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Summary

Nottinghamshire County Council is a high performing authority. Since its last corporate assessment in 2004 the council has achieved ‘excellence 4 star’ rating for three years running. The council is a traditional labour led authority with most services being provided in-house. A lot has been achieved; however, the council is not complacent and has a commitment to improve further by listening to citizens and partners. The council has a well-established culture of consultation and accessible communications for residents. Nottinghamshire county council has a reputation for reliability and continuity with core service provision well regarded by residents. The leadership have an ambitious vision to become a civic leader, helping to deliver strong communities across the county and putting the customer at the forefront of everything they do.

The local strategic partnership (LSP) has not been as effective as the council would have wished largely due to the historical tensions between the county, the seven districts and the city council. The Local Area Agreement (LAA) is an opportunity to leave the history behind and move forward with a fresh momentum in conjunction with partners. The council acknowledge that this will be difficult but not unachievable and a new cultural approach can harness the sub-regional expertise to deliver a vision for Nottinghamshire that they are proud to represent and speak up for both regionally and nationally. This will require a cultural change within the organisation, with greater clarification of officer and member roles and behaviours. Currently there appears to be disconnection between officers and members with members often getting too involved in detail rather than focus on strategic priorities.

There is a well established framework for managing performance throughout the organisation, strengthened through investment in corporate systems to facilitate real time monitoring of performance across the organisation and its external partners. The council needs to use this data to ensure performance is at the forefront of the authority and across the LAA and enables corrective action to be taken quickly where necessary.

Council employees are loyal, committed and proud to work for the organisation. The Investors in People (IIP) awards reflects an organisational commitment to managing staff well and enhancing their knowledge and skills to develop an effective workforce, and staff spoke highly of the training and development opportunities afforded to them. Following the deferment of re-assessment, it is important that the council re-establishes the IIP principles as quickly as possible. There is a real sense that staff need to have a better understanding of the council vision, values and key priorities so that they can contribute to future achievements.

There are some challenging service issues for the council. There needs to be a review of front line services across the organisation, to determine how to deliver effective, multi-agency local services, and break down departmentalism linked to a clear integrated vision. In particular, Children and Young People’s department specifically need to take a more proactive approach and demonstrate...
outcomes. In view of weaknesses identified in the annual performance assessment there needs to be an increase in the pace of establishing integrated children’s services and an improvement in the progress of the Children’s Trust.

The departmental restructuring needs to be swiftly driven through to a conclusion, with people appointed permanently to posts. Once completed the council needs to pick up the overall pace of change. The completion of an organisational development strategy will serve to drive the transformational agenda. It must focus on cultural change including more consistent performance management and ensure that the morale of current committed and loyal staff is maintained and not compromised.

An important factor in all of these improvement strands will be a higher priority and investment in an effective, strategic and proactive approach to all communications.

There is an expectation that the council will continue to improve, but will also engage and listen more at all levels, in conjunction with its partners, to deliver the best possible outcomes for the county. It is important to continue to give priority to influencing the regional agenda and look wider for shared best practice. The council needs to step up to its new role as a civic leader by clarifying its ambition, raising its profile and moving towards a new organisational image. This will require a renewed dynamism that accelerates the pace of change.
**Recommendations**

Recommendations based on our review, intended to help the council with its improvement planning, are set out under the theme headings of the report as follows:

**Leadership and governance**

A. Take the lead for Nottinghamshire by articulating a vision that is shared by all partners. This will necessitate the rebuilding of trust with the City and District Councils and can be delivered through a re-negotiated Local Area Agreement (LAA).

B. Clarify the roles of officers and members in prioritisation and decision making to ensure a joined up approach to achieving the ambitions for the county with members focusing on strategic issues.

C. Take steps to improve Overview and Scrutiny Committee (OSC) by learning from good practice elsewhere using, for example the Centre for Public Scrutiny, and ensure integration between scrutiny and performance management.

**Customer focus and community engagement**

D. Continue to prioritise a proactive, corporate approach to communications and consultation by investing in the well-resourced, effective and comprehensive delivery of the corporate strategy for communications. Ensure key messages can be delivered effectively throughout the organisation, both up and down, and outside with partners, the public and the press.

E. Engage external partners and stakeholders in policy developments at an early stage to capture experience and knowledge and generate new and innovative solutions to achieve the LAA objectives.

**Resource and performance management**

F. Augment and broaden the programme management approach to efficiencies and value for money by the establishment of an Efficiency Board with nominated officer and councillor champions to meet the outcomes required from the comprehensive spending review.

G. Pick up the pace of transformation of front line services, breaking down departmentalism and incorporating proposals for local multi-agency services. Review and revise business processes to ensure they are
proportionate, do not slow or prevent progress, and actively support transformational change.

H. Accelerate the pace of change around organisational development and ensure projects are fully embedded before moving forward.

**Organisation and people**

I. Develop a corporate approach to organisational development as a priority including a succession plan. Ensure the change programme fosters a consistent corporate ‘one organisation’ culture.

J. Celebrate your achievements and ensure recognition for high performance.

K. Empower your excellent staff and ensure they are an integral part of cultural change within the organisation to achieve future challenges.
Background

1 The visit to Nottinghamshire County Council was part of the national Local Government Improvement Programme (LGIP) of peer reviews of local authorities, arranged by the Improvement and Development Agency for local government (IDeA). A peer review is designed to help an authority assess its current achievements and its capacity to change.

