >> a decision was agreed by the Council >> the relevant department implemented the decision.</p> <p>Now it is unclear to people in general how these matters are handled and the underlying contention is that the failure to grasp how the Council makes decisions will in itself be alienating to both employees and to citizens in general.</p>
Options:	<ol style="list-style-type: none"> 1) To reinforce what has already been done. 2) To set as a target the aim of achieving a programme of measures in conjunction with both community organisations and in consultation with the citizens panel to realise that aim.

Issue (ii): Supporting the new processes professionally and comprehensively.	
Evidence	It is well understood, as indicated earlier in this report, that both the Executive and the Overview and Scrutiny parts of the new arrangements require separate support and research staff if their work is to be able to function independently from the normal structures whilst seeking to ensure that this does not create unnecessary costs and barriers to corporate working. This applies particularly to the Overview and Scrutiny work which, at present, has only 2 staff one of which is on secondment.
Options:	<ol style="list-style-type: none"> 1) Endeavour to “get by” on the current resources to see how the work pans out or; 2) Include the needs for appropriate support as part of this review into the Organisation and structure of the Council.

Issue (iii) The role of non-executive members.	
Evidence	At all 3 of the political group workshops concern was expressed as to the future contribution of non-Executive Members – particularly those without any membership of the Overview and Scrutiny Committees. Furthermore, comparatively, the level of support provided by the Council to Members for them to undertake their representational role is below that of many similar authorities.
Options	<ol style="list-style-type: none"> 1) To accept that the new system has its shortcomings and that it is inevitable that some members will play a larger part than others or; 2) To institute a cross party review of the role of the “ordinary” member in the new situation. 3) To bring forward for further consideration the proposal to create Area Committees.

8.3 Cultural

Issue (i): Corporate working (ie. deficiency in)	
Evidence:	<p>This is the major issue alongside strategic direction, that the authority needs to tackle. It was cited by all of the Group Leaders, by a majority of Chief Officers, was the greatest blockage to successful working for the Heads of Services. It came out as an issue in all 6 workshops undertaken to date.</p> <p>The problem is that the Council’s 5 departments have over time become to be seen as more important than the authority as a whole: this spawns a whole range of other matters of concern.</p> <ul style="list-style-type: none"> • protectionism • failure to think or see out of own area • unwillingness to work together • inability to pool resources • failure to tackle cross authority problems

Options:	<ul style="list-style-type: none"> • lack of consistency • neglect in the resolution of multiple deprivation • confusion as to priorities • poor decision making • lowering commitment • undermining leadership trust. <ol style="list-style-type: none"> 1. Set out to achieve a fundamental step change in the authority by identifying a clear corporate strategy and engaging the whole employed service in that process. 2. Do away with the current Departmental structure and change to a strategically based managerial top tier with a developmental and co-ordinational role rather than day-to-day operational responsibility. 3. Endeavour to encourage the current system to work better.
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Issue (ii): Lack of customer focus	
Evidence:	<p>This is manifest in so many ways and has already been acknowledged implicitly as a priority task by the Council in relation to customer contact. More, however, needs to be done in re-orientating the Council towards its citizens and away from looking inwards. This was one of the priority areas for action identified by the Senior Managers Workshop. There needs to be a constructive recognition that the public have become, and have the right to be, more demanding in terms of both performance and how they are treated. Their views (see the Workshop Outcomes Appendix 8) included that the current period of change was tending to encourage employees to seek refuge in their own area and concerns and that this, together with uncertainty as to the future directions of the Authority works against a customer focus.</p>
Options:	<ol style="list-style-type: none"> 1. Take forward the work of the Best Value Customer Contact (cross-authority) Officer Working Group to include the wider issues of customer focus. 2. To identify a member lead and an officer champion for this task. 3. To examine best practice from elsewhere. 4. To agree that this is a priority for the step change in culture for all employees. 5. To obtain the views of citizens and of community organisations in how this can be advanced which will also assist in deciding how the staff of the Council can be trained, developed and briefed on how the focus should be applied.

Issue(iii): Employee involvement and value.	
Evidence:	Low morale and feeling of being undervalued are issues which have come through in interviews and from the Management Workshops. It is difficult to be certain whether this is as big an issue as it is perceived to be until the employee workshops are held early in the new year. However the underlying issues are evident, particularly low morale and any organisation seeking to achieve excellence will never be complacent in this area. It is often stated that an organisation's employees are its most costly and valuable resource – this is true for Carlisle City Council. Evidence elsewhere has shown that the benefits of true involvement are massive and thoroughly worth the extra effort.
Options:	<ol style="list-style-type: none"> 1) Build upon the product that will come from the Employee Workshops and utilize their commitment and ideas towards tackling the areas they see as a priority. 2) Make it clear to management that genuine employee involvement is an expectation as part of a new way of working and that this should be seen as central to the way services are developed and work and not an add on.

Issue(iv): One Council – one culture – one organisation	
Evidence:	<p>Local Government in the Shires is confusing enough and there is also confusion between other public services eg. Environmental Health and the National Health Services and Social Security and Social Services etc.</p> <p>In Carlisle this confusion is compounded by parts of the City Council projecting themselves as separate or quasi-separate entities.</p> <p>This leads to:</p> <ul style="list-style-type: none"> ● misunderstandings by citizens and other consumers ● conflict over role and purpose ● lack of identity with corporate priorities ● further development of protectionism and undermining of team working. Particularly on cross authority projects. ● failure to protect the City Council positively as an organisation seeking to serve one overall purpose.
Options:	<ol style="list-style-type: none"> 1. Agree a new, or reinforce the existing corporate identity and require its prominent usage in <u>all</u> forms of material including all : <ul style="list-style-type: none"> ✧ published material ✧ letterheads ✧ vehicles ✧ buildings ✧ uniforms ✧ protective clothing ✧ billboards ✧ construction site boards

	<ul style="list-style-type: none"> ✧ tourist information ✧ material produced by other agencies where there has been sponsorship or Grant Aid by the City Council ✧ Partnership material <ol style="list-style-type: none"> 2. As part of the cultural step change engage all employees in positively identifying with the Council as one entity. 3. Utilize the enthusiasm and potential of employees to orientate the whole organisation to be in concert with the City Vision. 4. Seek to achieve an undertaking across the authority of what the Council does, how it works and how decisions / policies are made and influenced plus what the policy and priorities are.
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Issue (v): Leadership	
Evidence:	<p>The lack of leadership and direction has been referred to in interviews (it was the most mentioned de-motivating issue for Heads of Service) and in workshops. There is evidence that the prevailing management style is, in general terms: directional rather than involving; top down rather than two-way; genderist rather than equalities based; controlling rather than empowering; empire building rather than partnership developing.</p> <p>Good leadership has been defined as enabling others to:</p> <ol style="list-style-type: none"> (a) work in harmony as a team (b) achieve the common task (c) satisfy each individual's needs.
Options	<ol style="list-style-type: none"> 1. To develop, recognise and honour shared leadership values. 2. To accept that delegation to the lowest possible level is a strength rather than weakness. 3. To embark on a management development programme in which leadership is a prominent component. 4. To identify and seek to remove barriers to equality of opportunity, particularly in relation to managerial appointments.

	<p>Issue(vi): Partnership working.</p> <p>Evidence: The City Council has embarked, with other agencies in a number of major partnerships including:</p> <ul style="list-style-type: none"> ● The Carlisle Eden Local Strategic Partnership. ● The Crime and Disorder Partnership. ● The LSVT partnership with Riverside and their representatives. ● Development of the City Vision. <p>It also has a long and highly successful record of project partnership which has produced, amongst others</p> <ul style="list-style-type: none"> ● The Lanes Shopping Development. ● Kingmoor Park Industrial Estate. <p>There is also significant involvement in external partnerships which include:</p> <ul style="list-style-type: none"> ● East Cumbria Countryside Project ● Solway Rural Initiative ● Hadrian's Wall World Heritage Site Management Plan ● Partnership for Health ● North Cumbria Housing Forum <p>On the other hand the evidence from the outside bodies representatives interviewed indicates that, whilst there is an acknowledgement within the Council of the concept of partnership working, it has not generally been taken beyond that. The view was that the position, whereby the City Council, whilst maybe being in a leadership role, sits down with others as equals and not in a dominating position was yet to be universally realised. Incidentally, housing stock transfer is built upon this concept largely as a result of tenants having the final say in whether the transfer goes ahead.</p> <p>Options:</p> <ol style="list-style-type: none"> 1. Wholehearted acceptance that the City will benefit from genuine partnership working with the accepted realisation that the effort involved achieves: involvement instead of alienation; improved product; increased resources than the City Council alone cannot afford; shared purpose and understanding. 2. Internally to recognise within the corporate authority that partnership between departments, units and services will achieve similar benefits. 3. That partnership working also becomes part of the new culture.
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8.4 Management and organisational

Issue (i)	Having the capacity to strategically develop and manage the authority
Evidence	<p>Apart from the Chief Executive, aided by the Corporate Policy Unit (which is largely task specific), effectively there is no across departmental capacity or resource to develop and manage the Authority strategically. This effectively bolsters the departmentalism and undermines the one-authority/unified purpose principle. Without such a resource and so much else requiring his attention (including being responsible for a wide-ranging department), the Chief Executive is crucially weakened in his capacity to move forward on the cross authority subjects.</p>
Options	<ol style="list-style-type: none"> 1. To examine, as part of this review, the resource requirement for the strategic management of the Authority and to report the findings as part of the outcomes of the formative phase. 2. To examine, in conjunction with, the Audit Commission best practice from elsewhere
Issue(ii): Project Management	
Evidence:	<p>The quality of project management has been raised by Heads of Service and was a particular concern of the District Auditor in his report on the Gateway Millennium scheme in which he recommended that:</p> <p style="padding-left: 40px;"><i>“All major projects or initiatives should have a project manager (reporting to a Chief Officer) who should take overall responsibility for the project and should be able to allocate sufficient time to that task. This does not have to come from internal resources. All major projects or initiatives should be led by a project team.”</i></p> <p>This is an issue strongly related to that of workload capacity. It is also related to the need for clear strategies and priorities. Well executed projects have clear plans, proper and adequate resourcing and the mobilisation of all relevant parties steered through a project team who are “signed up” and motivated towards the projects goal.</p>
Options:	<ol style="list-style-type: none"> 1. Recognition that major projects will always have at their inception the following elements: <ol style="list-style-type: none"> (i). A clear brief. (ii). Measurable outputs. (iii). A project manager. (iv). A project team. (v). A project plan. (vi). Proper resource requirements worked out and projected. (vii). Approval by the Corporate Management Team. (viii). A progress review process, which includes regular, reports to Members. 2. An appreciation by Members that good quality project management cannot be simply undertaken as a sideline and that the necessary Resourcing has to be accepted as an integral project cost.

Issue (iii): Workload Capacity	
Evidence:	This has been a recurring theme from both written material and the interviews. It was referred to in the District Auditors report on the Gateway Millennium scheme and was identified as a major issue from the Senior Managers' Workshop. (See Appendix 8). The concern is that the Council has without the context of a clear strategy embarked upon a considerable project based agenda which is largely without the assessment of the resource requirement to fulfil those tasks and continue to manage services.
Options:	<ol style="list-style-type: none"> 1. To include resource requirement assessments as a precursor to commencing any project or new policy direction. 2. To seek to involve other agencies in the achievement of Council policies, not just for partnership purposes (see above), but as a sensible means of realising implementation without impacting more on already burdened key staff. 3. To accept that the buying in of special assistance for specific time fixed tasks is healthy and can represent good value for money. 4. To ensure that where key staff are seconded the cost of the project allows for the back filling of their posts.

Issue(iv): Management and Organisation Development	
Evidence:	<p>The expectation that local authorities need to invest in their workforce and particularly its management is recognised by IdeA, the Audit Commission, SOLACE, LGA and others.</p> <p>There has been no proper scheme of management development at the City Council, although such a scheme is currently being tendered for, and this shortcoming is evident in other problems the organisation faces.</p> <p>Organisational development seeks to ensure that all employees throughout the workforce have a genuine and realistic opportunity to play a part in the improvement and evolution of the enterprise through a form of collective and individual activity. It has been acknowledged that successful enterprises not only invest in their workforce through training but also through processes of organisational development.</p>
Options:	<ol style="list-style-type: none"> 1. Ear mark the resources for and formulate or buy-in and adapt a comprehensive management development programme with priority attention being given to senior management, particularly the Heads of Service. 2. Seek specialist advice upon the organisational development needs of the Authority as part of the required action to achieve the change management that needs to be undertaken.

Issue(v): Buy in or provide directly with in-house resources – sometimes known as “make or buy”.

Evidence: As set out earlier in this report there is considerable lack of clarity over the direction the Council’s administration wishes to take the Authority. On the one-hand LSVT and Leisuretime externalisations point the way towards a policy direction of seeking alternative suppliers for key council services. On the other hand the decision to seek to retain the DSO based upon restructuring the business to maintain viability seems to suggest either inconsistency or that the policy direction might be a combination of direct, externalised and partnership provision selected on the basis of a “what works” philosophy.

This is a big issue for the Authority, not just politically but for management and employees as a whole. There were consistent and worrying references to the matter by senior managers who saw it as de-motivating. Interestingly, the consultation with outside bodies shows that for those respondents there was no clear view on the subject.

Options: All of the options set out below are obviously subject to the Council meeting its statutory and correct administrative requirements. In this particular case all the options are alternatives.

