

**REPORT OF THE SERVICE DIRECTOR - IMPROVEMENT****IMPROVEMENT PROGRAMME ANNUAL REPORT AND UPDATE****Purpose of the Report**

1. The purpose of this report is to provide Policy Committee with an overview of the activity of the Improvement Programme during 2011/12 and to update Members on the future development of the Programme.

**Information and Advice**

2. The Improvement Programme was established by the County Council in February 2010 to support the organisation in meeting a significant and unprecedented budget challenge that was estimated to be in the region of £180m, out of which £70m would be reinvested in priority demand services over the following three years. The Programme was designed to improve services, drive out inefficiency, target resources, minimise the impact of budget reductions on service delivery and help create an organisation that is fit for purpose, offers good value for money and is financially sustainable in the longer term.
3. The Programme included the following core strands of work:
  - a. Procurement Transformation
  - b. Business Management System
  - c. Ways of Working
  - d. Service Review and Redesign
  - e. Integration of support services including communications and complaints
  - f. Restructuring and management de-layering
  - g. Department/service -specific improvement activities
4. The Programme was supported by the following cross-cutting themes of work:
  - a. Organisation design
  - b. Culture
  - c. Communications
5. Work has progressed well on delivering the core strands of work, with the following progress being made over the last year:
  - a. Establishment of a strengthened corporate Procurement Centre, significant progress on implementing category management and improved delivery of procurement savings.

The Procurement Centre was transferred back to the relevant department in January 2012 and continues to develop

- b. Implementation of phase I of the Business Management System in November 2011, along with the establishment of a Business Support Centre to manage its operation. Work is progressing well on dealing with outstanding issues from phase I and phase II delivery is under way
  - c. Work on the refurbishment of County Hall and Trent Bridge House is well under way and a number of office moves have already been implemented by the Ways of Working team to enable office buildings to be released
  - d. Significant reductions have been achieved in management numbers and layers, through a structured process of organisation re-design
  - e. A new competency framework and associated Employee Performance and Development Review process have been implemented
  - f. There have been significant improvements in our approach to communication, supported by the centralisation of communications and marketing resources
6. The service review process that was carried out between March 2010 and October 2010 resulted in the identification of approximately 150 individual projects that would deliver savings to meet the increasing budget challenge. Since that time, considerable time and effort has been focussed on delivering those projects, with the work supported by a small central Improvement Programme team. To date, the Programme has delivered savings of over £70m and the projects that are still being implemented will deliver a further £70m over the next two years.
7. In addition to providing oversight and governance of progress, the Improvement Programme team provide specialist resources to support the delivery of projects in departments. The attached Annual Review document provides an overview of the team's activity and contains a number of case studies that identify how the team supports other parts of the Council.
8. Whilst the work undertaken to date has enabled the Council to meet the current budget challenge, nationally it is anticipated that there will be further financial pressures for local government from 2014 and beyond. The future financial forecasts, coupled with continuing increasing service demand, require the Council to consider its longer term transformation requirements. External support was secured to provide guidance on how the Council might meet these longer term challenges, whilst maintaining a focus on service improvement and meeting increasing customer expectations.
9. Following a competitive tendering exercise, KPMG were commissioned to undertake a review of our progress to date, carry out further research, identify best national practice and prepare a report to help inform the next stage of the Council's ongoing transformation. Alongside this work, senior officers have also been analysing and assessing progress to date on the Improvement Programme projects and visiting other councils to identify best practice.
10. Officers are now considering the information gained through this process, as they prepare recommendations for Policy Committee to consider in the autumn on how the Council can further improve the way it works, whilst prioritising frontline services and making appropriate savings in the future.

## **Other Options Considered**

11. None.

## **Reason/s for Recommendation/s**

12. Activity that falls within the remit of the Improvement Programme forms a significant element of the transformation of the County Council and it is therefore appropriate that Members are regularly updated on the Programme's activity.

## **Statutory and Policy Implications**

13. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION**

14. That Policy Committee notes the Improvement Programme annual report and the arrangements for developing the Council's Improvement Programme.

**Deborah Hinde**  
**Service Director - Improvement**

**For any enquiries about this report please contact: Deborah Hinde, extension 73804**

## **Constitutional Comments (HD 07/06/2012)**

15. Policy Committee is the appropriate Committee to decide the issues set out in the report as responsibility for the Improvement Programme falls within Policy Committee's terms of reference.

## **Financial Comments (MA 07/06/2012)**

16. The financial implications of the various core strands of work have been included in Committee budgets and the Medium Term Financial Strategy. A sum of £18m is available to support implementation of the remaining programme and any future projects.

## **Background Papers**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

One Council-One Business-One Plan: Improvement Programme: Report to County Council 25 February 2010 (previously published)

## **Electoral Division(s) and Member(s) Affected**

ALL