2 The basis for the assessment is a specially constructed benchmark of the ideal, fully effective local authority. The benchmark focuses on four key organisational themes: leadership and governance, customer focus and community engagement, resource and performance management and organisation and people. The benchmark has been revised to take account of comprehensive performance assessment (CPA) 2005, so that the council could use the peer review as a challenge to the views it holds about itself.

3 The peer review is not an inspection, rather it offers a supportive approach, undertaken by friends, albeit ‘critical friends’, and its intention is to help a council identify its current strengths as much as what it needs to improve.

4 Peer review is part of an ongoing change process, whereby the recommendations from it can, along with CPA recommendations, inform improvement planning.

5 The members of the peer review team were:

- David Jenkins, Chief Executive, Dorset County Council
- Councillor Hazel Harding, Lancashire County Council
- Councillor Richard Stay, Bedfordshire County Council
- Leatham Green, Assistant Director of Personnel and Training, East Sussex County Council
- Melanie Laws, Director, Association of North East Councils
- Ann Baxter, Corporate Director, Stockton-on-Tees Borough Council
- Jill Emery, Principal Consultant, IDeA
- Peter Rentell, IDeA Review Manager

6 The programme for the week was organised in advance and included a variety of activities designed to enable members of the team to meet and talk to a spectrum of internal and external stakeholders. Examples of activities the team undertook were:
- Review of key documents and the council self assessment against the benchmark
- Discussions with the political leadership and senior management of the council and a range of officers from across the authority
- Discussions with trade unions representatives
- Observations of meetings during the week including cabinet, overview and scrutiny committee, strategic management board and corporate performance group
- Workshops for frontline staff, middle managers, senior managers, residents and strategic partners/contractors
- Meetings with a range of councillors, including overview and scrutiny and front line councillors
- Meetings and telephone calls with local and regional external partners, voluntary sector representatives and groups

7 The team was appreciative of the welcome and hospitality provided by the council and would like to thank everybody that they met during the process for their time and contributions. The way in which the needs of the team were taken care of in the build-up to the review and whilst on site by Geoff Hamilton deserves a special mention.

8 The feedback given to the council on the last day of the review reported on the key messages. This report gives a more detailed written account of the findings of the review and is structured around the four main organisational themes and four key areas of challenge referred to above.
Context

9 Nottinghamshire is the 11th largest local authority in the UK and the area of the county covers 806 square miles. The north west of the county is more urbanised as are the suburban districts surrounding the city of Nottingham. The south and east of the county are more rural with market towns and more sparsely populated areas. The population of the county is 759,700 and the largest concentration is found in the main towns of Mansfield, Sutton-in-Ashfield, Worksop, Newark, Kirkby-in-Ashfield and Retford. About a third of the county’s population live in small towns and villages. The average population density is 3.6 persons per hectare.

10 The county has a slightly older age profile than the regional and England average with fewer under 16s and more people aged 65 and over. 274,300 of the population are aged 50 and over with 182,200 children and young people aged 0-19. The population is predominantly white with less than 3 per cent being from black and minority ethnic (BME) groups. The largest group in the BME population is Indian and there has been a substantial increase in the numbers of migrant workers entering the county since 2004.

11 The current local government structure in Nottinghamshire results largely from the 1974 reorganisation, when 21 urban and rural districts and municipal boroughs were amalgamated. This resulted in the formation of seven district and borough councils each of which has a population of around 100,000. Nottingham City Council became a unitary authority in 1998 as a result of local government review of the 1990s.

12 There are 233 civil parishes covering 87 per cent of the county’s area and 45 per cent of the population. There are also 8 town councils, 153 parish councils and 37 parish meetings. In addition there are 12 neighbourhood management teams, 19 community action teams, 2 neighbourhood management pathfinders and 4 area based initiatives.

13 The County’s economy has become more diverse in recent years as local partners have made concentrated efforts to address the legacy of structural economic change, including the decline in coal and the continuing effect of globalisation on other locally important industries including textiles and clothing. Unemployment has fallen from the peaks of the early 1990s and now stands at rates which are better than the regional and national averages. Worries also remain about the quality of local employment and skills and the effects that this has on productivity and wage rates.
14 Deprivation is concentrated in the north west of the county but pockets of need also exist in other parts alongside relative prosperity. 30 super output areas in the county fall in the most deprived 10 per cent in the country. In the most recent survey of local citizens, 73 per cent said they were satisfied with their area as a place to live with only 11 per cent being dissatisfied. When satisfaction is mapped against deprivation, two districts show higher satisfaction levels than expected; conversely two other districts are significantly more dissatisfied than their deprivation levels suggest.

15 The local elections held in May 2005 resulted in 38 Labour councillors, 25 Conservative and 4 Liberal Democrats being returned. A new cabinet was appointed and there is a leader and cabinet form of governance. The importance of the crime and community safety agenda was recognised by the new cabinet by the creation of a new portfolio on community safety and partnerships. Following three by-elections the current composition of the council is 36 Labour councillors, 26 Conservative and 5 Liberal Democrats.

16 The council employs around 27000 people and has a gross revenue budget of £418 million for 2007/08.

17 The last corporate assessment in 2004 gave the council a ‘3 star’ rating which fed into the overall CPA rating of ‘Excellent’. Since 2004 the council has been rated as a ‘4 star’ authority and improving well for each subsequent year.
Leadership and Governance

Ambition

- Ambition to succeed and be highly regarded
- External challenge embraced
- Sherwood the Living Legend
- LSP structure in place led by the Leader with review underway
- Enthusiastic and engaged service directors

However

- Relations with Districts and City are difficult - clear way forward yet to be found
- Vision for Nottinghamshire needs to be clearer and more widely owned and understood
- Potential of LAA (and MAA) to deliver for Nottinghamshire is not sufficiently embraced
- Look outwardly including the private sector
- The organisation and partners would welcome more visible high level leadership

18 There is a clear ambition by the council at managerial and political levels to succeed in their overarching vision and to be highly regarded by peers and partners. The council wants to play an effective role in addressing the challenges it faces and leading the community by putting customers at the forefront of everything they do, delivering excellent and affordable services and being a civic leader, helping to deliver strong communities across the county.