1. After LSVT and Leisuretime, to draw a line and seek to retain and develop the remaining functions and services.
2. To endeavour to reduce the direct provision of the Authority in relation to the provision of services providing standards can be maintained or improved and costs held.
3. To do 2 above but include out-sourcing central services as well.
4. To develop a strategy based upon the appropriate solution on a case by case basis whereby the options are evaluated according to:
 - (a) Needs of citizens and other service users.
 - (b) The ability to achieve an improving standard of service.
 - (c) The capacity to introduce capital investment.
 - (d) The opportunity to bring added value.
 - (e) The potential for further development.
 - (f) The extent that the proposal incorporates citizen and/or consumer involvement.

8.5 Communications

Excellent quality and effectiveness of corporate management communications has been widely recognised as vital to the success of organisations and helps drive up the quality of service delivery. Employees who are kept abreast of developments in their field, who have the confidence that their views will be heard by management and who understand and are motivated by the aims and direction of the organisation will as a result become motivated, pro-active, confident and eager to contribute more in the dynamic development of the organisation.

Issue:	Management Communications are insufficiently effective.
Evidence:	<p>The senior managers when asked about how good management communications are in the Authority rated them as fair – this accords with the Audit Commission Inspectorate’s view of Communications in the Authority as a whole which they rated as fair (one star) and likely to improve. However the element that came in for the most criticism included the effectiveness of internal communications.</p> <p>The senior management workshop also chose to prioritise this issue and their proposals are set out in Appendix 8.</p> <p>The recent response to the internal questionnaire on communications which was completed by 247 employees shows that a sizeable proportion of staff are not receiving enough information about decisions at management level (57%) and a similar proportion (54%) do not believe that the management team communicates effectively with staff at their level. Furthermore worrying numbers of those who responded do not believe they have the opportunity to comment on issues that affect them (44%) and a greater element (56%) consider that their opinion will not be listened to. 57% of respondents have agreed that communications in the Council only happened downward with staff not having a chance to feedback up.</p> <p>This level of difficulty in communications is symptomatic of an organisation with significant problems. Inability to radically improve in this area will frustrate and undermine all other initiatives.</p>
Options:	<ol style="list-style-type: none">1. The production of a single improvement plan for management communications which introduce a rigorous and uniform standards aimed at ensuring<ol style="list-style-type: none">(i) That communications are timely and regular, topical and easily digested.(ii) That they are based upon both individuals and teams. (Best Practice in this area has shown that the utilisation of teams for both the consideration of management information and as an opportunity for the upward conveyance of front line and middle management views is

	<p>wholly profitable.) Reliance on TIRs (Team Improvement Reviews) as a means of communication are simply at best inconsistently applied (almost 1 in 4 respondents in the survey never had team meetings at all).</p> <ol style="list-style-type: none"> 2. Communications should be recognized by the Executive and Members of the Council in general as a major priority both internally and externally with far more evident emphasis on internal communications. 3. an officer project team be established led by a Head of Service and including front line staff to work with the Head of Communications to drive forward the new strategy.
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8.6 The Working Environment

The quality of the place in which people work has been recognised as a significant factor in relation to good morale, productivity, workplace relations and employee contentment.

Issue (i):	The neglected state of the general Civic Centre working environment
Evidence:	<p>This has not only been referred to in interviews and some workshops but is plainly evident to anyone using the building. It appears, on the face of it, that large parts of the building have not been redecorated for some while. Also the working conditions are typically of a sixties style with little carpeting, harsh lighting and few plants.</p> <p>There is an air of neglect with, in some places, significant amounts of material lining corridors contributing to a sense of untidiness. All of this inevitably impacts on the work ethic of employees and this will reflect upon the quality and amount of work they carry out. This problem may also affect some other Council buildings and we have particularly had brought to our attention the conditions at the DSO depot at Bousteads Grassing.</p>
Options	<ol style="list-style-type: none"> 1. To maximise the advantages to be gained by tackling the other issues in this report by radically modernising the general working environment of the Civic Centre to create a pleasant, smart, tidy and efficient situation and atmosphere conducive to achieving an excellent spirit and high esteem amongst the Council's employees.

Issue (ii):	The lack of facilities within the workplace for employees – particularly at the Civic Centre
Evidence	<p>This, surprisingly, whilst not widely mentioned, was nevertheless clearly evident. Basically there are no facilities for staff beyond those statutorily required by law.</p> <ul style="list-style-type: none"> • Thus there is nowhere staff can resort to, to have lunch. • There is no basic refreshment facility or incoming service from an external provider to supply sandwiches etc. • There are only social events organised for those persons who are in Unison.
Options	Establish an employee working group – primarily of junior staff to draw up a proposed standard of workplace facilities for consideration.

8.7 Financial Resources

(a) The Corporate Financial Impact Assessment - background

Introduction

8.7.1 This section of the scoping report identifies and analyses the financial issues and problems arising from the Council's decision to transfer its Housing stock and contract out part of its Leisure Services function. The report does not attempt at this stage to identify solutions to the issues raised but it does aim to highlight the main issues and suggest the possible way forward.

8.7.2 The financial work already carried out indicates that the Council will have to identify savings in the region of £2m as a direct result of the Housing and Leisure transfers.

8.7.3 In order to reach appropriate conclusions it is important to set the results of the financial diagnostic work, as described in **Appendix 3** into context.

Contexts

Service Context

8.7.4 However as discussed earlier the Council is currently considering major changes to two key areas of service delivery. Firstly, it is planning to consult and then ballot its tenants in July 2002 regarding transferring the ownership and management of its 7,700 homes to a Registered Social Landlord (RSL), with a potential transfer date of December 2002. It is intended that the housing repairs part of the DSO will also transfer but not until some 15 months later. (There are also other DSO functions which will be affected by this transfer ie. ground maintenance, certain highways work and some building cleaning.) Secondly, it is considering externalising its "Leisuretime " services, which encompasses the Council's indoor/outdoor sports and recreation centres under contract, to a leisure provider by

July 2002. Recently, Cumbria County Council terminated the Highways Agency Agreement, (though the Council continues to provide certain highways functions under *claimed rights*) and it faces the loss of the sewerage agency work of United Utilities.

8.7.5 Clearly, these changes will have a major impact on the Council as an organisation; how it is run, how many staff are required, and how the departments are structured.

8.7.6 Currently, the front-line service delivery within the Council is “supported” by a range of “support” services, such as IT, Audit, Accountancy, Personnel, Training, Administration, Policy, Communications, Legal Services and Design Services. Although most of the appropriate direct operational staff in Housing and Leisure would transfer to the new organisations, the transfer of support personnel is not as clear cut. The overheads currently recharged to the Housing Revenue Account (HRA), the Housing Maintenance DSO and Leisuretime could theoretically remain within the Council and have to be reapportioned over the remaining departments. This could result in the Council’s expenditure budget increasing by approximately £2m, the amount which is currently recharged to these sections, which is clearly not acceptable or fundable.

8.7.7 The Council is currently considering options for dealing with this potential problem. As the majority of these costs are staffing costs, some of these options are as follows:

- absorb staff through an internal reorganisation;
- TUPE transfer additional staff to the new RSL and/or the Leisure Trust;
- retain the staff but sell their services to the new RSL and/or the Leisure Trust;
- make departmental savings.

Financial Context

8.7.8 In common with all Local Authorities in the UK, Carlisle City Council operates a General Fund and a separate Housing Revenue Account (HRA). The HRA is a ‘ring-fenced’ account kept, by law, to record expenditure and income associated with dwellings provided under the Local Government and Housing Act 1989. The General Fund records expenditure and income for all other services including General Fund Housing services, such as homelessness and the provision of renovation grants to private home-owners.

8.7.9 The table below shows the Council's General Fund estimates for 2001/2.

Table 1

Service	£m
Economic Development	0.674
Housing General Fund	2.512
Leisure and Community Development	5.989
Policy & Resources	4.508
Environment	4.387
F & GP	-3.767
Personnel & Training	0.025
Total General Fund (Revenue)	14.328
Capital (Net)	3.271
Parish Precepts	0.233
Total Expenditure	17.831
Financed By:	
Collection Fund	4.660
Government Grant, NNDR	3.841
Government Grant, Revenue Support	4.082
Community Charge Surplus	0.005
Council Tax Surplus	0.065
Sub Total	12.653
General Fund Balances/Reserves	1.908
Repairs and Renewals Fund	0.834
Capital Projects Fund	2.436
Total Financing	17.831

Source: Council Revenue Estimates 2001/2

8.7.10 Included in the £5.9m Leisure expenditure figure above is the funding which relates to the Leisuretime function. Of the gross Leisure Services budget of £9.7m, £2.5m is for Leisuretime which represents 26%. The income from Leisuretime sales in 2001/2 is forecast at £1.426m and the payment to the contractor, representing the subsidy for running Leisuretime premises, is £0.775m. However £172k is currently being charged to the Leisuretime cost centre for work carried out by central support. Unless savings are identified this cost will remain as a cost within the General Fund with no corresponding income.

8.7.11 £2.5m of the General Fund expenditure shown above relates to the Housing General Fund. This account is currently being analysed to determine what effect, if any, the closure of the HRA will have as regards any costs of the strategic and enabling role falling to the General Fund after transfer.

8.7.12 The HRA is a separate account and the 2001/2 estimates of income and expenditure are shown in the table below.:

Table 2

HRA	£'000s
Expenditure:	
Employee Costs	2,515
Premises Costs	5,801
Energy	76
Rent & Rates	74
Transport Costs	86
Supplies & Services	205
Establishment Expenses	876
Benefit Payments	9,962
Central Support	1,037
Capital Financing Costs	6,364
Total Expenditure	26,998
Income:	
Rents	16,720
Fees & Charges	224
Recharges	105
Other	559
Government Grant	8,894
Balance	496
Total Income	26,998

8.7.13 The Building Maintenance DSO currently forms part of the Carlisle Works section. A summary of the 2001/2 budget is set out in the table below. No other detailed information is available at the moment.

Table 3

B.Maint DSO	£'000s
Expenditure	6,465
Income	6,750
Surplus	285

8.7.14 Other Carlisle City Council financial figures are as follows:

General Fund free balances were £ 5.1m at 31/3/00, estimated to be £5.6m at 31/3/01 to be £3.7m at 31/3/02 and £3.1m at 31/3/03. (Although final decisions on the 2002/3 budget have not yet been made.)

HRA reserves at 31/3/00 were £3m;

8.7.15 Surpluses on the Council's DSOs were £985k for 1999/00, including £466k relating to the HRA's building maintenance service, The first £150k of any DSO surplus is transferred to the General Fund. The next slice is to top up the DSO reserves if required, the next £50k is to the DSO capital reserves and any remaining balance to the General Fund. In addition any surplus made by the Building Maintenance DSO, achieved via work for the HRA, after approval by the

Secretary of State, can be a contribution to the HRA. ;

Valuation of the Council's fixed assets at 31/3/00 was £134m;

Capital expenditure on Council dwellings in 1999/00 was £2.2m and on general fund items £2.7m.

(Source: 1999/2000 Carlisle City Council Statement of Accounts)

8.7.15 The draft TUPE lists for the three transfers are summarised in the table below.

Summary of TUPE Transfers

Table 4

Service	Section	FTEs	Posts	Costs £m
Housing	Housing	73.32	80	1.557
Housing	Legal	1.0	1	0.018
Housing	IT	2.0	2	0.062
Housing	Finance	1.0	1	0.021
Housing	Design	5.0	5	0.114
Total Housing		82.32	89	1.772
Housing possibles	Housing	54.78	81	0.908
Total Housing		137.1	170	2.681
DSO	DSO	142.0	147	2.683
Leisure	Leisure	38.58	99	0.675
Total		317.68	416	6.039

8.7.16 Recent Audit Commission Guidelines have recommended that Local Authorities in England and Wales produce robust and detailed Medium Term Financial Plans, usually taking the form of a rolling three year budget in the form of a user-friendly document with sufficient narrative to inform decision making.

8.7.17 In September 2000 the Government published "Modernising Local Government Finance: A Green Paper". Responses were invited by December 2000 with a view to publishing the White Paper which has now occurred. The main issues being considered in the Green Paper were:

how the revenue grant system should be reformed;

how the capital investment and borrowing system should be reformed; and

how taxes and charges such as council tax and business rates should be reformed.

(b) Corporate Financial Impact Assessment - Issues

8.7.18 A detailed exercise is currently being carried out to identify the extent of the potential financial issues arising if the HRA, Housing Maintenance DSO and Leisuretime functions move outwith the Council. The methodology adopted is set out in **Appendix 3**.

8.7.19 Attached at **Appendix 4** is a summary of the £2.1m of potential costs which

has been identified so far. £1.6m (76%) of this relates to central support charges where the costs will potentially remain but the income source (ie the HRA and Leisuretime) will no longer be available. The remaining 24% relates to items such as impact of debt redemption programme on The General Fund, pension enhancements etc. Clearly, very tough choices are required in the short to medium term.

