



## **REPORT OF THE LEADER OF THE COUNCIL**

### **REDEFINING YOUR COUNCIL – A REVIEW**

#### **Purpose of Report**

1. To update members on the outcome of a review of the transformation framework, **Redefining Your Council**, and seek approval for revisions to the approach that include revised governance and performance management arrangements along with changes to the portfolio structure and programmes.

#### **Information and Advice**

##### **Background**

2. On 2 July 2014, Policy Committee approved a new, strategic approach to the transformation of the Council in response to an unprecedented series of factors, including ongoing reductions to Government grant funding, rising demand for services and the impact of policy and regulatory changes.
3. Social factors, such as the rapid adoption of technology, have changed the way that people live their lives, offering the chance for the Council to ***Do Things Differently*** by transforming the way that services are delivered.
4. The review of Redefining Your Council, which is intended to inform the next phase of transformation, focuses on the following areas:
  - The impact of changes in the financial and policy landscape
  - Progress to date with programmes and projects
  - Barriers to progress and opportunities for further transformation

##### **The financial and policy landscape**

5. Since the General Election in May 2015, the new Government has set a target of eradicating the deficit by 2019 and proposed legislation to bind future Governments to setting surplus budgets during 'normal' economic circumstances.
6. Forecasts by the Office for Budget Responsibility (OBR) suggest that, to meet deficit reduction targets, Government spending will fall at an accelerated rate over the next five years. Some areas, such as health and schools, are expected to be protected and so the impact of public spending cuts will likely fall more heavily on the remaining areas such as

local government, which has already seen substantial budget reductions since 2010. Since 2010/11, local government has seen a 37% reduction in its grant from Government.

7. The Government has already identified savings of £3bn during 2015/16 from unprotected areas, including £230m from public health. At the time of this announcement, the Department for Communities and Local Government indicated that this would not result in further cuts for revenue support grant to local authorities in this year. However, these department savings plans will obviously feed into the Comprehensive Spending Review (CSR) later in the year.
8. This year's Comprehensive Spending Review (CSR) is widely expected to set out far reaching austerity plans for the three years to 2019. At the same time it is anticipated that the Government will continue its attempts to limit council tax increases.
9. The Council's Medium Term Financial Strategy (MTFS), which currently assumes the Government grant will fall from £122m in 2014/15 to £45m by 2018/19, will need to be adjusted to reflect this emerging financial position.
10. Alongside the declining Government grant, there are other significant external impacts on the authority's financial position, including:
  - Legislative changes, such as the Care Act, where it remains unclear if the impact will be fully funded by the Government
  - A supreme court ruling in terms of Deprivation of Liberty Safeguarding (DoLS) which increases the need for assessments to be in place
  - Higher than expected demand for our services particularly for those that protect the most vulnerable in society
  - The emerging devolution agenda

## The Review

### Portfolios, programmes and projects

11. Redefining Your Council established a **portfolio approach** to managing transformation programmes and projects. These portfolios have since been reviewed and a number of changes made to the configuration and names of the portfolios.
12. At the same time, a review of **programmes** has been undertaken and it is proposed that the following programmes are added:
  - **Economic Development and Combined Authority** – this reflects the importance of economic growth for Nottinghamshire and the significant opportunities afforded by devolved powers;
  - **Community Empowerment and Resilience** – the role and reach of the voluntary and community sector in supporting and enabling communities to do more to help each other.
13. The four new portfolios – Adult and Health, Children's and Culture, Place, and Resources – have been remodelled to reflect the evolving landscape of local government and the emerging financial and policy backdrop. The portfolio and programmes (existing and new) can be seen in Appendix 1.

## Place Portfolio: New programmes

14. Two new programmes have been added to the Place portfolio, which are outlined in Table 1.

Description	The Programme will focus on....
<b>Economic Development and Combined Authority</b>	
The programme shaping and responding to changes to the operating context for economic development with proposals for a Combined Authority across Nottinghamshire now submitted to the Government, and a potential devolution deal	<ul style="list-style-type: none"> <li>• Developing a single Growth Strategy for Nottingham and Nottinghamshire</li> <li>• Developing a process for the preparation of pipeline projects and a commissioning process for the Combined Authority</li> <li>• Determining the resource base for the Combined Authority and determining governance arrangements</li> <li>• Negotiating a Devolution Deal with the Government in order to acquire greater powers to drive the County's economic growth.</li> <li>• Considering a shared service for economic development and related policy and research capacity across Nottingham and Nottinghamshire.</li> </ul>
<b>Community Empowerment and Resilience</b>	
The programme will aim to delay or prevent the need for intervention from the Council and other public services by enabling Nottinghamshire communities to be more empowered and resilient	<ul style="list-style-type: none"> <li>• Understanding and analysis of the voluntary &amp; community sector (VCS) via a State of Sector Report</li> <li>• Supporting the VCS to build capacity in communities by, for example, sharing good practice</li> <li>• Working with partners to make better use of resources to support community development</li> <li>• Identifying target areas and pilot projects to tackle loneliness and isolation</li> </ul>

## New senior management structure

15. In response to the new and remodelled Redefining Your Council portfolios and programmes, it is proposed that the senior management structure should be adjusted to reflect the changes. This is subject to a separate report to Policy Committee.