19 It was evident that there exists an openness to external challenge and the desire to listen and learn. In addition to this corporate peer review other examples of external evaluation included the peer review to inform the equality assessment. Also the establishment of the business improvement board, comprising members of local business and academic communities, to provide ‘critical friend’ advice. It is clear that the council does not wish to become complacent.

20 There are ongoing ambitious projects including the programme to reduce direct services homecare provision and re-provide through independent sector homecare and direct payments. The ‘Sherwood: The Living Legend’ submission to the lottery funding has been short-listed for potential funding of £50 million.
Together with its partners the council has led and developed longstanding co-operative working into two sub-regional strategic partnerships, one for Greater Nottingham and the other covering northern Nottinghamshire and Derbyshire, and the seven local strategic partnerships (LSPs). A countywide review of LSPs, undertaken by IDeA and the east midlands improvement partnership, is due to be completed by the end of 2007.

The culture of the council appears to be “can do” with dedicated and enthusiastic staff who have a pride in their county and their subsequent contribution to continually improving quality of life. In particular we were impressed with the level of enthusiasm and engagement of service directors to make a difference.

The Nottinghamshire local area agreement (LAA) was signed by all partners in May 2006. The Nottinghamshire partnership comprises over 40 partner organisations and is led by the Nottinghamshire local strategic partnership board, chaired by the county council Leader. The work is promoted through four block partnerships representing four distinct themes. The current agreement is being renegotiated to give greater focus with fewer targets and ‘pooled’ budgets.

Historically the relations between the county and the seven districts and the city council have been difficult. A high level and distinctive vision for Nottinghamshire is not clearly articulated and the county must now take a lead role to drive the regional agenda. To achieve this a fresh approach needs to be agreed with buy in and full ownership across all local authorities. The political and managerial leaders of the council must actively seek out opportunities to influence others on the county’s behalf and ensure that chances to shape both the sub-regional and regional agenda are not lost. We note that multi-area agreements (MAAs) are not currently being considered and we would suggest that this decision should be reviewed.

The overall view we obtained was of a council that was inclusive with a reputation for reliability and continuity and was a good listening organisation. The county council needs to improve its branding and identity and promote the organisation far better to enhance its reputation and create a sense of place. The media view was that the City Council is consulting on their vision but nothing was coming from the county.

There appears to be an insular working culture within the county and it is essential that the council becomes more outward facing to embrace the vision for the county to deliver the civic leader role it has set itself. This entails working better with other organisations, such as the private sector.
and the voluntary sector, to share knowledge and expertise, secure additional investment and to facilitate a holistic view of the county. We acknowledge that the council does operate the Business Improvement Board, which brings a business perspective into the work of the council.

27 In interviews and focus groups some partners stated that leadership from the county council was essential to drive the place shaping role. They felt that this was not visible and resulted in significant opportunities to deliver benefits to the community being lost.
**Prioritisation**

- Clear budget setting process
- Release of resources to meet corporate priorities
- Community Safety identified as a clear priority
- Prioritisation of budgets to support independent living for older people

**However**

- Community Strategy does not sufficiently drive council priorities
- Members of the public do not feel priorities are widely shared
- Lack of cross-cutting priorities

28 The strategic plan sets out five key objectives to improve the way the council work and these are addressed through annual improvement planning and a clear budget setting process. The strategic plan also sets out the council 32 priorities and the community strategy lists those for the whole of the Nottinghamshire community. The strategic plan and the community strategy prioritise under themes and are reflected in 70 improvement priorities agreed in the LAA, 12 of which are ‘stretch’ targets with the aim of attracting a potential £20 million for the county.

29 A resourcing priorities review is undertaken annually which is an internal value for money assessment comparing cost information with service delivery data. Services identified as high cost and under-performing are subject to detailed review which in turn informs the budget reprioritisation process.

30 The council identified a number of areas, for example senior management restructuring, procurement and economic development, where they wanted to re-organise in order to release resources for new priorities. These savings enabled growth in high priority areas such as highway maintenance and social care. In addition, budget variations were agreed to re-prioritise expenditure in areas of lower priority in favour of new budget pressures.

31 Councillors have been willing to make some difficult decisions over the allocation of resources, examples being the restructuring of the council and the implementation of the national job evaluation scheme (NJ E).

32 Feedback from the residents focus group indicate that residents do not feel they are able to engage effectively with the council and influence decisions.Greater consideration of consultation with residents can
influence priorities and ensure customer insight into decision making and prioritisation.

33 The community strategy does not sufficiently drive council priorities and it was difficult to find evidence of the ‘golden thread’ from individual performance through to the strategic plan and community strategy. It is an opportune time to be undertaking a refresh of the community strategy and this needs to be fully aligned to the articulated vision for the county.

34 Although the strategic plan for 2006-2010 ‘All Together Better’ defines the key corporate priorities, these were rarely referred to during the course of our visit, and in focus groups when asked very few participants were able to cite them back to us.