8.7.20 During the work currently being undertaken to identify possible savings in support services the following issues have arisen so far:

- ◆ many employees do not spend more than 50% of their time on the HRA so therefore are not on the TUPE list. However there may be 2 employees working 40% each on the HRA who will therefore not be on the TUPE list
- ◆ should the new RSL and/or the Leisure Contractor take on the additional TUPE posts suggested.
- ◆ the new RSL could “buy” services from the Council. However Carlisle Housing Association will be part of a major group who may well have the central support staffing already in place.
- ◆ if all the additional TUPE posts are transferred will this leave the Council too light in key areas? For example if the additional TUPE transfers were implemented then the Finance Department would be reduced by 3 FTEs
- ◆ the posts identified for transfer may not have the skills required by the new employer or they may possess skills which the Council will not want to lose
- ◆ currently support service sections are themselves charged by other support service departments. For example IT is charged by Personnel and this element will form part of the recharge which goes from IT to the HRA. However these savings should be made in the source department eg personnel, not IT. These costs have to be identified separately and analysed.
- ◆ some costs are fixed and will not reduce if users of the service reduce eg the HRA is currently charged £30k for its share of the Council's server. The server will still be there when the HRA closes but the costs will not be able to be recharged out to the HRA
- ◆ if redundancies are made what are the redundancy costs associated with this?
- ◆ the Council's General Fund free balances are projected to be only £3.7m by 31/3/02 (which is the level recommended by the City Treasurer) therefore utilising further reserves would not be prudent.

(c) Corporate Impact Assessment – The Way Forward

8.7.21 It is essential that because of the extent of the potential overspend that potential solutions are identified very quickly. A suggested way forward in order to identify workable solutions is as follows:

- ◆ HCH to hold meetings with individual support service managers to identify potential for savings
- ◆ Negotiations with the new RSL and /or the Leisure contractor are started as soon as possible
- ◆ Staff are tentatively approached re their views about transferring to another organisation
- ◆ Trawl is done for voluntary redundancies, excluding those posts which will probably transfer under TUPE, and the results of this costed.
- ◆ Other saving options to be pursued re increasing/introducing fees and charges for Council services
- ◆ Potential partnership arrangements to be investigated with other agencies/councils
- ◆ Develop savings plan from full year to phased implementation plan
- ◆ Develop start-up scenario. Identify aims/objectives of new version of Council. Identify staffing structure required for this organisation. Cost it to ensure Council can afford it. Devise plan to rationalise surplus staff and costs.
- ◆ A firm, and consistent approach to the decisions on whether or not to fill vacant posts either permanently or temporally.

8.8 The Direct Service Organisation Impact Analysis

The issues

8.8.1 The City Council has identified and evaluated four potential options for the DSO:

1. Externalisation.
2. Part transfer to Housing RSL, part retention.
3. Part retention with residual services added.
4. Commercial partnership.

We believe these to be comprehensive.

At its meeting on 11th September 2001 the Council resolved to pursue the second option, with the third to be undertaken as part of this review.

8.8.2 The Council believes that externalisation could take 18 months to 2 years to complete and could cost £225,000 in external advice. It has the advantage of enabling the client base and trading potential to be widened and could provide a capital receipt but has the disadvantage of the loss of a market regulator (currently estimated by DE&D to be in the order of £1m) and would result in the loss of direct contribution to central overheads (of some £300,000). This option is not the first option of senior staff at present. HACAS Asset Management Services' (HAMS) initial view is that, as reaching an acceptable deal with RHG/CHA is not a foregone conclusion, this option should be kept in reserve as a means of extracting maximum financial value from the DSO business. We also believe that this option, properly structured, could deliver some regeneration aims, for example through inclusion of local labour and training clauses although this could reduce the commercial return. However, we appreciate the reasons why senior staff do not regard this as the best option.

8.8.3 In the second option approximately 50% of the DSO (in value of turnover) would transfer to the RSL under TUPE arrangements with the remaining business being restructured to ensure viability. The residual organisation would still have a turnover of £6M approx. and employ 250 people. Separation could be achieved quite quickly and the potential period of trading with the RSL of some 12 to 15 months give a period of relative stability. The costs involved are minimal and this option retains a degree of market regulation and some potential for overhead recover and contribution to corporate objectives. The disadvantage is that profitability is minimal, greater overheads may be carried and there is vulnerability to service changes which could impact on the sustainability of the business. HAMS's initial view is that this could be the best option (and it is the one that the Council has selected as its preferred way forward) but that, in the next stage of work, a critical view needs to be taken on the trading advantages to the City Council of deferring transfer of the DSO until 12 to 15 months after transfer. The assessment of this will in part depend on assumptions about the value of works and the underlying schedule of rates, and both of these will need negotiation with

RHG. The other – and more typical – option is for the DSO (or the relevant parts thereof) to go across at the same time as the housing stock transfer. We understand the financial reasons why this has not, at least initially, been favoured but we intend to examine this further with officers. It could be argued that the City Council has a far stronger negotiating hand with RHG/CHA prior to a housing stock transfer.

8.8.4 The third option builds on option two but adds the prospect of allowing the DSO to manage other core Council services and activities as a commercial services business unit. This reintroduces critical mass and reduces the unit cost of overheads through the addition of a range of other potential services which have some synergy or would benefit from a more 'business-like' approach. This option is supported by senior management in the short/medium term. This option has merits in terms of broadening the business and financial base of the non-Housing DSO. Its relevance will be influenced by the City Council's vision of its role. The option to partner with a commercial company is being pursued by many Authorities and dependent on the nature of the relationship can give benefits in wider trading, capital investment and the introduction of new technology and diversification of opportunities. However, it can also lead to the loss of direct control and the commitment to one supplier for a defined period of time. This option is one that could be seen as a medium/long term prospect and it is proposed that further investigation and advice can be obtained to test it further and to establish whether a successful partner can be identified. Again, the relevance of this option will be influenced by the overall vision of the Council.

The Client Contractor Relationship

8.8.5 One of the effects of the CCT regime was to clarify client and contractor responsibilities and this was helpful. Many authorities have found that this approach can lead to duplication of supervision between the client and contractor roles. The regime of Best Value provides the opportunity to review the procurement and administration of contracts and to seek to make efficiencies. Many authorities that HAMS has advised have used the flexibility of Best Value to remove this kind of duplication whilst sharing with the contractor (whether internal or through external partnering) the responsibility for ensuring quality.

8.8.6 Officers have proposed that client services should continue to be responsible for defining service standards, budgetary provision and procurement of services. They should consult the community, manage the political interface and deal with market testing, letting of contracts and monitoring (performance indicators) and compliance. The role is closely linked to the provision of policy advice in the professional areas.

8.8.7 A new relationship with the DSO in the future would permit self-supervision using recognised quality control techniques. Again, this reflects the external partnering approaches developed by many authorities. Under this option, the DSO would provide complete services including supervision, plant, labour and materials and the management of the customer interface.

8.8.8 Officers have therefore concluded that the DSO should be given the flexibility to respond to customer needs within a framework of self-supervision, planning and quality control. Cost control would continue within budgetary limits set by clients.

8.8.9 To support procurement across the Council and to ensure up to date approaches on contract management and procurement a small corporate resource would be established to co-ordinate and support professional client areas.

8.8.10 Officers recognise that this approach fundamentally challenges the existing client/contractor relationship but believe it also has the ability to liberate considerable time, energy and resource for redirection elsewhere. HAMS concurs with this view, although achieving this can require major cultural change and necessitates staff training, systems development and the establishment of effective customer feedback and audit systems. Once again, these development will be influenced by the decision made by Members on the overall vision for the City Council's role.

The DSO - The way forward

8.8.11 The key issues for the next stage of this work are as follows:

- a) integration of this work with the development of the City Council's vision for its future role;
- b) reviewing the results of the cost savings review in order to draw firmer conclusions on the financial impact of DSO sale or transfer, and of different assumptions on the timing of this;
- c) a full assessment of the assumed value of works that could be sold to RHG (and other external customers) in any transitional period, and the key items for negotiation with RHG/CHA;
- d) identification of a plan for training and cultural change;

if a DSO is to be retained, preparation of an action plan for officers' development of a full business plan, performance management, quality control and audit systems, and internal management changes.

9. The Chief Executives Priorities for Organisational Change

9.1 During the interviews of the trade union representatives and the Council's Heads of Service they were asked to give their top 3 recommendations to the Chief Executive in undertaking this organisational review. Set out in **Appendices 6.3** and **9** are their collated suggestions.

9.2 It is our view that all of these are meritorious and should be pursued as part of the next and remaining phases.

10. The Way Forward

10.1 The next stage of the review is the **Formative Phase** during which the parallel work on **Compare** and **Compete** will be undertaken.

10.2 In proceeding with this major, formidable and ground breaking task the Council Members and the Chief Executive need to accept the following:

- ◆ this review and consequential changes will only be worthwhile if both the structural and cultural issues are all dealt with, for to merely deal with some aspects and not have comprehensive change will mean that there will have been a failure to realise the aim of this review;
- ◆ recognition that without structural change the fundamental changes are unlikely to materialise.
- ◆ that it should be recognised that undertaking change of this magnitude requires some significant capacity within the organisation and that inevitably means a critical review of current priorities and projects so as to enable the necessary time to be spent delivering the changes required. This will need acceptance that a number of matters are effectively shelved whilst this work is done and that the organisational and financial resources are available to complete the task.
- ◆ that every effort should be made to positively address the many real concerns of both managers and ordinary employees identified during this diagnostic report, as not to do so would also jeopardise the outcomes both desired and necessary which seek to ensure that the City Council is at the "leading edge" of local authorities within the UK.
- ◆ that the benefit of the experience of those Councils' already considered to be "high performing" authorities should be sought.

HACAS Chapman Hendy

**Carlisle City Council
Corporate
Organisational Review
Schedule Of Appendices**

NUMBER	SUBJECT
Appendix 1.	Project Brief Parts 5 & 6 (parts 1-4 are for LSVT work)
Appendix 2.	Project Plan
Appendix 3.	The Diagnostic Process Outlined
Appendix 4	Financial Implications of LSVT & Leisure + DSO
Appendix 5	List of Interviewees
Appendix 6	Interview Outcomes
Appendix 7	List of Workshops
Appendix 8	Workshop Outcomes
Appendix 9	Chief Executives Priorities for Organisational Change

Project Brief Parts 5 & 6 (Parts 1-4 Are For LSVT Work)

5. Corporate Impact – Negotiation And General Appraisal

- 5.1 Advise on and assist the Council in analysing the impact of the transfer on Council staffing, services and the General Fund.
- 5.2 Assist in establishing, or maintain ,financial models for measuring the impact.
- 5.3 Advise the Council on options for minimising the adverse impact and for managing any unavoidable effects.
- 5.4 Advise and assist the Council in the preparation of the Council's DSO for the phased transfer of the building maintenance function to the new RSL c.12 months post-stock transfer and the potential transfer of (some) ground maintenance functions as well.
- 5.5 Identify opportunities for developing beneficial relationships (including the sale of services) between the Council and Riverside Group/the new RSL; assist in the negotiation of these arrangements.
- 5.6 Assist the Council in establishing a method for identifying staff covered by TUPE regulations; analyse and advise on the results of this work.
- 5.7 Identify options for maximising the employment opportunities for Council staff in Riverside Group and the new RSL, and work with organisations to explore this.

6. Corporate Impact – Reorganisation Of The Council Post-Transfer

The activities listed in section 5 cover the minimum required to ensure that the impact of the transfer on the Council and Council Taxpayers is understood and effectively managed. Preliminary work by the Council and during the Housing Options Appraisal indicates that the impact could be substantial and that a major restructuring of the Council may be required. Thus, the Council wishes as part of this consultancy to obtain a detailed evaluation of the options for restructuring and to be in a position to implement this immediately post-transfer.

- 6.1 Identify with Council officers the financial parameters within which the Council is likely to have to operate post-transfer taking into account prospective changes arising from the Local Government Finance Green Paper.
- 6.2 Identify and categorise services in relation to the likely effect of transfer on their viability, reviewing individual jobs and workloads with Council officers
- 6.3 Identify implications for IT and other systems in terms of both viability and structure.
- 6.4 Facilitate discussion amongst Council officers, and assist officers with this process with Members, to establish the strategic framework and service priorities of the Council post-transfer.
- 6.5 Develop and cost options for a future structure for the Council including sensitivity analysis.
- 6.6 Facilitate discussion on the options.
- 6.7 Based on the Council's decisions, prepare a full implementation package including:
 - a) overall Council structure
 - b) competency statements
 - c) training proposals
 - d) specifications for services to be outsourced and procurement guidance
 - e) three year budget forecast
 - f) IT and other systems requirements.