## Progress to date

16. There has been considerable progress in transforming the Council under Redefining Your Council. This is detailed in Appendix 2 which provides a headline summary of progress to date within each of the four portfolios alongside expected delivery in the next 12 months.

17. The Redefining Your Council framework developed options to generate savings to address the financial gap identified at the time of £77m by 2017/18. Every service was reviewed, with a focus on those services which accounted for the highest proportion of the Council's budget and/or were higher than average cost services when benchmarked against similar local authorities. Proposals to deliver savings of £30m were brought forward and consulted upon as part of the 2015/16 budget process.

18. These **projects**, along with options for change that pre-dated Redefining Your Council, are focused on delivering a combined savings total of £71m over the three years to 2018/19.

19. Redefining Your Council has delivered a number of transformation projects, which seek to improve services and, at the same time, save money. Some examples of this are:

- An investment of £12.65m in Extra Care housing means increasing numbers of older people can live independently for longer within their communities, which is better for them and saves money on residential care placements.
- Increased use of technology to help people to stay in their own homes. A further 100 people will be helped stay independent, which will save the taxpayer about £1.5m a year.
- Social care staff are being supported to work more efficiently by using mobile devices to enable them to update case notes securely in the field. So far 550 devices have been rolled out, resulting in increased staff productivity and reduced travel costs.
- LED street lights are being installed to help cut £1.5m from the cost and help the environment. LED lights consume significantly less energy and have lower on-going maintenance costs.
- More streamlined processes and targeted communications have helped to increase the number of foster carers and those willing to adopt a child. This improves the lives of vulnerable children and also saves money as it avoids the need to pay agency foster carers.
- A better value and more sustainable highways service is being created by joining forces with another council
- A new improved website that is designed to better meet the needs of our users will support the shift from more expensive channels such as the telephone and face to face. The new site will be optimised for mobile devices which account for more than half of the Council's 100,000 visitors each month.
- Securing the long-term future of libraries, archives, arts and adult learning services by delivering the service in a new way through a community benefit society.
- Seeking a partner to design, build and run a new, modern visitor centre for Sherwood Forest Country Park to consolidate its international importance as a key historical, economic and environmental asset for Nottinghamshire.
- Legal Services has used new technology to move away from a paper-based system and revolutionise the way papers are prepared and presented at legal hearings. This e-court bundle approach has resulted in significant cost savings and attracted recognition from across the public sector.

20. A further project will be developed as part of the Resources Portfolio to look at the potential to generate additional income by adopting a more commercial approach to the selling of our services with an increased focus on business development. A business case is being developed to look at the scope, costs, benefits and risks of various income generation models. This project will be brought back to Members for approval as part of the new governance arrangements detailed later in this report.

## **Improving performance**

21. The main purpose of Redefining Your Council was to ensure there was a clear and unified vision about the future of the Council and to manage transformation in a way that protected the core values set out in the Strategic Plan. It was acknowledged that this was the most

effective way to plan for the future, manage change and protect frontline services, particularly for the most vulnerable

22. Since the Council initiated Redefining Your Council, there has been considerable progress in the delivery of savings with many examples of transformation. It is important to note that the further the authority goes in transformation, the more difficult and complex it becomes to mitigate against the impact of Government reductions. In addition, this task becomes increasingly difficult as change is overlaid upon change across complex services and inter-related budgets.
23. As a result of this increasing complexity and risk of non-delivery, programmes will need to be more closely monitored with improved reporting that provides members with earlier visibility of performance against savings targets. Any slippage on savings delivery would be reported earlier with any mitigating factors highlighted.
24. One of the current issues with the reporting of savings delivered by the programmes is that this has been done according to the committee structure rather than in line with the portfolio structure. In future it is proposed that the savings in business cases are more clearly aligned with the portfolios.
25. It is also recommended that the project management approach is further strengthened to support a more robust set-up, delivery management and close-out process. This is shown in greater detail in Appendix 3.
26. Informed decisions should always be made on a full understanding of cost, benefits and risk, with the acceptance that not all programmes and projects will deliver as planned. Risk and confidence levels should also be taken into account when allocating savings against projects.
27. In order to maximise the chance of successful delivery, all projects and programmes will need a clearly defined scope and ambition, strong business cases, defined financial and non-financial benefits, identified milestones, indicators and resources identified before they are approved. The project and programme design needs to be underpinned by a robust but proportionate assurance regime with regular checkpoints and reviews.
28. The new management structure proposes a finance, improvement and performance directorate. The integration of these functions will strengthen performance management and assurance on the delivery of transformation, change and efficiency set within the wider context of quality service delivery and disciplined budget management. Within this new service grouping, there will be a clearer focus on the development of business cases, performance management and benefits realisation.