35 From interviews and staff focus groups the team found evidence of departmental ‘silo’ based working across the organisation, which on occasion resulted in departmentally based priorities being set. The council need to ensure that a mechanism enables wider sharing of discussion around priorities in a cross-cutting manner to avoid duplication of work in certain areas.
**Decision-making and scrutiny**

- Recognition that decision making and implementation can be slow
- Cross party member relations appear good
- Joint health scrutiny with City
- Strong intellectual capacity of leading officers

**However**

- Decision making responsibilities need to be clarified, publicised and more widely understood
- Scrutiny could be more effective and conducted less on party political lines
- Blurred line between officer and member roles
- Members need to embrace modern technology
- Standards committee and independent remuneration panel need to be given more prominence from a cultural perspective

36 Generally good working relationships exist between officers and councillors across the political spectrum and are mature, positive and appropriate. Focused advice and support from officers is provided to all councillors. The council recognises that decision making and implementation can be slow, examples being the filling of vacant posts and the management restructuring, both of which give a real opportunity to improve the overall process.

37 The cabinet is prepared to take difficult decisions and will seek views across all parties. Overall cross-party relations appeared to be mature and positive.

38 The council operate a joint health scrutiny process in partnership with Nottingham City Council which was recently commended by the Audit Commission in the city council corporate assessment.

39 Scrutiny arrangements were recently revised leading to the formation of a new Overview and Scrutiny Committee (OSC) which manages the programme of scrutiny work, tasking topic select committees to review particular areas. A number of scrutiny reviews have been undertaken over the last three years including studies into aftercare services for young people, procurement and highways issues.

40 There have been a number of decisions 'called in' such as the Ashfield area office proposal and the leasing of Dakota building. Scrutiny call-in appeared to be over bureaucratic and the outcome tends to be on
party group lines. There was also a question mark over whether OSC focuses on service specific issues rather than engaging on strategic issues.

41 Partner organisations feel that the process for deciding council priorities is not always transparent and they are not sufficiently consulted before decisions are made. Councillors are clear about their democratic mandate to make decisions for the council, but this can sometimes mean limited prior consultation. The council should ensure that its decision making processes are transparent, that it involves consulting stakeholders and that reasons behind priorities are well communicated.

42 At present scrutiny is operating at a mechanistic level but is not always focusing on priority outcomes for the council. Scrutiny needs to be fully integrated into the performance management framework to rationally consider competing priorities, understand the linkages and establish a shared understanding across members and officers of the council priorities moving forward. This will also allow members to take difficult decisions in a more informed manner.

43 We found evidence that elected members sometimes get too involved in decision making and tend to micro-manage issues rather than take a step back and leave officers to implement and manage. The consequence of this is that officers and members roles become blurred and accountabilities are difficult to enforce. Members need to focus on strategic issues and be challenged by officers on occasion to remind them of this.

44 The team were surprised to observe a ‘members only’ sign on one floor of county hall, and our overall impression was one of disconnection between officers and members. The team felt that this creates a cultural barrier within the organisation which needs to be addressed to facilitate improved joint working in support of the future challenges facing the council. A review of the roles and responsibilities of officers and members is recommended.

45 Investment in technology for members was good, however, from interviews we discovered that some members are not using their laptops and associated ICT facilities to enable faster decision making. Indeed, some refuse to use the technology and insist on hard copies of all correspondence which is neither efficient or sustainable.

46 From interviews there was a perception that the role of the standards committee and the independent remuneration panel need to be more outward looking and given greater prominence. This relates to a cultural approach only and it is recommended that this is reviewed with the
council monitoring officer to ensure a more transparent and open process.
Customer focus and community engagement

Customer focus
- Well regarded service delivery in many areas
- Impressive complaints system with regular reports to members and officers
- Good understanding of different communities and their needs

However
- Need to expedite progress on implementing a citizens panel and A to Z of services
- Expedite facility for on-line payments
- Community engagement activities need to be more co-ordinated

The council has a strong customer focus and the customer service centre currently provides access to over 50 per cent of all the council services. Community hubs are under development in partnership with Worksop and West Bridgford to provide a more integrated resource for local people and obtaining access for older people to the internet is part of the Link Age project.

Results from the MORI public satisfaction survey carried out in 2006 show that 46 per cent of residents are satisfied with the way the council is running things with the subsidised bus service scoring the highest rating in the whole country. Satisfaction with the way the council handles complaints is also amongst the highest in the country. Correspondingly, staff feel that they deliver services that are well regarded by residents in many areas and make a difference to the needs of local people.

The public complaints system is both paper and web-based with a free-phone hotline and there is regular reporting to officers and members. The system is impressive and benefits from previous research over an 18 month period to review the procedure, surveying past complainants, running focus groups and benchmarking with other local authorities. Staff complaints can be made through the human resources department and employee complaints advisers are available.

The council works hard to provide services in appropriate ways to reflect the diversity of the local population and their needs with good service access. A more co-ordinated approach to community engagement activities is required to enhance customer focus for faith and ethnic groups.
51 Although we have seen examples of some responsive services, this is not consistent across the council. The degree to which users have been able to help shape services, and the effectiveness of using customer complaints and other feedback is variable. Consequently there is a need to expedite progress on implementing a citizens panel and incorporating an A to Z of services on the council website.

52 Similarly the council needs to accelerate the facility for on-line payments to improve cash flow and enhance access to services for customers.

53 Other authorities have taken the existing customer services model (contact centre/one stop shop) to an optimum level and are now adopting a transformation agenda to put the customer at the forefront of service provision. A cultural change is required across the organisation to move to this level and resource needs to be made available to achieve this. The reorganisation of the ICT department will assist in this area and ICT and the business development team are key enablers of this agenda. The council need to ensure that business process re-engineering is being undertaken as appropriate in conjunction with ICT.