PROJECT PLAN (showing inter-relationship with LSVT)

Preparation for LSVT (including financial/legal, staffing, contracts)	110 days	2-Oct-2001	4-Mar-2001
Set up	27 days	2-Oct-2001	7-Nov-2001
Agree timetable	22 days	2-Oct-2001	31-Oct-2001
Advise ERBS of expected ballot date	5 days	1-Nov-2001	7-Nov-2001
Advise DTLR, CHTF, HC	5 days	1-Nov-2001	7-Nov-2001
Financial/legal issues	79 days	2-Oct-2001	18-Jan-2002
Agree rent reform methodology	40 days	2-Oct-2001	26-Nov-2001
Validate stock condition survey	55 days	2-Oct-2001	17-Dec-2001
Confirm housing stock to transfer	30 days	2-Oct-2001	12-Nov-2001
Identify and map non-housing assets	75 days	2-Oct-2001	14-Jan-2002
Evaluate options for non-housing assets	35 days	27-Nov-2001	14-Jan-2002
Agree provisional non-housing asset transfer	25 days	11-Dec-2001	14-Jan-2002
Agree revised valuation, adjustment mechanism & set up costs	4 days	15-Jan-2002	18-Jan-2002
Complete due diligence exercise	70 days	2-Oct-2001	7-Jan-2002
Conveyancing - agree who does and timetable	50 days	2-Oct-2001	10-Dec-2001
Staffing	102 days	2-Oct-2001	20-Feb-2002
Agree staff briefing/consultation	20 days	2-Oct-2001	29-Oct-2001
Agree provisional TUPE list	75 days	2-Oct-2001	14-Jan-2002
Agree staffing protocol over and above TUPE	75 days	2-Oct-2001	14-Jan-2002
Develop indicative staffing structures incl details of DSO & non-HM functions	75 days	2-Oct-2001	14-Jan-2002
Consult Council and Council staff on structures	15 days	15-Jan-2002	4-Feb-2002
Apply for Admitted Body Status with Cumbria CC superannuation scheme	90 days	2-Oct-2001	4-Feb-2002
Seek Council staff volunteers for Stage 1 tenant visits	30 days	10-Jan-2002	20-Feb-2002
Contracts and services	110 days	2-Oct-2001	4-Mar-2002
Identify existing CCC contracts	50 days	2-Oct-2001	10-Dec-2001
Categorise contracts/leases:	60 days	11-Dec-2001	4-Mar-2002
Terminating before transfer	30 days	11-Dec-2001	21-Jan-2002
Agree pre-transfer procurement	30 days	22-Jan-2002	4-Mar-2002
Terminating after transfer	30 days	11-Dec-2001	21-Jan-2002

Agree novation to Riverside/CHA or termination	30 days	22-Jan-2002	4-Mar-2002
Agree DSO strategy including grounds maintenance & other non-R&M services	75 days	2-Oct-2001	14-Jan-2002
Agree services to be purchased from/by Council post-transfer	75 days	2-Oct-2001	14-Jan-2002
Corporate Organisational Review	309 days	2-Oct-2001	6-Dec-2002
Corporate restructuring of CCC	309 days	2-Oct-2001	6-Dec-2002
Phase 1-Diagnosis	88 days	2-Oct-2001	31-Jan-2002
Fieldwork interviews and first workshops	43 days	2-Oct-2001	29-Nov-2001
Validation of CCC initial financial impact model	47 days	2-Oct-2001	5-Dec-2001
Prepare/agree scoping paper on CCC corporate restructuring	5 days	30-Nov-2001	6-Dec-2001
Brainstorm with District Auditor	0 days	12-Dec-2001	12-Dec-2001
Overview & Scrutiny Management Committee considers scoping report	0 days	20-Dec-2001	20-Dec-2001
Front line workshops	19 days	7-Jan-2002	31-Jan-2002
Phase 2-Formulation	66 days	13-Dec-2001	14-Mar-2002
Prepare/agree Challenge report	25 days	13-Dec-2001	16-Jan-2002
O&SMC considers Challenge report	0 days	24-Jan-2002	24-Jan-2002
O&S Corporate Resources considers Challenge report	0 days	14-Feb-2002	14-Feb-2002
Progress briefing to O&SCR	0 days	15-Feb-2002	15-Feb-2002
Prepare/agree Compare & Compete/Best practice/other models report	30 days	7-Jan-2002	15-Feb-2002
O&SCR considers Compare & Compete/models report	0 days	28-Feb-2002	28-Feb-2002
Develop/evaluate options	35 days	21-Dec-2001	7-Feb-2002
Develop Action/Improvement Plan/CCC & service objectives	30 days	21-Dec-2001	31-Jan-2002
Undertake costing/financial implications of new corporate structure options	16 days	24-Jan-2002	14-Feb-2002
Draft full reports	5 days	15-Feb-2002	21-Feb-2002
Review full draft report with CE	5 days	22-Feb-2002	28-Feb-2002
Finalise reports	4 days	1-Mar-2002	6-Mar-2002
O&SCMC considers eval/selection/financial imps/objectives reports	0 days	14-Mar-2002	14-Mar-2002
Phase 3-Consultation	69 days	7-Jan-2002	11-Apr-2002
Feedback to initial consultees	19 days	7-Jan-2002	31-Jan-2002
Progress briefing to stakeholders	5 days	25-Jan-2002	31-Jan-2002
Progress briefing to stakeholders	9 days	18-Feb-2002	28-Feb-2002

Consultation with staff, TUs/Focus Groups/Citizens' panel	20 days	15-Mar-2002	11-Apr-2002
Phase 4-Implementation	191 days	15-Mar-2002	6-Dec-2002
Develop/agree action/improvement plan	25 days	18-Feb-2002	22-Mar-2002
Consultation with staff, TUs/Focus Groups/Citizens' panel	8 days	25-Mar-2002	5-Apr-2002
O&SMC considers action/improvement plan	0 days	11-Apr-2002	11-Apr-2002
Progress briefing to stakeholders	13 days	12-Apr-2002	30-Apr-2002
Develop and cost detailed structure	56 days	15-Mar-2002	31-May-2002
Develop/agree implementation plan	76 days	15-Mar-2002	28-Jun-2002
Finalise structure	23 days	1-Jul-2002	31-Jul-2002
Official notice to employees affected	17 days	8-Aug-2002	30-Aug-2002
Implementation plan actioned	87 days	8-Aug-2002	6-Dec-2002
Related corporate reviews and corporate overview	181 days	2-Oct-2001	11-Jun-2002
Review LSVT proposals against Elderly Services/Hsg & Regen reviews	25 days	8-Jan-2002	11-Feb-2002
Review Housing Strategic/Enabling function	80 days	2-Oct-2001	21-Jan-2002
Update corporate implications model	7 days	3-Jun-2002	11-Jun-2002
Prepare corporate implications report for Executive	5 days	3-Jun-2002	7-Jun-2002
Executive considers Corporate Implications Report	0 days	?-Jun-2002	?-Jun-2002
RSL establishment	108 days	2-Oct-2001	28-Feb-2002
Shadow board election/selection	30 days	2-Oct-2001	12-Nov-2001
Develop business plan	70 days	2-Oct-2001	7-Jan-2002
Board agrees policies essential for offer/business plan	30 days	16-Jan-2002	26-Feb-2002
Board agrees full draft business plan	2 days	27-Feb-2002	28-Feb-2002
Offer to tenants and tenant consultation	349 days	2-Oct-2001	31-Jan-2003
Agree communications strategy/protocol	10 days	2-Oct-2001	15-Oct-2001
Agree brief for communications advisers	10 days	2-Oct-2001	15-Oct-2001
Appoint communications advisers	45 days	16-Oct-2001	17-Dec-2001
Identify RSL policies required for offer	40 days	2-Oct-2001	26-Nov-2001
Identify RSL policies significant for Council	40 days	2-Oct-2001	26-Nov-2001
Agree framework for developing/consulting on policies	20 days	2-Oct-2001	29-Oct-2001
Policy development (for consultation document)	61 days	27-Nov-2001	19-Feb-2002

Training for tenant visitors (1st round visits)	40 days	21-Feb-2002	17-Apr-2002
1st round tenant visits	20 days	18-Apr-2002	15-May-2002
Prepare design/structure of consultation document	30 days	29-Nov-2001	9-Jan-2002
Decide/book distribution source for Stage 1 document	25 days	1-Nov-2001	5-Dec-2001
Prepare pre-Stage 1 & Stage 1 documents & report to HCG	30 days	14-Jan-2002	22-Feb-2002
Mail Draft pre-Stage 1 & Stage 2 documents to HCG & Executive	0 days	22-Feb-2002	22-Feb-2002
HCG considers draft pre-Stage 1 & Stage 1 documents	0 days	4-Mar-2002	4-Mar-2002
Executive approves pre-Stage 1 & Stage 1 documents	0 days	11-Mar-2002	11-Mar-2002
Produce pre-Stage 1 document	5 days	12-Mar-2002	18-Mar-2002
Produce Stage 1 documents, newsletter and video	35 days	12-Mar-2002	29-Apr-2002
Confirm ballot date with ERBS	5 days	25-Feb-2002	1-Mar-2002
Training for tenant visitors (2nd round/Stage 1 visits)	35 days	12-Mar-2002	29-Apr-2002
Purdah period for council elections	29 days	25-Mar-2002	2-May-2002
Distribute Stage 1 document	3 days	3-May-2002	7-May-2002
Stage 1 consultation	25 days	8-May-2002	11-Jun-2002
Public meetings, surgeries etc	25 days	8-May-2002	11-Jun-2002
2nd round tenant visits	53 days	3-May-2002	17-Jul-2002
Analyse Stage 1 comments/produce reports for HCG/Executive/CHA	5 days	12-Jun-2002	18-Jun-2002
CHA signs off any changes to offer	5 days	19-Jun-2002	25-Jun-2002
HCG reviews/recommends changes to offer	5 days	19-Jun-2002	25-Jun-2002
Executive/Council agrees issue of Stage 2 notice and agrees new corporate structure	5 days	27-Jun-2002	3-Jul-2002
Issue of Stage 2 notice	5 days	4-Jul-2002	10-Jul-2002
Stage 2	20 days	11-Jul-2002	7-Aug-2002
Ballot	15 days	18-Jul-2002	7-Aug-2002
Ballot result	0 days	7-Aug-2002	7-Aug-2002
Transfer implementation	88 days	7-Aug-2002	9-Dec-2002
Project review	15 days	13-Jan-2003	31-Jan-2003

The Diagnostic Process Outlined

There have been three distinct but closely related aspects to this work, these are the issues relating to the City Council's

- (a) Management and organisation.
- (b) Financial resources.
- (c) DSO's future.

(a) Management and organisation

This has been made up of three parts:

- (i). Interviews.
- (ii). Workshops.
- (iii). Written material.

(i) Interviews

Interviews have been undertaken with:

- Senior Managers.
- The Council's 3 political group leaders.
- The recognised trades unions (3 out of 4, as the GMB were, at the last moment, unable to attend).
- Eleven outside bodies.
- The neighbouring District Council Chief Executives.
- The County Council's Chief Executive.

A full list of these interviews is set out in Appendix 6. The purpose of the interviews was to gain a detailed overview of the issues, problems and concerns relating to the current management and administrative processes as well as other factors such as strategy, partnership working, the nature of consultation etc.

(ii) The Workshops

These have been arranged as a means of collectively involving groups and individuals who are able through this process to make a worthwhile contribution to the diagnostic phase as well as being themselves able to play a tangible and meaningful part.

The Workshops fall into 4 categories:

1. Political Groups (3).
2. Management (3).
3. Employee (2).

4. Consumers and Community (2).

So far, the first two categories have been completed (6 workshops). The employee and the consumer and community consultation will build on the findings so far and will take place in the early part of 2002.

The product of the six workshops that have been held is attached at Appendix 9.

The Management Workshops were as follows:

- (a) Senior Managers (25 attendees).
- (b) The Policy Unit (8 attendees).
- (c) The Communications Unit (3 attendees).

The last two groups were chosen because their work is cross departmental and thus they are seen to be able to have an overview of the work of the authority.

(iii) Written Material

The consultancy has had access to the considerable amount of written material which in summary consists of:

- Relevant Committee reports.
- Best Value reviews and inspection reports.
- Staffing structures.
- Individual officer contributions.
- Service Plans.
- Relevant Council publications.

(b) Financial resources

1. Introduction

The financial diagnostic work was started on 26 October 2001. Assistance was obtained from various Council officers but primarily from the Corporate Support Unit Manager in the City Treasurer's Department. She provided detailed budgets for 2001/2, copies of the Final Accounts for 2000/01, examples of Service Level Agreements and working papers for her "ballpark" assessment of the potential Council overspend arising from the Housing and Leisure transfers. Other assistance was provided by the Principal Personnel Officer who supplied information on the TUPE transfers, salary details and organisation charts for all departments in the Council, and the Policy Unit who provided copies of the various Departmental Service Plans. Face to face meetings took place during October and November 2001.

2. Methodology

The financial work has been carried out in various stages:

- Stage 1. Initial discussions with the Council on the background to: the Council, the Housing and Leisure transfers and the work that had already been carried out to identify potential overspends arising from the transfers.

This had taken the form of identifying what was currently being charged to the HRA, Leisuretime and the Building Maintenance DSO for central support via recharges.

- Stage 2. The spreadsheet prepared by Finance was analysed and then verified to the budget reports, organisation charts etc. and discussions were held in order to gain an understanding of the methodology used and to validate the basis of the assumptions.
- Stage 4. A short draft report was produced on 9 November and sent to Finance This summarised where the financial project was, what the next steps were. It outlined the financial context and confirmed the brief.
- Stage 5. A meeting was held with Finance on 21 November to discuss the methodology adopted so far and discuss the way forward. A short discussion was held regarding the value of the savings required from support services.
- Stage 6. HCH prepared detailed budget “option” forms for each central section and for each transfer. These were discussed with the Chief Executive on 28 November 2001.
- Stage 7. After further discussion re the issue about the value of the central charges to be saved, Finance agreed with the figures to be used. The “option” forms were completed, consolidated and summarised. The results of which is contained within this report..

c) Direct Service Organisation’s future

HACAS Asset Management Services (HAMS) has met with officers of the City Council and with Riverside Housing Group (RHG) in order to establish both the scope of the necessary work and to identify the issues. In common with the rest of this review, our approach with the various parties has been collaborative. However, it needs to be recognised that at least some issues relating to the future of the DSO may well be the subject of intense negotiations with RHG and Carlisle Housing Association (CHA). The joint project plan for the stock transfer project and the corporate reorganisation aims to advance these (and other) negotiations so as to give the City Council as clearer picture of the implications of the transfer as early as possible and before any tenant ballot.