### **Higher spend services**

29. A central strand of Redefining Your Council were intensive, targeted reviews that examined those Council services which spent the most money and/or those that were identified by data collected by the Chartered Institute of Public Finance and Accountancy (CIPFA) as being above average cost.

30. This can inform a benchmarking approach, which uses specific 'indicators' to measure how organisations are performing. This in turn can prompt shared learning with other statistically similar local authority areas to take a whole-service view of whether there are better and/or less costly ways of delivering services.
31. Whilst some progress has been made in moving higher cost services towards the average, there is more that can be learned from others to understand the feasibility of moving further in that direction at the pace and scale necessary and this approach will form part of the long-term strategy for transformation moving forward. These higher spend areas will therefore be revisited as part of the next phase in Redefining Your Council.

## **Governance**

32. As part of revised governance arrangements, it is proposed that quarterly progress reports on the programmes and projects within the Redefining Your Council portfolios are taken to Policy Committee. Regular reports, detailing progress would also be taken to the relevant service committees.
33. Under the constitution, cross-party project steering groups can be established to report back to the relevant committee. It is therefore proposed that a cross party project steering group is established to guide and advise the Chief Executive and the Corporate Leadership Team on the implementation of Redefining Your Council with regular reports back to Policy Committee.

## **Conclusion**

34. The framework for change, Redefining Your Council, was established with a portfolio and programme approach to help transform the Council and help mitigate against the impact of ongoing reductions in the grant from central Government.
35. The financial outlook and impact of policy changes has increased the challenges considerably in the last 12 months.
36. While considerable progress has been made in delivering programmes and projects, most of the more readily attainable savings have already been realised. As a result, programmes are becoming increasingly difficult to deliver. This calls for a more skilled and robust approach to programme and project management to ensure that savings proposals are both realistic and deliverable with a more robust reporting process.
37. The recommendations in this report will help to deliver an improved approach to governance and programme management. This will provide a stronger platform to transform and innovate so that frontline services can be protected as much as possible. It will also provide Members with much greater visibility on progress in delivering savings and change.

## **Other Options Considered**

38. The recommendations made are based on a review of Redefining Your Council and are intended to strengthen the delivery of transformation and change moving forward.

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

39. Redefining Your Council provides a strategic framework and mechanism for tackling some extremely challenging financial circumstances. The recommendations of this report are based on a review of the implementation of Redefining Your Council and are intended to strengthen the approach in order to maximise the chance of delivery.

### **Statutory and Policy Implications**

40. This report and appendices have been compiled after consideration of implications in respect of finance, the public sector equality duty, 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 in the body of the report..

## **RECOMMENDATION**

It is recommended that Policy Committee:

1. Endorses the approach set out in this report in light of the emerging financial and policy environment
2. Approves the addition of two new programmes Economic Development and Combined Authority, and Community empowerment and Resilience
3. Approves the new governance and performance management arrangements as detailed in the report
4. Agrees to receive a series of further reports as and when the situation becomes clearer about the Comprehensive Spending Review, the Care Act and/or other significant external drivers of change. This will enable an ongoing dialogue in respect of the future shape and service offer of the Council and inform the next Strategic Plan in 2017

**Councillor Alan Rhodes**  
**Leader of the Council**

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### **Constitutional Comments [HD – 1/7/2015]**

Policy Committee has the authority to determine the recommendations within the report.

### **Financial Comments [NS 29/6/2015]**

When the Council's Budget was approved last February the Medium Term Financial Strategy (MTFS) indicated a funding gap of £25.7m over the 4 years to 2018/19 and included a savings plan of £71.9m as part of the solution to addressing this shortfall. As indicated in the report the MTFS will need to be adjusted in light of the pending CSR, progress on transformation projects and the strategy to address the continuing financial challenge faced by the Council.

**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.

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

All