

REPORT TO: POLICY AND RESOURCES COMMITTEE - 26 APRIL 2010

REPORT ON: CORPORATE IMPROVEMENT PROGRAMME, TRAINING AND SELF EVALUATION

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 182-2010

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the Committee's approval for a variety of significant changes in the manner in which the Council operates. The areas on which these changes are focused include improved working practices, refocused corporate training and self-evaluation, allied with the implementation of a Corporate Improvement Programme. While all of these proposed changes will modernise the way the Council operates, many will also assist the Council with the achievement of the projected £30m budget savings required over the 4 years 2010/11 to 2013/14 inclusive.
- 1.2 In order to achieve these significant changes a restructuring of the Corporate Planning and Personnel Departments and the introduction of a Leadership Development Programme are required at an estimated additional cost of £78,000, all of which can be funded from staff savings already realised. This additional expenditure is required in respect of improving self-evaluation and training and implementing a significant Corporate Improvement Programme.

2 RECOMMENDATIONS

The Policy and Resources Committee is asked to approve:

- i) the Corporate Improvement Programme as detailed in section 5 of this report;
- ii) the implementation of a Leadership Development Programme at an estimated additional cost of £30,000;
- iii) the creation of one two-year fixed-term post of Corporate Improvement Manager at Grade CO19 (£53,664) and one two-year fixed-term post of Assistant Corporate Improvement Manager at Grade CO16 (£49,929), both to be filled by secondment from within the Council. The secondment of two officers within the Council will require the payment of 'acting up' payments at an estimated maximum cost of £14,000;
- iv) the transfer of one post of Organisational Development Team Leader Grade 13 (£40,765 - £44,547), one post of Senior Organisational Development Officer Grade 12 (£37,273 - £40,765), one post of Senior Organisational Development Officer Grade 11 (£33,087 - £37,273), redesignated as Senior Performance Officer, and one post of Organisational Development Officer grade 7-10 (£18,231 - £33,087), from the Personnel Department to the Corporate Planning Department.

- v) the creation of a post of Assistant Performance Officer within the Corporate Planning Department at Grade 8 (£22,437 - £26,431) to assist with the implementation of the Public Sector Improvement Framework (PSIF) for self-evaluation, this post to be filled by an officer who is presently seconded from the Housing Department. The total cost of the creation of this post is estimated to be £34,000.
- vi) the redesignation of three full time and one part time Organisational Development Officer posts grade 7-10 (£18,231 - £33,087) to Training and Development Officers within the Personnel Department;
- vii) the secondment of a part time post of Senior Accountant (18.5 hours) grade 11 (£33,087 - £37,273) from the Finance Department to the Corporate Planning Department for a fixed term period of 2 years, to assist with the delivery of the Corporate Improvement Programme;
- viii) the deletion of the vacant post of Process Review Officer grade 10 (£29,235 - £33,087) in the Support Services Department, with the savings being used to help fund the recommendations.

3 FINANCIAL IMPLICATIONS

3.1 The financial implications of this report are estimated to be:-

- £30,000 for the Leadership Development Programme
- £14,000 for the staffing costs associated with secondment to the fixed-term posts of Corporate Improvement Manager and Assistant Corporate Improvement Manager
- £34,000 for the creation of the post of Assistant Performance Officer

3.2 The cost of implementing the proposals set out in this report is therefore estimated to be an additional £78,000, and this will be met from the savings remaining from the deletion of the post of Depute Chief Executive (Finance) and from the provision in the Revenue Budget for the currently vacant post of Process Review Officer, both of which total £100,000.

4 MODERNISATION OF THE COUNCIL - CURRENT POSITION

4.1 Over the last 18 months, the City Council has seen the introduction of a number of discrete initiatives which will move the Council forward in terms of modernising working practices and internal processes. In particular, these initiatives are CeRDMS (electronic document management), asset management (mainly opportunistically through office developments at Dundee House and Grove House) and Flexible, Mobile and Home Working. However, these initiatives have been developed discretely and have not been part of a co-ordinated and planned improvement programme. One of the purposes of this report is to set out a co-ordinated Corporate Improvement Programme for the two year period to 31 March 2012.