We have reviewed operational information on the DSO and discussed with the Director of Environment and Development and the Head of Carlisle Works, the business profile, both actual and potential, of the service, and possible negotiating strategies with RHG/CHA. Our discussions with RHG have sought to understand their requirements of a repairs and maintenance service, and the choices for procuring this that RHG, as an established Registered Social Landlord (RSL) group has. We have also sought to identify RHG’s business plan priorities for CHA as these will influence their approach to negotiations.

Carlisle City Council
Corporate Organisational Review
 Financial Implications of Housing LSVT and Leisure Trust/Contractor
 Summary of Potential Overspend arising

Appendix 4

	HRA	Building Maintenance DSO	Leisure Time	Total
	£	£	£	£
2001/2 Central Support Services				
City Treasury	282,146	133,266	111,580	526,992
Town Clerk & Chief Executive	177,661	30,461	15,260	223,382
Design & Property Services	314,030	0	15,440	329,470
Sub Total	773,837	163,727	142,280	1,079,844
2001/2 Other Recharges				
Office Accommodation	94,040	0	0	94,040
Telephones/Telephonists	22,850	1,720	0	24,570
Insurance premiums	56,601	26,900	22,668	106,169
Training	24,710	4,975	6,990	36,675
Democratic Representation	207,910	0	0	207,910
Sub Total	406,111	33,595	29,658	469,364
Grand Total Recharges	1,179,948	197,322	171,938	1,549,220
Other Potential Cost Implications				
Impact of debt redemption programme on General Fund				100,000
Pension enhancements of existing HRA and DSO pensioners				130,000
Pension Fund past service deficit on transferring employees				30,000
Loss of budgeted DSO contribution to General Fund				150,000
Loss of recharges set against Housing Capital Receipts				30,000
Leisure/Community Areas Ground Maintenance charged to HRA				100,000
				540,000
Total potential implications - amount of savings required				2,089,220

Chief Officers

Battersby Michael	Director of Environment & Development	10-10-01
Bramley Tony	Director of Housing	09-10-01
Cartwright Euan	Director of Leisure & Community Development	16-10-01
Egan John	City Solicitor & Secretary	12-10-01
Thomas Douglas	City Treasurer	09-10-01

Heads of Service

Atkinson David	Head of Property	17-10-01
Beaty David	Acting Head of Economic Development Unit	31-10-01
Brewis Laurie	Head of Housing Provision	23-10-01
Brown Angela	Head of Financial Services	17-10-01
Burns Rob	Head of Community Support	07-11-01
Dixon Ian	Head of Committee & Administrative Services	16-10-01
Douglas Jim	Head of Leisure Contracts	16-10-01
Eales Alan	Head of Planning	23-10-01
Fone Duncan	Head of Design Services	24-10-01
Mallinson John	Head of Corporate Policy & Strategy	24-10-01
Mason Peter	Head of Revenue	23-10-01
McKee Sharon	Head of Communications	30-10-01
Nicholson Tim	Head of Legal Services	27-11-01
Nutley John	Head of IT	07-11-01
Orr Joanne	Head of Tuille House	27-11-01
Slater Alan	Head of Tenancy Services, Housing	07-11-01
Speirs Richard	Head of Environmental Services	30-10-01
Thompson Michael	General Manager-Carlisle Works	23-10-01
Wright Cyril	Head of Personnel	17-10-01

Local Authorities

Bruce Ian	Chief Executive-Eden D.C.	14-11-01
Leonard Patrick	Chief Executive-Allerdale D.C.	24-10-01
Victory Louis	Chief Executive-Cumbria C.C.	21-11-01

Outside Bodies

Adams Jim	Chair of Carlisle Access Group	24-10-01
Braithwaite Kate	Director Voluntary Action Cumbria	06-11-01
Catterson Nigel	Chair of the Environmental Forum	30-10-01
Higham David	Area Manager-Consignia(Chair of Ch of Comm)	20-11-01
Horn Brian	Police Sup.Int.	31-10-01
Jackson David	Commercial Director-The Lanes	31-10-01
James Tony	Principal-University of St Martins	26-10-01
Norris G;McGahon	District Audit	07-11-01
Nugent Julie	Development Workers-Carlisle Achievement	06-11-01
Riddle Jessica	Age Concern	07-11-01
Scott-Fisher Andre	Carlisle Council for Voluntary Service	07-11-01
Wilkinson Jennie	Chair of Parish Councils Association	06-11-01

Political Leaders

Councillor Bradley	Labour Group Leader	09-11-01
Councillor Guest	Lib/Dem & Independent Group Leader	09-11-01
Councillor Mitchelson	Leader of the Council & Conservative Group	09-11-01
Martlew Eric	MP	23-11-01

Trade Unions

McGuckin Alan	TGWU	30-10-01
Davidson Isabel	Unison	30-10-01
James Shires	Unison	30-10-01
Graham Sarah	Unison	30-10-01
Wright Chris	Unison	30-10-01
Westnedge Alan	AEEU	30-10-01

**CARLISLE CITY COUNCIL
CORPORATE ORGANISATIONAL
BEST VALUE REVIEW
INTERVIEW OUTCOMES**

How well are the Political Priorities and Decisions Communicated within the Council Workforce (Source: Group Leaders)

- There are regular joint meetings with CMT and the Executive with the assumption that the Departments have team meetings.
- Communications with the workforce as a whole have not been as good as they could have been but staff newsletters are seen as the way forward.
- There needs to be far more shop floor involvement and there is poor upwards communication.
- Whilst managers at CMT level are well informed and Heads of Service are quite well informed, there is concern that the frontline staff (who are probably well informed in their area) do not know what is happening otherwise and rely on the local newspaper for information.

Blockages to Successful Working (Source –Group Leaders & MP)

- The current structure – lack of corporate working – hierarchical departments.
- Low morale:
through absence of certainty of what there is in the future;
through lack of involvement of the staff;
through lack of communications with the staff; and
through lack of involvement in what is happening.
- Lack of decision making on what is now the Executive as issues are constantly deferred.
- Lack of direction (apart from LSVT and Leisuretime).
- A cultural attitude that it has been done this way for 20 years.
- Not enough corporate thinking and planning.
- Money – at the end of the day the Council has to balance its books.
- The hierarchy is too tall – things are channelled upwards.
- There is a lack of empowerment leading to the “can’t do that – more than my jobs worth” mentality.

Structure of the Organisation (Source: Group Leaders & MP)

Do the current arrangements work well – what would you like to see?

- There is a lot of departmental thinking – protectionism; empire building; there is the need to dovetail into a better way of working.
- One of the departments is far too big.
- Would like to see a smaller number of executive directors with a strategic role – **not** an operational one.
- The promotional ladder operates too much upon dead men’s shoes.
- The Council’s administration needs to be leaner, fitter and dynamic.
- There needs to be far more corporate working.
- A One Stop Shop for customer contact but only if it is well briefed and well trained.
- Possibly fewer Directors.

- Need to look at best practice and see what other Councils have done.
- Need to avoid making the same mistakes twice.
- Must not move to something which is faceless.
- Left hand does not know what the right hand is doing.
- Too little inter-departmental communication.
- Lack of a corporate approach – consultation with the Treasurer and Solicitor is miss-seen as being corporate.
- Become more customer focused rather than service focused as at present.
- Relocate the Town Hall to somewhere up the hill.
- Put all the Directors in one office so they have to work together.
- Get rid of the departments and have a command structure that is as flat as possible.
- Radically improve corporate working – make senior managers consult with others who are affected by new proposals etc.
- Improve communications – particularly to the lower echelons.

Provider of Services or Enabler (Source: Group Leaders & MP)

- Ideally a provider but it could be a mixture – it depends on how much the service impinges on the life of citizens.
- Both – the Council should do what it does well.
- Enable – look at whether it should be provided direct. A pragmatic approach rather than a policy thrust but tend towards enabling whilst being practical.
- Probably a mixed response on this – not necessarily a black and white view.
- Carlisle has a special position because it is a sub-regional centre and geographically isolated and for that reason there is an argument that the Council should provide directly. The profits generated should be back into the local economy.
- Under Best Value we should look at all the options and not just externalisation.

Main Issues and Opportunities that Face the Council in the next 2-3 years (Source: Group Leaders & MP)

- LSVT but ideally not in this tranche until the effect on Council taxpayers and staff has been fully evaluated.
- Regeneration – how this fits in to the work of the Council.
- The County Council and the probable issue of local government reorganisation.
- The Council should promote itself as a candidate for unitary status.
- Widen access to the community – empowerment of the greater public.
- Staff development particularly in wider Council matters.
- Better communications with GO (NW) and RDA.
- Improved front of house – one stop shop service able to provide information on all public services.
- Creation of area committees.
- LSVT and Leisuretime externalisations as the best way of providing the quality etc.
- Decide whether the Council should be a provider or enabler.

- The Government's regional agenda and the consequential future of 2 tier local government.
- Working in partnership with neighbouring local authorities where there are similarities.
- Future shape and size of the Authority administratively.
- Tackling the more marginalized areas of the City such as Raffles and Petrolbank.

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1. Effective Team Working

When asked what should change to make team working in the authority more effective the following was stated:

- Need to talk to other agencies more.
- Greater emphasis on taking on board views of ordinary staff.
- Need to look at issue based work.
- Get away from the Department centred culture.
- Getting people to work together.
- People do their own thing – pooling resources isn't worth asking for.
- This comes back to leadership behind clear priorities – which has to come from the top.
- Emphasise the corporate responsibilities of the issues.
- People should be directed to get on with the job.
- Corporate leadership could be stronger.
- Clear direction is required.
- A new, more corporate structure is required.
- We need to get away from departmental rigidity and change the culture of the organisation.
- There is a hindrance to flexibility which comes out of departmentalism.
- The Council is not into cross-cutting issues – largely because of the way things have operated in the past.
- Everything is departmental.
- Projects are departmentally based – the lines of responsibility were clear so people were comfortable with that.
- The Raffles Estate was seen as a Housing Department problem rather than a Council problem.
- There is a lot of experience within the authority but it is not being developed and utilised.
- On crosscutting issues team working is utterly awful.
- If we are not careful the best value themed approach will not work because of the silo mentality.
- CMT wants to have the role but doesn't have the time – they need to let go.
- There needs to be a stronger management team which concentrates on the strategic issues.
- Things are not thought about strategically.
- Teams need to be created on the basis of appropriate skills with a clear brief and the delegated responsibility to get on with the job.
- The work of teams must be valued.
- Departments need to be got rid of.
- When teams are given clear responsibility to deliver then they can work but where a department is threatened by the work of the team then there is a different outcome.

- Some teams are very good but others are dragged kicking and screaming to the table.
- The problem is the way the authority is structured – it is not necessarily the fault of the individual.
- The Council's priorities need addressing.
- People are too engrossed in their own area.
- Decision making is too vertical.
- There are too many petty jealousies.
- Break down the suspicions between Departments.
- Provide the time to do the task which takes account of workloads.
- Feeling unwanted needs to be addressed.
- The Council is poor at interdepartmental work – it needs to improve on project management and on managing change.
- When there is a brief, which is properly spelt out then it can work.
- There needs to be forums to facilitate the exchanges of ideas and to move forward issues.
- By breaking down the silo approach opportunities can be extended.
- CMT makes decisions on big issues which impact down the line without considering or asking the views of the relevant staff.

2. Management Communications

What more can be done to improve management communications in the authority?

- Feed back – knowing what is going on.
- The Management Conferences are good but there have been only 3 of these – more are needed.
- There has been no effective communication of the change to the new political structure.
- There is a gap between the strategic level and the ordinary rank and file staff.
- Walking the talk – e-mails and newsletters are all very well but people prefer someone to speak to them.
- There is a gap between the CMT and what can be achieved by the Team Improvement Reviews (TIRs).
- These were dire but have improved under the new Chief Executive.
- General information about proposed management changes would be good.
- Material should be written in a less abrupt manner and should be more user friendly.
- The corporate briefing coming out every 6 weeks is an improvement.
- The introduction of team briefing would be superb.
- People used to speak to each other – there is not the physical communications any more.
- People do not know who they are dealing with.
- There needs to be a rigorous approach.
- Feed back from CMT could be more timely.
- The cascading effect does not happen.
- Our DMT does not work terribly well – it is not frequent enough.

- There needs to be regular staff newsletters.
- Regular team briefing.
- The day job gets in the way.
- The CMT needs to integrate with the DMTs within the corporate priorities and strategic aims.
- What does happen is not communicated well.
- There is a need for everyone to understand and own the new City Vision.
- Given what happened with the Millennium project and the change in administration there was an expectation of clear messages about what the Council stands for and where it is going.
- Identify the Vision of the Council.
- The lower staff are not interested.
- The system cascades well in general terms.
- Management conferences should be utilized more often.
- A sense of involvement needs to be engendered.
- It is all right reading about things but there is no substitute for direct contact.
- We should lower our ambitions.
- We should become more focused.
- Managers should operate an “open door “ policy.
- Some DMTs are good but others are bad.
- Management needs to consult before decisions are taken.
- There is no structured process to disseminate information.
- Good communications will not be done by the circulation of minutes.
- There needs to be a matrix or grid approach which conveys what is happening on important issues such as LSVT and changes in local government.
- The overview needs to be communicated.
- The staff need to be able to know their context within the city Council.
- Although management conferences are good they are not followed up.
- There should be a more structured approach to communication – this liberates people.
- Look at good practice and seek outside expertise.