54 The most visible evidence of service improvement can be seen in the rise in educational attainment and the reduction in anti-social behaviour. Though many services are improving, the council is aware that there are significant service areas where performance needs to improve more strongly. The 2006 public satisfaction survey indicates overall that things are getting better in Nottinghamshire, however, to ensure that this trend continues in coming years new and innovative solutions need to be considered to move from incremental to transformational change. Greater emphasis is needed on bringing in good practice and new ideas from other councils outside of the sub-region.
Communication and community engagement

- Good satisfaction from service users and residents
- Commitment to build on and further develop communications
- Some examples of individuals and groups being empowered, for example youth parliament and mentors for the elderly

However

- Develop feedback mechanisms from consultation to residents
- Speak up for Nottinghamshire
- Celebrate your success
- Build capacity in the third sector

55 There were generally positive views from residents and service users focus groups about the information and service they receive from the council. We were told that the quality of information they received is good and appropriate. Day centres are seen as “lifelines” with good access to services and the Leader’s involvement in the older peoples working group was acknowledged. The universal recommendation amongst service users was to have more focus groups along the lines of the peer review workshop attended by councillors.

56 The council has an established culture of consultation and developed the community cohesion strategy following consultation with under represented groups in the county. Residents were consulted on their views of community safety and anti-social behaviour through the satisfaction survey and were fully involved in developing the community strategy. A community cohesion officer has been appointed by the council, and a key part of this role is consultation.

57 There are a variety of good quality communication channels. The community newspaper was generally well regarded by staff and residents. Internally the intranet and externally the website are professional with informative content, as confirmed by staff and residents.

58 There were some good examples of empowerment across individuals and groups, such as the youth parliament and use of mentors for the elderly. Staff in focus groups believed that the council would look to promote empowerment across the organisation through the proposed Phoenix project, however, at present they felt that the culture is predominantly one of ‘command and control’ from senior management. An example of this from staff was the top down communication around values and behaviours to support empowered staff.
59 The council has recognised the need to commit to and build upon communications. Consultation needs to be managed as part of the overall communication strategy for the council and there is a need to ensure that feedback loops are completed to facilitate a consistent two-way flow of information.

60 With the articulation of the vision for Nottinghamshire the council must actively lead this agenda and be “loud and proud” about the county’s future direction at both a regional and a national level.

61 Despite the positive views generally around the council approach to community engagement, it was considered that whilst they are very good at setting groups up they need to take more care over the constitution of select groups with the right groups and the right people. It is recommended that the council look to develop a locality based approach to assist with the neighbourhood agenda.

62 Many residents perceive that the council does not take consultation sufficiently seriously, believing that decisions have already been made. To combat this the council needs to ensure that staff, residents and both local and regional partners are properly consulted, informed about the results of their engagement with the council and celebrate key successes.

63 The council has a good relationship with the voluntary sector developed over many years and one of the LAA stretch targets is being led by the voluntary sector. Officers recognise that there is capacity building required in order to further develop the voluntary and community sector so that it can become more self sufficient and develop and deliver in new and different ways.
Delivering through partnerships

- Often good relations at strategic director and operational level
- Some examples of excellent partnership working; supporting people around public health, transport and emergency planning
- Partnership working continues despite political turbulence
- ‘Green shoots’ observed around new LAA and community strategy refresh

However

- Perceived insular policy development
- Loss of trust between County and Districts impairs wider partnership working
- LAA not embedded within council
- Need to manage partners concern about pooled funding
- Ensure full support to sub-national review prepared by principal authorities

64 There have been many considerable successes in Nottinghamshire that could only have been delivered by working in partnership. These include the emergency planning with Newark and Sherwood district councils for which the council has beacon status and the local transport plan which is rated one of the best in the country. It is important to celebrate and communicate these partnership successes so that the value of collaboration becomes apparent to everyone.

65 Despite some political turbulence across the sub-region the council is working increasingly well with other councils and partners on shared services and the willingness of officers at all levels to engage in such working relationships is seen as a strength. The council is engaged in a number of collaborative partnerships with a range of organisations. Examples include:

- The three counties initiative for human resources, finance and ICT to be a shared back office activity between Nottinghamshire, Derbyshire and Leicestershire
- Financial partnership with the seven district councils on concessionary travel arrangements, the decriminalisation of parking and 16 joint use leisure facilities
- Highways division’s collaboration with Derbyshire and Leicestershire county councils covering a wide range of issues including training and procurement
Establishment of the joint health and county council commissioning board with the two Nottinghamshire primary care trusts to oversee the development and implementation of joint commissioning strategies for old people, physical disability, mental health and learning disability.

66 The renegotiation of the LAA and the refresh of the community strategy are already starting to show embryonic initiatives around partnership working.

67 Some partners told us of the need for the council to be less risk averse and more open to new ideas and thinking from external sources. Their view was that the council was insular around policy development, working through issues prior to sharing their views with partners in the inception stage of projects. The council need to become more outward facing with external organisations and build a degree of trust to optimise the benefits of partnership working.

68 We were informed that the relationship with the East Midlands Development Agency was minimal with very few meetings convened over the past few years. The feeling was that regeneration was low down the priority of the cabinet, even though it is a key element of an improved LAA or an MAA to assist the place shaping role of the council.

69 Similarly the council need to put aside historical difficulties with the district councils and start with a completely fresh approach to working with them in a sub-regional manner, building relationships and jointly working on what is best for the county and the citizens of Nottinghamshire. An outcome rather than output focus is required. The renegotiation of the LAA will need to address this current lack of trust as a primary objective if the LAA is to deliver its targets.