- 4.2 The City Council has, over the last 18 months, introduced a system of Lean Systems Thinking with which it can improve its internal systems and processes. The Council's Improvement and Efficiency Sub-Committee and Board have managed and co-ordinated a programme of 14 Lean System reviews, and there are now a considerable number of staff within the Council who are trained and experienced to carry out the current and future Lean System reviews. However while these reviews are improving departmental processes, they are being undertaken at a relatively low level, and will not be sufficient in themselves to deliver the efficiencies required as part of the projected £30m savings in the Council's Revenue Budget over the four years 2010/11 to 2013/14. This report will propose a strategy to increase and expand the level of change management, beyond that currently being delivered through the Lean System reviews.
- 4.3 The Council's current arrangement for training varies across Departments. A number of Departments have dedicated training teams which provide professional training for their staff e.g. Educational Development Service, Social Work, Housing and the Revenues Division of Finance. The Organisational Development (OD) Section of the Personnel Department also provides general management, supervisory and skills training for all Departments of the Council. The OD section has been highly supportive with the training and roll-out of Lean Systems Thinking, and this has meant that the level of general training available throughout the Council has been reduced to a relatively low level. Further, the one key type of training that is underdeveloped within the Council is senior management or leadership training. This report will address the recent downturn in general training and also the low level of senior management or leadership development within the Council's training portfolio.
- 4.4 Historically, the City Council has carried out corporate and departmental self-evaluation through the process entitled European Foundation for Quality Management (EFQM). However, within the last 18 months, the Council has transferred to the self-evaluation process known as the Public Sector Improvement Framework (PSIF), and the Council now needs to devote a dedicated staff resource to ensure that the Council as a whole, and all departments, have implemented PSIF over the two years to 2012.

5 CHANGE MANAGEMENT PROPOSALS

- 5.1 The proposals to significantly change and modernise the Council and achieve the £30m savings required over the 4 year period 2010/11 to 2013/14 have 3 key elements:
- training
 - self-evaluation (Public Sector Improvement Framework)
 - corporate improvement

5.2 Training

The corporate training function will be retained within the Personnel Department but needs to be refocused and re-invigorated.

It is proposed that the three full time and one part time Organisational Development Officer posts, grade 7-10 (£18,231 - £33,087), that specialise in training will be redesignated Training and Development Officers with no change of grade and be retained within the Personnel Department under the management of the Head of Personnel.

One new area to be developed is e learning, which will enable some types of training to be delivered on line efficiently and cost effectively. In addition, during the two year period 2010 to 2012, the Head of Personnel will organise a Leadership Development programme for senior/third tier managers, such that the Council can develop succession planning for chief officers posts in the future. In support of this, the Head of Personnel will need to procure external training support at an estimated cost of £30,000.

5.3 Self-Evaluation - Public Sector Improvement Framework (PSIF)

The Best Value 2 Pathfinder audit demonstrated that self-evaluation by the Council is a key process that must be carried out by the Council corporately and by each Department. In 2008/09, the Council began using the Public Sector Improvement Framework (PSIF) as its preferred method of self-evaluation. It is now essential that the Council extends the use of PSIF throughout the Council on a sustainable basis. In order to achieve this objective, it is proposed that:

- a Senior Organisational Development Officer be re-designated as Senior Performance Officer and transferred from the Personnel Department to the Corporate Planning Department;
- a post of Assistant Performance Officer be established in the Corporate Planning Department and an officer of the Housing Department, currently seconded to Personnel to work on PSIF be appointed to the post;
- a rolling programme be developed such that a corporate PSIF self-assessment be completed and all Departments are also subjected to this type of self-assessment;
- the position will be reviewed and further progress determined in 2012, on implementation of the initial 2 year programme.

This self-assessment programme will be a significant factor in the Council achieving best value and continuous improvement, and will greatly assist the Council in becoming a Best Value Council.

5.4 Corporate Improvement Programme

5.4.1 The process of change management and how this is resourced will be critical in assisting the City Council achieving the projected £30m of savings required over the four financial years 2010/11 to 2013/14. The Council's Strategic Management Team has reviewed the areas where it believes that the most effective efficiencies can be made, and these have been developed into a Corporate Improvement Programme, which is detailed as follows:

- Working Patterns

Voluntary Early Retirement Scheme/Departmental Restructuring
Best Value Review of Mobile, Flexible and Home Working
Best Value Review of Procurement
Implementation of Corporate Electronic Records Document Management System (CeRDMS)

- Assets

- Best Value Review of Fleet Management, including depots
 - Best Value Review of Asset Management
 - Best Value Review of Property-Related Staff
 - Best Value Review of Car Parking services
 - Review of Health and Safety Contracts

- Services

- Best Value Review of Ground Maintenance Services within the Council
 - Review of Property Management and Maintenance Services
 - Programme of Lean Service Reviews
 - Review of Shared Services with Angus and Perth and Kinross Councils

5.4.2 A fuller report on the prioritisation and scheduling of the above Corporate Improvement Programme will be considered by the Improvement and Efficiency Sub-Committee, prior to its implementation. However, one area within the Programme worthy of note in this report is the proposed Voluntary Early Retirement Scheme, which is the subject of a separate report to this Committee. This scheme, if approved and successfully implemented, will be a key part in the budget strategy for achieving an element of the £30m required savings. After agreeing early retirement applications from staff, this will allow the restructuring of individual sections and departments to be carried out in a measured and constructive manner. Obviously any restructurings will be brought back to the appropriate Committee for approval, prior to implementation.