3. Structure

All the Councils 25 most senior managers accepted that change was both necessary and inevitable. The following are the various proposals they made on what they would change and like to see:

- Reduce the number of compartments.
- Produce a new structure which will provide a far better service to the people which the Council is purporting to serve.
- A structure that supports the idea of working for one organisation.
- Cross-cutting thematic working.
- Changes which create the flexibility to use the Council's key resource – its employees – there is a huge amount of good will and expertise but it is not always used to the best effect.
- There is the need to motivate the workforce – this will make even a poor structure work.
- Produce something that is more transparent and gives a greater sense of belonging to the whole.
- One stop shop facilities.
- That the cultural issues are dealt with.
- Reduce the number of departments and the number of employees.
- Improve the working conditions – particularly the accommodation.
- Service Heads to become responsible and accountable for what they do – not just functionally.
- Introduce strategic directions to deal with strategic issues.
- Create an organisation that is more responsive and less like a super tanker.
- Within a cross cutting culture individuals should be tasked to achieve specific clear objectives.
- Avoid replicating the current culture.
- Empower the Heads of service under the strategic direction of the top tier and let them get on with it.
- Identify the themes and relate the strategic directions to those.
- Facilitate a structure that allows better team working to come about.
- The financial tail should not wag the dog.
- The corporate centre should enable and facilitate the service delivery parts of the organisation – not the other way round.
- More joined up thinking.
- A structure which develops a comprehensive approach to regeneration.
- Keep things simple.
- Abolish both Departments and Units – the key driver should be responsibilities eg. instead of assuming that the Council will always directly provide a function the emphasis should be on the responsibility to ensure the provision of a service that the Council procures.
- Perhaps there should be a “front of house” / “back of house” split.
- The purpose of the Council needs clarifying before the nature of the new organisation can be fixed.

- The Chief Executive should be freestanding – perhaps with the Policy Unit.
- A balance needs to be struck as to whether the enabler verses provider would work – this depends on the quality of the potential new provider.
- If there are to be strategic directions then this could lead to less corporate working.
- Caution against simply aligning the new organisational structure with the new political structure.
- Not to hang other services on the DSO.
- Build in the capacity to do the thinking – the policy development.
- The difficulty is to avoid throwing out the baby with the bath water.
- The Chief Executives role has got to be strengthened – there is not enough around him to assist him in terms of delivering the corporate agenda.

4. Do the current organisational structures work well?

- They work to a point.
- They operate in funnels.
- They do not work well on cross cutting issues eg. regeneration.
- There is parochialism – fiefdoms where managers have fought for their departmental position rather than for the Authority.
- Structures are not important but if people do not make them work then there has to be change.
- The current structure has worked well for the City and despite its silo mentality has delivered services well.
- Corporate working is the key weakness.
- We need to break down the barriers of the Departments.
- Departmentalism is a cultural obstacle.
- The facility to work outside of the box needs to be provided.
- The Chief Officers should be freed from departmental responsibilities.
- They need to be given the ability to create teams which can be mixed and matched according to need.
- The hierarchical structures should be changed.
- The current structure bears no relation to the new political structures.
- Across the authority things do not work well but they do within the departments themselves.
- Resource management is poor in terms of flexibility – projects can suffer through insufficient resources.
- Member / officer relationships need improving.
- The purpose of the authority needs clarifying.
- Employees have no loyalty to the Council as a whole.
- Everyone is fire fighting and do not have the time to think.

5. Overcoming Blockages to Successful Working

In relation to the 3 blockages most commonly referred to, the following were given as suggestions to overcoming them.

(i). Culture –Silo Mentality, Lack of Corporate Working

- Cross authority working eg. Regeneration Group.
- Putting over a clear corporate message.
- Getting the corporate communications right.
- Minimising the gap between management and staff.
 - Identification of clear corporate priorities.
 - Giving managers freedom to work across boundaries.
 - Achieving a cultural shift in attitude and outlook.
 - Make the Directors' role strategic rather than operational.
 - Clear delegation of responsibility once policy decisions are made.
 - Getting rid of departmentalism.
 - Corporate working should facilitate the Council's delivery of its strategic priorities and services – not constrain them.
 - Multi-disciplinary working.
 - Continued development of thematic BV reviews.
 - Develop a strong central framework and place service units within the context.
 - Free up unit heads to make decisions and move initiatives forward.
 - Organisational change, cultural change and through the introduction
 - A more strategic planned and managed approach which relies on processes and systems rather than individuals
 - Better communications, a more thematic approach to issues

(ii). Clarity of Political Direction and Prioritisation of Priorities

- There needs to be recognition that in taking on more tasks and projects these need to be resourced and prioritised.
- There is a perception that the authority does not have the clarity of political direction that there used to be.
 - We are yet to see whether the new political structure will make a difference.
 - The Members seem reluctant to make decisions which get deferred but theoretically this is now sorted.
 - There is a lack of direction on where we are going with officers and Members not prepared to make decisions.
- Once policy decisions are taken then the Chief Officers need to be given full delegated authority to achieve implementation.
 - The Members need to give a stronger steer as there is not a lot of direction.
 - There is a lack of interest in the detail and no understanding of financial management from the Members.
 - There is not clarity as to the Members aspirations.

- The new administration has not focused on its priorities apart from holding down Council Tax.
- There is the lack of clear direction from the top as to the City Council's priorities.
- The removal of centralised command, defensive and change resistant
- Get a clear political – and public – steer on the intended future state of the authority
- Clear political objectives reflected in policy framework
- Sensible change “road map” understood by all

(iii). Resource Availability and Workload

- There needs to be the creation of additional capacity.
- There is a heavy project agenda which is too ambitious and should have been scheduled over a more realistic timescale.
- The Council needs to adopt a strategic approach – not a project focused agenda.
- There should be the capacity to take forward projects **and** manage the services.
- When taking on new projects etc. the full resource implications should be stated.
- When people have been taken off their normal work to undertake assignments there has not been the back filling of posts.
 - There is a perception that new resources will go to the centre.
 - Diversion of operational/admin tasks from Managers
 - Filtering out all but the most important initiatives
 - Introduce proper workload management and risk planning and live with the results
 - Greater focus on service planning/delivery, introduction of a risk management strategy

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1. Communications and Consultation in General

- Management communications with the new Chief Executive have become much better but they are told what he wants to make known. Some Departments are very good but some are only fair.
- Consultation ranges from poor to good depending on the union perspective and the Department concerned.
- Workforce awareness of change varies but it is not done so well – again some parts of the organisation are a lot better than others.
- There is over reliance on e-mail and not everyone has the facility to obtain these.
- This has been good on LSVT, which is seen as being “open and honest”, but on Leisuretime it has been “poor and one-sided”.
- There is often the expectation that information provision will be conveyed to the workforce by the union.
- The information and the procedures seem to be different between the Civic Centre staff and those in the Works Department.
- The Council is quite open – there is no problem in getting information.
- There needs to be clear procedures for dealing with individual and collective procedures which are uniform across the authority.
- There should be a single joint forum for all workforce representatives.
- Apart from overtime rates, nothing else has happened on Single Status.
- There needs to be regular meetings that deal with one situation eg. the financial situation.
- General consultation with the employees as a whole.
- The meetings with the Chief Executive need to be more formalised.
- Ultimately they want to help the Council work better.
- They would rather have negotiation than simply consultation which is sometimes characterised as “telling rather than asking”.
- The options should be put to the unions and this would allow consultation with their members.
- Reports are written and sent to the unions without the time for them to consult with their members and they believe this should stop.
- They have not been asked about the framework for consultation into which the meetings with the Chief Executive fit.
- Overall things have improved – 12 months ago there was not a principle that departmental management met with the unions – now this happens.

2. Communications and consultation arising out of LSVT & the potential Leisuretime externalisation

- The Works Department has had a detailed consultation on the future of Carlisle Works.
- The meetings with the Chief Executive have been very honest and transparent.
- The speed of information (in Works) has been staggeringly effective – TUPE was delivered in 2 weeks – this is better than normal.
- This has been mentioned in the meetings with the Chief Executive but not in any detail.
- Are looking towards this report as being the tangible start.

3. What do you understand is the likely consequential effect of these changes?

- The Council will need to find more money and Council Tax will have to go up.
- It is a threat to the workforce remaining – it is possible that people will be asked to more for less.
- It is not going to be good.
- Trades Unions do not have a lot of faith in TUPE.
- There is the potential that some of the client functions could be merged with the contracting ones.
- At what point do you downsize as in some cases eg. Personnel, the workload will go up in the short term.
- We have only had meetings with Riverside who always say they don't know what is going on.
- Have only been given broad brush information.

4. Should the Council's role be the direct provision of services?

- Direct provision is the favoured position.
- The new PFI hospital is giving problems.
- Allerdale have transferred some works functions twice.
- There is a lot of trust in local authorities – that they are to provide a service and not make a profit.
- It is national union policy that the public sector should provide public services.
- The Council is best placed to ensure the health and well being of its citizens eg. Leisure Services are able to be provided across society.
- Things need to be put on the same level footing.
- There is a good history of public and private partnerships.

5. What should be the Council's Strategic Priorities?

- To provide quality services for the people of the area.
- To be a responsible employer.
- Working with the Regional Development Agency to undertake economic development.

- To pursue the general aims of the City Vision document.

6. Chief Executive's Top 3 Priorities for Organisational Change

- Safeguarding the constituent parts.
- Clarify the aims of the Council.
- Provide a quality service at the right price and ensure that the Council is accountable to the people.
- Ensure that the staff, their terms and conditions of employment remain as now.
- That the welfare of employees is looked after.
- That the City Council is retained as an entity.
- To sort out job evaluation before transfer.
- That they are consulted at all stages of this review.
- That it is known that this is one of the most important issues that their membership will face in the next 5 years.

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1. What do you believe should be the Council's Strategic Priorities?

- Continue to develop access arrangements for persons with disabilities.
- Developing the rural city concept.
- Fresh thinking about estate renewal.
- Leadership in working to the strengths within the rural communities.
- To become more engaging with their stakeholders.
- Become more open and accountable with their consumers.
- To develop future strategy by facilitating openness and accountability with consumers.
- Developing a better transport infrastructure for road, rail and air.
- Developing Carlisle as a university centre, particularly by educating business as to the benefits of the City being a higher education centre.
- Raise the quality of life including the health and welfare of its people.
- Improving the infrastructure and investment in the local economy.
- Improving car parking provision for the City centre.
- Raising the quality of leisure facilities including consideration of a comprehensive facility.
- Consider the needs of facilities for the growing student population.
- Provision of a theatre and concert venue.
- Economic development and infrastructure – particularly links out of the City into the rest of Cumbria with a priority being links to the west.
- High quality IT links – the City needs to be in the 21st Century.
- Continuing the improvement of the City centre.
- Turn the City into the “learning City” with the schools and higher and further education linking up.
- Putting Carlisle on the map – particularly amongst potential students.
- Tackling crime and street violence – particularly with young men.
- Consider what will be done if the housing transfer does not take place.
- Promote Carlisle as an attractive place in which to work and live.
- Currently the Council has no vision beyond the next year – it needs to be proactive in tackling things long term.
- Cater for the growing needs of older people.
- Work a lot harder on communications – ensure they are fully distributed and do not contain inaccuracies.
- When consulting upon strategies examine carefully the range of processes required and provide feedback.
- Health of citizens as well as their prosperity.
- Tackling crime and disorder plus road safety.
- Increasing tourism.

- Strike the balance between the service provision in the rural and urban areas.
- Access to services is not just a transport issue – there should be a look at the needs of communities to find ways in which people can fairly take advantage and benefit from services.
- The aftermath of FMD is considerable and needs sensitive handling and support to facilitate the changes that the rural communities will need to undertake in order that those communities can survive. This is both in terms of community support and economic development.

2. How does it undertake its consultation processes – is it meaningful?

- The Council has a total commitment to the integration of persons with disabilities.
- It uses its traditional roots – it is closer to Parish and Town Councils than almost every other district.
- It makes good use of its outreach facilities which came into their own during the FMD crisis.
- The fact that they created the Local Strategic Partnership is illustrative of the way they work.
- The evolution of the City Vision could not have been done in a more democratic way – it was excellent, a good template.
- City Vision was a good process.
- There was a very significant change with the arrival of the new Chief Executive.
- It has a number of preferred ideas and options rather than start with a blank sheet of paper.
- Postal voting on ideas is not consultation.
- They don't endeavour to ensure that all groups, particularly the more marginalized are consulted.
- Historically, the consultation is based around council estates and the other areas do not receive meaningful consultation.
- Since the new administration was elected this has improved – they are now asking for more feedback than previously.
- There is the need to consult younger people – more effort is needed here.
- There is almost a lack of respect for opinions and the work people do to raise issues with the City Council.
- By using the voluntary sector, member lists and through the CVS eg. City Vision and Surestart.
- The Local Strategic Partnership is working particularly well.

Meaningfully is the operative word with direct representation on a number of committees including City Vision – it is a good friendly relationship.

3. Does the Council have a partnership approach to issues – does it involve organisations as a genuine partner?

- It really has an appreciation of the abilities etc. that others are able to bring – that there is something valuable but this is not universally acknowledged as some are threatened by this.
- There is involvement as a genuine partner though, through talking to others, there is a feeling that they should be consulted more.
- Would like to see a more open partnership grouping on the actual business of policy making.
- For those persons who have a genuine commitment and interest – there should be a mechanism for involving those people.
- Historically the Council has seen outside bodies as a threat – “toothless tigers” but this has moved on.
- In recent times there has been a drive to involve more in partnership – particularly this recent administration.
- Not sure the Council has it yet but the Lanes and Kingmoor Park are good examples of specific partnership working.
- It is genuine but could be improved.
- Whilst there is a genuine feel for partnership and a much greater understanding by the Council of the working of institutions it has not yet been taken beyond that.
- The Council through its access to resources, uses its power to meet its priorities.
- Once it has the information it wants the Council tends to bypass – to be in control.
- During the past year this has been more in evidence however we do not feel we are regarded a genuine partner yet.
- It is going that way.
- The Council does honestly seek to work in partnership but it is not yet clear how groups will link to the new Executive.