70 Partners were also concerned about the introduction of pooled budgets for LAA priorities as they foresee a north/south divide within the county with funding moving from the south to the north. This can only be resolved by closer working and sharing of mutual objectives to develop a degree of trust between organisations.

71 This gives greater credence to consideration of an MAA for the conurbation as good joint working through an MAA would be the best argument against re-visiting any unitary debate.

72 The council need to ensure that lessons learnt from partnership working are disseminated across the organisation through a robust mechanism to ensure both good and bad practices are shared for future reference.
**Resource and performance management**

**Performance Management**
- Whole authority computerised performance management system in place
- Targeted action has led to improvement in KS4 results
- Panel on street lighting performance reported to cabinet and action taken
- Participation in PWC benchmarking club

**However**
- Develop use of complaints to drive improvement
- Develop performance management system across sectors to drive the LAA
- Expand the role of scrutiny in performance management
- Ensure that business plans are monitored through the performance management system
- Consider whether poor performance is actively managed

73 The council has a well established culture and framework for managing performance, with a new management system PRIDE implemented in 2005 to enable instant access to performance reports. A dual system called PRISM was installed in 2006 to provide up to date LAA performance information, which is accessible to both partners and the public.

74 A corporate performance group (CPG) has been established to investigate under performance with second tier representation from all departments. Member responsibility to the cabinet member for people and performance and corporate strategic responsibility to the strategic director of resources has ensured that performance is owned at the highest level with a consistent approach.

75 There were good examples of how poor performance is being managed to improve outcomes, for example the improvement in Key Stage 4 results to address low educational attainment. A panel was set up to look at performance of street lighting and the report taken to cabinet was endorsed and corrective action taken to improve performance to make streets safer for citizens.

76 The council has signed up to membership of the Price Waterhouse Coopers (PWC) best value performance indicator
benchmarking programme, which has enabled internal comparison of indicators with other county councils. In service areas, such as Highways, membership of regional benchmarking forums facilitates sharing of best practice.

77 The complaints system is impressive, however, more work is required to use this data to drive continuous improvement. Customer insight needs to be developed to understand the needs and preferences of the council customers in relation to service performance rather than a one dimensional approach to dealing with complaints.

78 Despite the implementation of the whole authority performance management systems there was no evidence of how this is driving the LAA through strategic partners and across sectors. The functionality exists but this next level of performance must be implemented by alignment with progress on the LAA to optimise performance.

79 Scrutiny could be more involved in challenging performance improvement rather than being recipients of performance monitoring and reporting.

80 Risk management needs to be incorporated into performance management following integration into the culture of the council and its partners. This will ensure that linkages between delivery, performance and management of risk are maximised.

81 There is not yet a consistent culture of business planning and managing performance effectively in a corporate way to improve outputs and outcomes. This can be seen through a number of examples:

- the degree of involvement of staff in planning their services is variable across the council
- senior councillors need to be more proactive in giving both positive and challenging feedback about their views on performance to managers
**Resource Management**

- Sound financial management in place
- Efficiencies have exceeded Gershon targets
- Evidence of invest to save schemes (ICT re-organisation and pump priming of shared services)
- Procurement Board established
- E-procurement solutions are in place

**However**

- Scrutiny needs to be more challenging, for example around value for money (VFM) opportunities
- Inconsistent approach to use of whole life costing
- Augment and broaden the programme management approach to efficiency/VFM across all Directorates
- More corporate approach to procurement – both revenue and capital
- Continue to develop corporately business process re-engineering

82 The council external audit letter for 2007 against Use of Resources concludes that the council arrangements and performance are consistently above the minimum requirements in the areas of financial reporting, financial management, financial standing, internal control and value for money. The council had a savings target of around £10 million per annum to deliver its three year Gershon efficiency savings of £30 million and had achieved efficiency savings of around £37 million by the end of 2006/07. The strong and effective financial management will give the council a very strong platform from which to deliver future improvements.

83 The council has recognised the need to put the resource base onto a sound platform to enable it to cope in the future without the need for budget reductions across the organisation. The strategic programme for resources is the mandate for this approach comprising a number of inter-related projects to improve efficiency and effectiveness of the service and redirect funds to frontline services. Examples of projects are the sickness absence programme and the shared services initiative.

84 We found evidence of a number of invest to save schemes which should provide efficiencies in the medium to longer term. Examples are the ongoing re-organisation of ICT, with clearer alignment to business process improvement and putting the customer first, and the pump priming of the shared services initiative in conjunction with Derbyshire and Leicestershire.
county councils. We were not able to demonstrate how robust benefits realisation are for such schemes and would recommend this is reviewed.

85 A corporate procurement unit (CPU) has been established for two years comprising category managers with responsibility for supplies and services. Following an external evaluation undertaken by Deloitte to improve procurement practices a cross-departmental Procurement Board has been set up chaired by the portfolio holder. Examples of collaborative procurement were found such as joint purchase of stationery, computer consumables and food with Nottingham City Council, however, wider collaboration is required to drive greater efficiencies.

86 The council has implemented an electronic marketplace with a number of online catalogues generally for low value purchases, uses around 200 procurement cards and has undertaken one reverse auction with mixed results. Other electronic sourcing options are being trialled but the council has no corporate e-procurement strategy covering all potential solutions.

87 Shared service arrangements are currently being considered, in conjunction with Derbyshire and Leicestershire county councils, around back office systems such as pensions, payroll, internal audit and human resources. The potential for the three counties to share an Oracle business management platform is also being pursued.