5.4.3 Within the Corporate Planning Department, the post of Performance and Improvement Manager will be able to devote approximately 50% of his available time to matters associated with the Corporate Improvement Programme. In addition to the officers covered in paragraph 5.3 above, within the Personnel OD Section there are presently three posts (Organisational Development Team Leader, Senior Organisational Development Officer and Organisational Development Officer) who could be devoted to the implementation of the Council's Corporate Improvement Programme. These posts and their incumbents will transfer to the Corporate Improvement Team within the Corporate Planning Department.

5.4.4 Given the scale and importance of the Corporate Improvement Programme, it is felt essential that a further two posts of Corporate Improvement Manager and Assistant Corporate Improvement Manager are appointed for a fixed two year period at a grade of CO 19 (£53,664) and CO16 (£49,929) respectively. It is proposed that these two new fixed term posts are advertised and filled by secondments from within the Council. On the assumption that there is no back-filling for these posts, only 'acting up' payments, it is projected that this will cost a maximum of £14,000 per annum. Further, the Director of Finance has identified a post of Senior Accountant grade 11 (£33,087 - £37,273) (18¹/₂ hours) that can be seconded into the Corporate Planning Department for a fixed term of two years to assist with the delivery of the Corporate Improvement Programme.

5.4.5 The above proposals if approved, will mean that there will be approximately 6 full time equivalent officers, including the new Corporate Improvement Manager and Assistant Corporate Improvement Manager, dedicated to delivering the Corporate Improvement Programme over the two year period to 31 March 2012. A table summarising the proposed staff changes, and a chart showing the proposed Corporate Improvement staff, along with the training and development staff remaining in Personnel, are appended to this report.

5.5 Governance

In addition, it is proposed that each of the Projects in the Corporate Improvement Programme will have a Chief Officer as a Project Sponsor. This, in collaboration with a dedicated Corporate Improvement Team officer, will ensure that the fundamental changes referred to in the Programme are delivered in a co-ordinated and timeous manner. The management of the new Corporate Improvement team will be the responsibility of the Assistant Chief Executive, and the management and monitoring of the programme will be achieved through the Improvement and Efficiency Board and Improvement and Efficiency Sub-Committee.

6 **CONCLUSION**

The conclusion of this report is that a Corporate Improvement Programme and a Leadership Development Programme are seen as essential to the modernisation of the Council. Further, in order to support the ambitious Corporate Improvement Programme, including PSIF, a Corporate Improvement Team with dedicated senior staffing is essential and this has been identified and resourced within this report.

7 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of sustainability, strategic environmental assessment, anti-poverty, equality impact assessment and risk management. There are no major issues.

8 **CONSULTATIONS**

The Depute Chief Executive, Director of Finance, Assistant Chief Executive and the Head of Personnel and the Trade Unions have been consulted in the preparation of this report.

9 **BACKGROUND PAPERS**

None.

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21/04/2010

SUMMARY OF PROPOSED STAFF CHANGES

Post Titles	Proposed Changes	Cost
Organisational Development Team Leader	Move to Corporate Planning to work on Corporate Improvement Programme	None
Senior Organisational Development Officers (2)	Move to Corporate Planning, one to work on PSIF and one on Corporate Improvement Programme	None
Organisational Development Officers (4)	Retain three full time and one part time posts in Personnel and redesignate as Training and Development Officers. Move one post to Corporate Planning to work on Corporate Improvement Programme	None
Assistant Organisational Development Officer (seconded from Housing)	Create post of Assistant Performance Officer in Corporate Planning, to be filled by officer seconded from Housing	£34,000
Senior Accountant Part time 18.5 hours	Move from Finance to Corporate Planning to work on Corporate Improvement programme for fixed term of two years.	None
Corporate Improvement Manager and Assistant Corporate Improvement Manager	Create 2 year fixed-term posts on secondment to Corporate Planning	£14,000 (estimated cost of covering secondments)
Process Review Officer	Delete vacant post currently in Support Services and use savings (along with savings remaining from deletion of the post of Depute Chief Executive (Finance)) to fund the changes above	(saving of £34,000)

Appendix 2

PROPOSED CORPORATE IMPROVEMENT, TRAINING AND SELF-EVALUATION STAFFING