4. New Management Structure – what would you want from these changes?

- The Council has retained a 1960’s style administration based upon fairly traditional departments.
- People work better when they are away from the building.
- The Town Hall is an impenetrable building with people working in impenetrable boxes and that alone prevents changing the culture.
- Communications between departments.
- The staff are as good a calibre as you would get anywhere so they need to be freed to release fully their creativity.
- There needs to be the facilitation of an exchange of views with people that they don’t usually work with.
- There needs to be a mechanism for involving people who have a genuine commitment and interest.
- Clarify who does what as it is not clear how things work at present.

- Keep it simple, give more freedom.
- Needs to be more joined up – particularly regeneration.
- Does not want to see a reversal in their constructive relationship.
- Would like to see working closer together even the potential of shared facilities as proximity makes it easier and more effective to do a job – there is a shared perspective.
- A speedier decision making process which cuts through the layers of local government.
- Greater delegation.
- Have a clearer long term strategy with milestones.
- Economic development including science parks – the vision to create this.
- It would be helpful if each Department knew what the others were doing.
- Where there is an overlap of interest between Departments they should take part in some joint training.
- The current situation is that the managers protect the interests of their own service to keep things the same.
- They don't understand each other's work.
- The Council is into the theory of community leadership but in practical terms they put people into roles because it suits the Council's interests.
- There has to be transparency in decision making.
- There is a worry that the new Cabinet structure is one party and therefore there should be great transparency of decision making.
- There should be clear channels of communication to the Cabinet.
- The titles of people and who does what should be communicated well.
- The role of the Scrutiny Panels should be made widely known and understood.
- A new system should not be at the expense of personal contact.
- Provision for rural areas which recognises the differences and special needs that they have compared with the urban areas (particularly access and isolation).
- Continued support to outside bodies and community organisations.
- Quality and access to officers. The moves towards a responsive service need to be maintained. There has been a significant improvement through the new Chief Executive.
- More support for rural businesses.
- Ensure that the management team is fully cognisant of the needs of those with disabilities.

5. Do you believe the Council would be better concentrating on its role as a community leader rather than directly providing services.

- The question needs to be asked, “why are we (the Council) doing this when it would be better done by others eg. Business Link?”
- Certain services could and should be done by the private sector.
- Carlisle has an officer for everything.
- It depends on the services.

- Torn here with this issue – there is the need for the overview which the Council can provide but in certain areas the business community is better at keeping overheads low.
- Rather than being a bureaucratic black hole, the model of enabling and leading is preferred.
- Partnership is the way forward – it engages other people and is potentially more cost effective.
- Concentrate on community leadership role and bring in what is required providing there is a clear specification.
- Councils are not always the best of business managers.
- The City Council should get on with what it is good at.
- It is about striking the balance.
- The danger is the private sector will drop things and then vital services could be lost.
- The worry is other agencies could be driven by profit.
- Accountability is a major issue – this would need to be made clear.
- Probably there are people out there who can provide services much better and cheaper.
- Definitely see the Council as enablers rather than providers – this leads to better relationships with outside bodies.
- There is concern about this issue – for instance what is meant by “community leadership”?
- Access to information is the issue – it is easier to remember one telephone number.
- The Council could try to be both enabler and provider.
- This is a “hard one” – if it is proven that it is more cost effective to use an external provider without a reduction in quality, then fine, but the balancing effect upon communities needs to be watched.
- If the Council becomes just an enabler it would have to justify its existence.
- The concern is that it would cost more to externalise the services.
- They can influence the Council as it is, but if there was change would there be the same level of co-operation.
- If the Council did this would it be segmented like slices of cake?
- Would want to be consulted on any change and act as devils advocate.

Please note that the views expressed and information given herein have come from those persons interviewed and are set out to provide the collection of outcomes from the diagnostic fieldwork part of this exercise. Where more than one respondent gave the same response then this has not been repeated unless there was an added slant or emphasis which provided something additional. If there are aspects made which appear to be in contradiction to others in this section then that simply demonstrates the range of views given.

Workshops held

Senior Management Workshop	14-11-01
Communications Unit Workshop	21-11-01
Policy Unit Workshop	21-11-01
Conservative Group Workshop	26-11-01
Labour Group Workshop	27-11-01
Lib Dem/Ind. Group Workshop	28-11-01

Workshops to be held

Employee Workshop(s)	To Be Arranged
Community & Consumer Workshop(s)	To Be Arranged

**CARLISLE CITY COUNCIL
CORPORATE ORGANISATIONAL
BEST VALUE REVIEW
WORKSHOP OUTCOMES**

The discussion topic: “*the way the Council functions – its operation, management and decision making*”

SUMMARY OF KEY OUTCOMES

New Political Structures

- The new arrangements make Non-Executive Members feel that they do not have the necessary input in decision making
- Better communication is required amongst Members
- Less Councillors or the need for area based working
- Councillors are missing out on the ‘learning curve’ previously gained through Committee experience.

Best Value

- Act as interference in the Council, which takes up vital resources
- No savings identified
- Radical ideas are needed
- Not against the Best Value process but the cost and bureaucracy

Staffing Issues

- Current management styles lead to empire building and maintaining
- Appropriate staffing levels are needed for functions (there is an imbalance)
- The recharge policy for staff costs is frustrating

Resistance to Change

- There is a resistance to change culture
- Senior management are reluctant to change
- A better corporate outlook is needed
- There is a resistance to partnership working

Lack of Continued Investment over a long period

- More partnership working is needed
- Externalisation and other options may be the answer

Good Opportunity to make change

- There is a positive agenda e.g. LSVT, Leisuretime
- Structural change is needed
- Regional agenda
- A long term budget plan is needed

There is resistance to change

- The silo style is non corporate
- More corporate policies are needed

Length of time taken to make and implement decisions

- An ineffective and inefficient and bureaucratic process

Convolved organisational financial management systems

- Introduce a more straightforward accounting system
- Get to grips with base budget

The discussion topic : “*the way the Council functions – its operation, management and decision making*”

SUMMARY OF KEY OUTCOMES

- Inertia, no vision and a lack of decision making (the Executive have no ownership and responsibility for reports)
- Departments organised in silos with no lateral thinking in the current rigid structure
- Diminishing role as a service provider leads to a disconnection between Council and people (loss of control and response)
- Low staff morale, due to lack of vision to take the authority forward
- Privatisation (moving to enabler)
- Restructuring
- Poor communication
- Executive decisions are made on no apparent criteria and evidence by a bunch of incompetent and indecisive individuals
- Backbench Councillors have a declining role and are disenfranchised from decision making. Privatisation will render them unable to deal with the residents who need the most help. The community Councillor role is not happening as Councillors have less influence and are unable to resolve issues
- Staff morale is low with a perception of a lack of communication (top-down). Staff are facing an uncertain future with a loss of and / or deterioration in services as the Council moves from a service provider to enabler with a consequential loss of jobs under privatisation
- There is potential for even less inter-departmental co-operation – due to insecurity of employment
- Lack of consultation with public leads to rumour and misinformation
- Loss of involvement from backbenchers and loss of democracy

Other issues included

- Lack of communication and dialogue, both top down and bottom up
- Too much spin and not enough substance and detailed ward information
- Loss of functions may generally lead to loss of high calibre Officers
- Councillors ability to learn and progress is restricted by the new political structure. It may lead to less involvement in Local Democracy
- Strong support for area committees as a mechanism to involve back bench Councillors
- Future changes in the Council require early debate and discussion

The discussion topic : “*the way the Council functions – its operation, management and decision making*”

SUMMARY OF KEY OUTCOMES

- Glad to see a corporate approach now being developed, there has been a lack of integrated thinking e.g. in the demolition of houses on the Raffles estate
- Communication between departments is poor, and people are passed from department to department
- Mad at Central Government interference – Council’s should be more independent to run their own affairs
- Confusion between the functions Central Government, County Council, District Councils
- Concerned about creeping privatisation
- Concerned that the changes proposed may lose the concept of modern local government
- Need a way forward – looking at strengths and weaknesses and preparation of a 5-year plan
- People should come first before politics (some Members are too political)
- In the new political structure back bench and independent Members are marginalized and disenfranchised from the decision making process. This is worse for the independents who find it difficult to represent their electorate. A counter measure could be “strong area committees with a voice and authority”
- There is confusion between the City and County Council no-one knows who does what. The wrong council is often blamed –unitarisation is the answer
- Some Members have a ludite attitude and a resistance to change e.g. the attitude to e-government. It is difficult to get new young people involved
- Is there now any role for a single Member party?

Working Group 1: *Workload & capacity to deliver in the short and long term.*

Problem

Problem is defined as the Council's ability to deliver future workloads with diminishing resources. How can we respond to future initiatives without incurring initiative overload?

In the past the Council was always able to accommodate new and extra demands for its services from an inbuilt overhead of resources. The activities of the Council were of such a scale that there was an inherent ability to accommodate any new demands against a background of current activity.

This is likely to change in the future unless such an overhead is introduced as part of the restructuring.

The problem is defined by the diagram shown below:-

This shows that currently the amount of resource to meet the current workload is constant. During the coming year extra resource will be needed to cope with LSVT, Leisuretime externalisation etc. From 2003 the workload, and consequently the required resource to meet it will be more "lumpy". In the absence of any institutional overhead to deliver them, as new initiatives etc. are started there will not be the capacity to accommodate them and some other method will be required to complete the changing workload.

Solutions

In the short term the extra workload generated during the transition period can be covered by consultants, short-term contracts and secondments. There is also scope to limit the workload by applying an Initiative Overload Filter (IOF) by "just saying no" to more initiatives.

In the longer term the solutions include:-

- Partnerships – to help share and spread the resource requirements
- Clean Exit Strategies – to free up resources at the end of initiatives
- Resource Sharing – with other partners and agencies particularly of scarce and under utilized assets
- IOF – Continue the use of the Overload Filter –
- Workload Management – More rigorous approach to the management of the corporate workload with a resource assessment at the commencement of each project
- Multi-skilled workforce
- Cultural and organisational change to promote the idea of flexibility in the use of staff resources and expertise

Action Plan

The short-term situation is already covered by the measures put in place.

In the longer term suggestions include:-

- Production of an agreed annual corporate initiative plan
- An extra policy element to recognize and agree any new initiative or variations to the plan. Strong and early “go/no go” decisions on initiatives.
- New initiatives to be accompanied by a detailed resource statement and defined endpoints.
- A different financial regime – that recognizes “lumpy” budgets will be a permanent feature in future. A corporate pot?
- Staff motivation to be improved. High calibre staff will required to meet new work style. Improvements in recruitment, retention and career development.
- External funding officer role be extended to investigating the possibility of resource sharing with other agencies and partners
- Retain some of the corporate overcapacity in the form of a team of “floating” project officers.

Working Group 2: *Make or buy*

Problem

In order to formulate a decision-making framework for assessing 'make or buy' policies within the authority it is deemed necessary for some clarity over the future political aspirations for the City Council.

Mixed messages have been received over whether the Council is going down the route of being an enabling authority or will continue to be a significant in-house provider of services. On one hand major decisions have been made over the externalisation of Leisuretime and the Large Scale Voluntary Transfer of the Housing Stock. This suggests the Council is seeking to adopt a minimalist role although there is recognition that if and when such transfers take place, the Council will still have a significant role and indeed responsibilities in respect of satisfying housing needs and the provision of leisure services. Conversely, decisions have been made to take over the Highways Agency work via 'claimed rights' and to retain a residual Direct Service Organisation following L.S.V.T.

The decision made on Leisuretime and the Housing transfer will inevitably lead to a funding gap for the General Fund and this should lead to a re-evaluation of the spending profile of the Council. A political steer as to whether the authority is likely to shift the balance to a degree between statutory and discretionary services would be beneficial. Is the Council going to look for a low spending approach primarily focused on statutory services or to spend more money on providing the type of discretionary services that may promote Carlisle's status as a regional capital.

The decisions on claimed rights and the retention of the DSO have been made, partly on a financial basis, and this suggests there is no push towards wholesale externalisation of services currently provided in-house (although the reasons for previous decisions need to be more clearly understood). It therefore seems to be that a process of "What matters is what works" is to be sanctioned.

Solutions

The implications of adopting such a policy need to be accepted, and in such a case a possible action plan for a make or buy decision making framework can be summarised as follows: -

- Clarify the Political Strategic Vision within the authority
- Prioritise the key objectives in that vision after consultation with all stakeholders including customers, partners and employees
- Re-evaluate the base budget in accordance with the prioritised strategic vision
- Stick with the vision whilst maintaining capacity to be flexible and to deal with the unknown
- Delegate the 'make or buy' decisions to Officers and Portfolio Holders in line with the authority's evolving Procurement Policy and through the Best Value process (which should ensure that no decisions are made in isolation that have a corporate impact elsewhere)

Working Group 3: *Inward looking culture and customer focused services*

Problem

Inward looking culture can only be fully addressed when the future direction of the Council and the subsequent roles and responsibilities of officers have been identified. Employees liable to seek refuge in silo mentality due to current uncertainties of change. These issues work against a customer focused delivery.