88 There is a good track record of budgetary control and reserves management with no significant departmental budget variances over previous years. The council is aware of indications of spending pressures across many areas of the organisation moving forward and the need to carefully monitor and manage risks to its medium term financial stability.

89 Scrutiny are challenging value for money, as evidenced by the external review of procurement, street lighting and after care services. However, scrutiny can be more challenging around targeting of efficiency opportunities to drive the improvement agenda, particularly around corporate procurement where savings targets of £1M per annum are not currently being achieved (£500K per annum is being saved). Whilst acknowledging that benefits realisation on projects has been undertaken, for example the Ashfield area office project, this was patchy and needs to be embedded across the organisation.

90 From certain interviews and the regeneration focus group we found an inconsistent approach to use of price/quality evaluations and whole life costing for procurement projects. This went from one end of the spectrum, with full life costing used for the area head office project, to assessment of tenders against price alone. The revised procurement
strategy needs to incorporate these issues along with approach to strategic sourcing, forward procurement planning and a comprehensive contracts register.

With the increasing pressures on cashable savings coming out of comprehensive spending review (CRS07) we would recommend the establishment of a cross-cutting efficiency board with nominated efficiency champions at officer and councillor levels. The council needs to be clear of its vision for the future and how a corporate approach to efficiency can assist in its place-shaping role, particularly with regard to shared services and shared use of assets. The approach needs to emphasise that efficiency should be delivered as a programme of interlinked projects and feeds directly into the performance management system.

Value for money (VFM) is not yet corporately embedded and needs to be managed strategically if future cashable savings targets are to be achieved. A focus on VFM is difficult without a clear understanding of the links between key elements such as levels of output, service quality and cost. They need to be managed in a more integrated way and should be reported in a way to enable links to be made.

The current corporate procurement strategy needs to be revised and implemented through the Board to obtain corporate buy-in. The strategy must take a holistic approach to all procurement expenditure (revenue and capital) to generate efficiencies from construction procurement, which currently stand at nil from the annual efficiency statements.

The ICT road map needs to be delivered quickly to link with other developments such as increased mobile, flexible and home-working. We found no corporate approach to business process improvement, with people with such skills being service based. In conjunction with ICT, business process improvement will be responsible for delivering a transformational re-design of services to meet future objectives. Streamlining of business processes will also generate efficiencies and release resources to front-line services. A dedicated corporate business improvement team should be considered.

Heads of Service feel that there is no consistency and transparency around decision making, budget setting and priority setting. All processes need to be fully integrated across the organisation to facilitate improvement.

There is a need for a consolidated and strategic approach to asset management which in turn can deliver efficiencies. With a baseline assessment of all assets within the county the council can start to look at
further opportunities to share assets and bring services together, for example the building schools for the future work programme.
Change and project management

- PRINCE2 project management methodology in place
- Programme management approach to “The Strategic Programme”
- Gateway reviews being introduced (shared services)

However

- Ensure a ‘one council’ culture for change
- Lessons learnt mechanisms are required
- Ensure risk management is corporately embedded
- Develop project management capacity
- Accelerate the pace of change

97 Overall project management is perceived to be improving with a robust approach to projects to ensure they are delivered to time and budget. A number of officers have been trained to the level of PRINCE2 practitioner and a project management training and development programme has been in operation for the past four years.

98 A new programme management approach has been introduced this year to enable ownership of cross-cutting projects at the highest level to ensure that corporate and financial strategies are linked. There are five improvement programmes which reflect the strategic plan priorities as well as the council response to the Local Government White Paper. The achievement of priorities is then assessed against targets which are both outcome and community focused.

99 There was evidence of Gateway reviews being introduced on a number of projects, for example on the shared services programme where it will be used for all key project milestones.

100 It is important that the council pays as much attention to the final evaluation, implementation and benefits realisation phases of its projects as to the project delivery phase. We found little evidence of robust options appraisals and evaluation of whole life costing on major projects. There is scope to improve the post-implementation review of projects to ensure that the maximum benefit and learning can be shared, including why projects have been successful and where others could have been delivered differently. In addition, the council will need to further demonstrate how community benefits are being delivered through projects.
101 Risk management needs to become more sophisticated to meet the challenges of a changing environment. Procedures set up to control risks need to be proportionate and not so unwieldy as to slow progress with change. There is a need to spread the ‘can do’ culture found in many parts of the organisation across the whole in a ‘one council’ culture. At the moment there appear to be too many departmental silos to give a uniform approach.

102 However, there is an inconsistent application of project management. Development of a project management toolkit and further training and development of staff is recommended to increase capacity.

103 If the council is to manage continuing change it must develop and give sufficient priority to an embracing communications strategy. It needs also to be a key part of change management. At present communications about changes tend to be effective at higher management levels but information and key messages about change and the ‘bigger picture’ do not filter down consistently to staff at the front line. Information is variable and depends too much on the ability of individual managers.

104 Many staff we spoke to stated that the current management restructure appeared to have been going on forever and staff are not clear when it will be completed. The council need to complete this quickly and move on to other initiatives and accelerate the pace of change to a sustainable level by engaging with staff in an informed and cohesive manner.
Organisation and people

Organisational design and development

- Range of communication channels available to inform staff (MP3 players and staff newspaper)
- Strong project management approach to job evaluation (NJE)
- Recognition of need for organisational change

However

- Ensure a clear vision and direction shared with partners and staff
- Create opportunities to share ideas and best practice
- Under representation of women and minority groups in senior management
- Refresh of the internal communications strategy needed
- Develop a coherent organisational development (OD) strategy aligning HR strategies to corporate priorities and outcomes

105 A range of communication channels have been developed including piloting the use of MP3 players for staff without access to ICT facilities. The civic newspaper ‘County News’ and employee newspaper ‘In Contact’ were also well received by the majority of staff and residents.