Solutions

1. The assumption that service provision structures result in an inward looking culture should be tested.
2. The potential for thematic services based around current Best Value Reviews and the new political structure could lead to more outward looking, customer focused services should also be tested.
3. The effectiveness of internal communications in changing culture should be examined.
4. Many other authorities have or are currently addressing similar issues, we should seek and adopt appropriate best practice.
5. If "City Vision " is the corporate strategy of the Authority it should be delivered.

Action plan

1. Undertake customer and potential customer consultation to validate conclusions and direction of "City Vision" in the clear understanding of future reduced resources and the Council's Statutory functions which may have to take priority over certain aspirations within the "City Vision" document.
2. Improve internal and external communication to encourage corporate values internally and to clarify Council role and direction externally.
3. Develop new and improve existing partnerships to help cope with reduced resources and to link more efficiently with new stakeholders in service delivery.

Working Group 4 : *Communications*

Problem

Communications – What? Who? When? How?

What?

Vision, strategies, plans, performance, policies, decisions, management information, organisational values, roles and responsibilities, linkages between operational and strategies

Who?

Layers of management, employees, members, public, users, partners, stakeholders, business community, media. Voluntary sector, unions, local/central government, professional agencies

When?

Timely, regular, sustained, when target audience need/want it, before media coverage

How?

Proactively, 2 way, plain English, targeted style, written and verbal, honest not spin

Written – newsletters, e-mails, media, reports, correspondence, council magazine, leaflets/flyers, plans and strategies, web sites, surveys/citizens panel, notices/noticeboards, public folders, essential guide

Verbal – TIR's, team meetings, formal/committee meetings, cascading, focus groups, management by walking about

Action Points

Audit/Survey Present Practises
Corporate Framework for Briefings/Feedback
Communications Protocol/Map
Corporate Standards/Guidance
Training (on above)/Communications Skills
Tell Employees What They Can Expect (and stick to it)
Regular and Sustained Information
Explain Key Issues and Processes Early
Political Ownership of Protocol
Management Decisions Cascaded
Management Discussion Group on Intranet
Clarify Role of Communications Unit
Review Effectiveness of Changes
Engage Employees

Working Group 5: *Human Resource Issues*

Issue (i)

HR policies

Address Using

- Open, transparent, honest & decent one.
- Simplified using plain English campaign.
- Streamline procedures

Action Required

- To all above points review current arrangements.

Issue (ii)

- Transitional period.

Address Using

- Early definition of future shape, size & culture of the organisation.
- Identify long-term needs & timescale.
- Recognise interim needs for service delivery.
- Make appointments to move incrementally to the new organisation as opportunities arise.

Action Required

- Political decision needed from Strong Leader Model of Council just adopted.
- Detailed skill profiles needed to reflect the skills the new organisation will need to drive things forward.
- Frequent and regular communication of the position.
- Pragmatic style be adopted but operated in open, honest, fair and decent mode. Avoid short term contracts as far as possible.

Issue (iii)

Recruitment and retention.

Address Using

- Employment terms and conditions.
- Career development opportunities.
- Training.
- Communications.

Action Required

- Appropriate to needs of the service – need to pay the going rate!
- Continue career development as at present.
- Continue with training as at present.
- Improve to involve, advise and encourage staff.

Issue (iv)

Knowledge.

Address Using

- Skills.
- Training.
- Communication.

Action Required

- Clearly define what is needed in new organisation.
- Continue as at present, seek to retain IIP accreditation and build on successes to date.
- Improve to involve, advise and encourage staff.

Issue (v)

Morale.

Address Using

- Empowerment.
- Capacity.
- Goodwill.
- Communications.

Action Required

- Decision making at appropriate levels.
- Ability to say NO to demands which exceed capacity – change in culture needed from present.
- Recognise it's 2 way process, benefit of the doubt.
- Open, honest, transparent and decent standards.

Issue (vi)

Overload

Address Using

- Prioritisation.
- Scheme of delegation.
- Training.
- Time management.

Action Required.

- “Binning” of useless information.
- Streamline decision making process.
- Recognise / audit working practices via TIR.
- Promote good time management practices – meetings to be better structured and staff should come better prepared. Ability to say NO should be part of the new culture.

Issue (vii)

Partnerships (enabler or provider?).

Address Using

- Training.
- Recruitment.

Action Required

- Policy decision required! Type of Council. Make or Buy.

Workshop Outcomes:

Issue (i) : *Tackling staff cynicism*

Problems

1. Nothing changes – seen it all before
2. Inconsistent management practices
3. Promises never materialise
4. Not enough time
5. Mismatch of “real” work and Council aims objectives and priorities
6. No recognition for doing the job
7. Poor communication
8. Lack of leadership
9. No clear priorities
10. Empire developing/defending rather than providing for customer needs

All leading to demoralised cynical staff doing too many things badly rather than a few things well.

Solutions

11. Assessment of community needs/wants
12. Realistic prioritised aims and objectives
13. Structures built to deliver rather than defend
14. Leadership
15. Good communication
16. Clear explanation of why we do things
17. Doing what we say
18. Rewarding staff appropriately

Issue (ii): Lack of 'Professional' Management

Problem

1. People seem to become managers in many cases through 'time served' rather than ability;
2. They are appointed to management positions because they are good at the job they were doing then, they're not necessarily good managers;
3. No management development training;
4. No professional development training;
5. Job specific, operational recruitment, little evidence of management awareness;
6. Too much emphasis on service delivery, not strategic management of the organisation. This is for a number of reasons, including:-
 - Resource issue
 - Talented staff have become demoralised and left, so there is no-one to trust to delegate
 - No importance attached to corporate working
7. Lack of discipline & strong leadership
8. No management team building
9. Difficulty in recruiting
 - location
 - pay peanuts, get monkeys

Solution

1. Think that culture of CMT is beyond redemption
2. Re-define the new CMT role away from service delivery and towards strategic organisational management.
3. Competency-based interviewing to appoint important positions – for people to manage the services while CMT manages the organisation.
4. Thorough review of personnel and training, to set up delivery of professional and management development programmes and recruit those with management competencies.
5. Thorough job evaluation.
6. Identify & bring in good practice in corporate working.
7. Regular team building and 2-way communication sessions.
8. Performance management (targets and forward plans) in culture throughout organisation and down to individual levels through pdi's.
9. Service planning improvement – clear measures and targets – right down to the individual.
10. Secondments policy – wider experience & improved career opportunities, experience of dealing with cross-cutting issues.
11. Identification and reward of potential – bonus schemes, acknowledgement of good work, e.g. employee of the year schemes etc
12. Pay the right £ for the job. Hopefully, in the future, this and the above measures will mean that Carlisle City Council is seen as a good employer

Workshop Outcomes:

Action plan for Communications within Carlisle City Council

Internal

- ◆ Develop staff training in how to communicate effectively with both citizens and colleagues along with customer care training
- ◆ Detailed staff induction training
- ◆ Allow staff to take ownership of problems
- ◆ Keep staff informed:
 - ❖ develop policy that requires information to be provided
 - ❖ create a system that ensures information is disseminated in the correct manner
- ◆ Staff motivation – through achievement of awards
- ◆ Regular briefings on all issues affecting the Council and staff
- ◆ Create a central information point
- ◆ Develop Focus groups
- ◆ Staff conferences – for motivation and information exchanges
- ◆ Create an up to date phone directory and layout of City Council staff
- ◆ Involve staff in decision making process
- ◆ Staff social events

External

- ◆ Ensure corporate identity is followed through policy making
- ◆ Develop a forward thinking attitude to publications
- ◆ Ensure publications/promotional material is targeted accurately and a monitoring system is implemented
- ◆ Develop joint publications with partners
- ◆ Ensure that all staff have a good understanding of all aspects of the council prior to making presentations to external organisations on specific projects
- ◆ Create an understanding amongst staff that they represent the City Council as a whole
- ◆ Create a central information point.

Chief Executive Priorities for Organisational Change (*source 19 Heads of Service*)

- Ensure that the new structure is properly resourced.
- Communicate well on how the change is to be implemented.
- Don't alienate the staff.
- Genuinely involve employees at an early stage.
- Reflect the issues in City Vision in the new structure.
- Have a definite goal that the organisation is seeking and make this clear otherwise people will see this as a change for change sake.
- Make the hard decisions.
- Get the best out of the resources that are available.
- Endeavour to make the change take place in the most positive context as possible.
- Ease the pain of the process.
- Do not try to do everything at once.
- Improve internal communications.
- Motivate the workforce to prevent disaffection.
- To secure support for the reasons for change and communicate these widely.
- Chop through the chains that are holding things back
- Implement the changes quickly.
- Concentrate on the big strategic issues.
- The Chief Executive needs to clarify his own role and function.
- Map out the future for the organisation and the City.
- Strive to get the new Member decision making arrangements to work as they should.
- Provide certainty to the role of the Heads of Services (or equivalent in the new set up) and the level of decision making they have.
- Clarify the role of the Corporate Management Team (CMT).
- Whatever happens, it is communicated well and inclusively so as to: minimise uncertainty; minimize angst; and handle the HR aspects in the best possible way.
- Make certain that there is a strong commitment to it with a determination to make it work both by himself and by the politicians.
- Seek to achieve that the new structure lines up with the new way of working.
- Produce openness and leadership with: a statement as to how it has come about; why there are changes; and how the mechanisms for implementation will work.
- Ensure that whatever comes out the needs of the community are fully catered for once they have been properly assessed.
- Create a framework which translates the vision into reality.
- Speed the process as there is a lot of anxiety around and this is affecting the quality of services.
- Do LSVT before reorganisation.

- Get the City Council's act together with the County Council.
- Ensure that there is a personnel policy that deals with the changes.
- Formulate changes which actually address the issues that have been identified as needing change.
- Assure that the Council decides what type of authority it is going to be: hybrid or enabling.
- Establish how these aspirations are to be funded.
- Once the policy direction has been decided let the professionals get on with it.
- Deliver continuity during the transition period so that there is a seamless change.
- End up better placed for resource management.
- Be able to attract the right people.
- Ensure that all current initiatives dovetail together.
- Get the organisation to grips with the new information age: e-government
- Grasps the opportunity of the regional and potential local government changes to position Carlisle rightly in the sub-regional context.
- Deliver the corporate strategic plan within the context of City Vision and ensure that the key staff and corporate services have the level of expertise to do this.

Please note that the views expressed and information given herein have come from those persons interviewed and are set out to provide the collection of outcomes from the diagnostic fieldwork part of this exercise. Where more than one respondent gave the same response then this has not been repeated unless there was an added slant or emphasis which provided something additional. If there are aspects made which appear to be in contradiction to others in this section then that simply demonstrates the range of views given.

UNISON
Local Government

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Peter Stybelski
Chief Executive
Carlisle City Council
Civic Centre
Carlisle

16th January 2002

Dear Peter

**CARLISLE CITY COUNCIL: CORPORATE ORGANISATIONAL
BEST VALUE REVIEW: SCOPING REPORT**

Following on from our recent meeting, and after considering the contents of the HACAS scoping report, UNISON welcome the opportunity to comment on the contents of the report. UNISON fully supports many of the recommendations made in the report, and hopes to work with the City Council to find a way of providing services based on customer orientated themes, whilst retaining the effectiveness of existing employee expertise in delivery of services.

Staff working in interrelated disciplines must retain their existing close links to provide quality services within a thematic culture.

UNISON continues to oppose privatisation though the housing stock transfer and leisure trust externalisation with their ongoing effects on the City council's budget and related staff and services implications.

UNISON particularly wishes to make the following comments relating to the HACAS report:-

The need for a medium term strategy for the City Council which should be a single strategy rather than a number of inter-related strategies that exist at present. The current existence of a number of interrelated visions and strategies confuses staff and the general public leading to apathy and low morale for employees.

The new political structure is probably not understood by most employees of the Council, or citizens of Carlisle. It is imperative that the structure is explained to staff and public alike. Sufficient new staff resources need to be provided to support the new political structure.

In some areas of the City Council, corporate working does not exist.
This situation cannot be allowed to continue.

Employees must be involved in all aspects of the City Council's
organisational review.

The Council must provide adequate staffing levels to deliver existing
services and new strategies and proposals.

The Council must significantly improve communications between all
tiers of staff with a recognition of the importance of feedback from
lower tiers back up to senior management.

There is a distinct lack of facilities within the workplace for employees.
In addition to those mentioned in the report, should be the addition of a
creche. The establishment of an employee working group is an
excellent idea.

Financially, the deficit in the budget over the next 2 years is very
worrying. It would be a mistake and would seriously impact further on
staff morale if the City council attempts to make up the deficit by means
of reduction in services/staff levels.

UNISON looks forward to working closely with the City Council and
planning the way ahead in the best interests of the citizens of Carlisle,
the City Council and UNISON members. It welcomes the offer of an
observer/representative on the Corporate Organisation Review
Working Group

Yours sincerely

Chris

Chris Wright
Chair, Carlisle City Council Branch UNISON

CHAIRPERSON: CHRIS WRIGHT 817364

**SECRETARY: SARAH GRAHAM 817573
ISOBEL DAVISON 817572**

Resolution

It is resolved that, due to the Council-wide implications of this review, the Overview & Scrutiny Management Committee considers that it is the appropriate scrutiny committee to undertake this review.

In order to facilitate this arrangement, the Overview & Scrutiny Management Committee will recommend to the Council that a suitable amendment is incorporated into the present constitution. In addition, it is proposed that the Council should have the discretion to assign future major reviews to this scrutiny committee.