106 The council has undertaken job evaluation for all staff, although it has used two different schemes; Hay for the top 1500 managers and the National Job Evaluation scheme (NJE) for those at lower levels. The management of the project was commended by a number of groups, including trade unions and was seen to be an exemplar of good practice in project management.

107 The council has recognised the need for organisational change to address the challenges and issues facing all local authorities and has developed a new senior management structure, which was agreed in October 2006, to tackle this. The new structure has not yet been fully implemented, and people appointed permanently to posts, and there were concerns from a range of individuals and groups about the length of time the restructure has taken.

108 Staff we interviewed were unclear about the council vision and direction and this was reiterated by some of the council partners. There was evidence of knowledge that vision and values exist but not of what they are. There was no sense of ownership or engagement with them.
109 Although generally strong on equality and diversity there remains more work to be done. For example, there remains a noticeably low representation of females and black and minority ethnic (BME) employees at senior management levels within the council. The management restructure has led to a reduction of women in senior management posts and the council needs to address this.

110 Information often became diluted as it cascaded down the organisation. Communication appears to be predominantly “top down” and there is no formal mechanism for staff to channel ideas or issues up through the organisation. The council needs to continue developing the internal communications strategy to ensure a two-way flow of information so that all staff receive consistent corporate messages, have a clear idea of the council vision and future direction and a mechanism for elevating initiatives to senior management with agreed feedback loops. There is no formally recognised opportunity for staff to contribute to a programme of service improvement and innovation.

111 The human resources strategy “Excellence through People” and its accompanying action plans are starting to address the issues and challenges facing the council in terms of workforce development and comprise organisational development initiatives. The council now needs to develop an overarching organisational development (OD) strategy, which the HR strategy will support, and that fully aligns with corporate priorities and outcomes.
Managing people and diversity

- Excellent commitment and loyalty of staff
- Good employee relations climate
- Wide range of training and development opportunities
- Local pay review agreed with trade unions
- Leadership forum and BEL programme has enabled more effective working relationships across the council

However

- Absence management
- Staff morale particularly following management restructuring and NJE
- Inconsistent application and monitoring of performance reviews (EDPRs)
- Lack of clarity over management roles

112 There was overwhelming evidence from focus groups and interviews of a workforce that is fully committed and loyal to the organisation. Although staff morale has been badly affected by the management restructuring and the announcement of the new pay and grading structure, there was a general feeling that the council is a good place to work.

113 The NJE process has been an excellent example of partnership working with the trade unions and this has resulted in a positive employee relations climate. This should be evaluated to learn from the way negotiated outcomes have been achieved and apply this to other improvement programmes such as absence management. Although a local pay and grading structure has been agreed with the unions, it is still to be accepted by staff. The impact of this is still uncertain and the council needs to be mindful of the effect of this on staff morale and the consequent impact on recruitment and retention.

114 The Investors in People status enjoyed over the past ten years reflects an organisational commitment to managing staff well and enhancing their knowledge and skills to develop an effective workforce. The council in developing a learning culture needs to ensure staff regularly celebrate and learn from their success and that high performance is recognised. The team felt that the decision to defer re-assessment against the IIP standard should be reconsidered in order to use the standard to support further cultural change.
Access to training and development opportunities was seen as one of the major benefits of working for the council at all levels. The Leadership Forum and Building Effective Leadership (BEL) programme has enabled more effective working relationships across the organisation. Similarly the customer service accredited training had been well received. The council must ensure that the added value from investment in the BEL programme is undertaken against clear evaluation criteria.

The council has acknowledged that absence management is a major issue and has identified this as a key improvement area. Although sickness levels have reduced marginally to an average 10.37 days, the application of the attendance management procedure is inconsistent across the council and attendance on training for managers to implement the procedure is not mandatory. We found that the reliability of management information is variable. It is noted that a project has been commissioned under the strategic programme resources to deliver a range of improvement measures to reach a level of 8.75 days (or better) by 31st March 2008.

In interviews and focus groups we were told that the council can be paternalistic and should seek to empower and engage with staff more through specific actions. The council is aiming to empower staff at all levels but overall there was a general feeling of ‘command and control’ and if empowerment and engagement is to be successful this commitment needs to be demonstrated at all levels of the organisation (both managerial and political).

There were many examples of high performing teams and individuals across all departments and service areas. It is important that mechanisms are put in place to celebrate such examples of good practice and provide organisation wide learning.

Individual performance and the assessment of development needs are addressed through the employee performance and development review plan (EPDR). There were inconsistencies across the organisation of how this process was being applied and monitored. Adult Social Care and Health department were seen as having good monitoring systems for EDRP’s but this was not the case in other departments. There was also a general perception that poor performance at all levels was inadequately managed. The council needs to ensure that correct procedures are in place and consistently applied to ensure individual performance is measured, monitored and addressed in cases of under performance in a timely and effective way.

Although the council has reduced its senior management structure this has resulted in confusion over job roles. It was evident that some staff
across the organisation are often confused over who had responsibility for particular functions and who they should approach to resolve problems, this was particularly evident within Children and Young People’s department. Greater clarity is required around roles and accountability and it is important to communicate a corporate ‘one organisation’ message and enforce key corporate standards consistently across the council.

121 The council need to establish a clear programme of interventions to support medium to long term capacity building and succession planning. With the corporate assessment in May 2008 this is seen as an essential priority.

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