



Delivering Excellence.

A transformation programme for Leicester City Council

Final Report

26 September 2008



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Foreward

Over the past weeks the Officer and Member groups have been working hard with staff and our consulting partners – Deloitte and Greengage – to identify what we need to do, and what we need to change, in order to support the delivery of the One Leicester Vision. At the heart of this approach has been the drive to improve the Council's customer service standards, productivity and approach to performance, while simultaneously becoming a more efficient organisation. Some of the key activities we have engaged in to date include:

1. development and communication of the One Leicester Vision;
2. workshops with Service Directors and Heads of Service to discuss the delivery of One Leicester within the Council, and its priorities;
3. a review of the corporate management structure;
4. meetings with management and staff on their perceptions of the strengths and development needs of the Council;
5. a residential workshop with Cabinet and CDB members;
6. an analysis of the effectiveness of our partnership arrangements;
7. workshops with Members;
8. a meeting with Trade Unions; and
9. a meeting with the LSP Executive.

In addition we have drawn information from other sources to support the understanding of what is necessary in order to improve our efficiency and effectiveness as a Council. These include;

1. staff feedback;
2. feedback from complaints from our customers;
3. feedback from partners working with the Council on major projects; and
4. the outcomes of recent external review, including the CPA, JAR and work of the District Auditor.

The contributions arising from these activities have been exceptional, and it is both interesting and important to highlight that there is a significant amount of convergence with regard to the perceptions, feelings, thoughts and ideas of the various stakeholders of the Council. This has enabled the development of a radical plan to change the way the Council works and to highlight the things that need to be addressed in order to transition and transform the Council from an adequate to a high performing organisation.

This document summarises the analysis of the aforementioned ideas and contributions, and outlines a proposed corporate transformation programme that integrates the various activities that need to be undertaken to drive lasting change. It also brings together strands of activity that hitherto have been disparate and uncoordinated.

This programme will require a significant level of commitment from Members, officers and staff. We need to ensure resolve for what we are trying to achieve; an alignment of corporate and personal goals and priorities; and sign-up / agreement to effective and timely decision-making.

We are confident that the programme can be cost neutral to the Council, and also address the £30m efficiency challenge currently outlined in our three year budgetary forecast. However, some up front investment will be required until some of the proposed initial projects and activities comprising the transformation programme start to deliver the efficiency and effectiveness benefits we are anticipating.

1 Executive Summary

We want Leicester City Council to aspire to be one of the best Councils in the country, achieving more for our citizens and providing rewarding careers for our employees. To do this it must build on past and present success, while inspiring officers to 'up their game further' and deliver excellence in all their activities. Achieving this will require commitment from the top of the organisation and a structured programme to ensure that the desired benefits are achieved.

This document outlines a proposed transformation programme including a revised senior management structure which is necessary to support the transition and maintain high quality business as usual activities and a transformation programme for delivering a stepped change in performance for Leicester City Council. This transformation programme, branded as "Delivering Excellence", is focused on developing the Council's approach to, and management of, organisational performance, and the customer experience. This is underpinned by the values and priorities of the One Leicester Vision and the Council's approach to partnership working.

The Delivering Excellence programme will contain many different projects and initiatives. To provide suitable governance arrangements, for both delivery and monitoring purposes, a number of distinct programmes have been defined - this is illustrated graphically in Figure 1. It is comprised of four key programmes of change (identified by the chevrons running down the diagram), these will enable and deliver:

1. the articulation, development and implementation of projects and initiatives in support of the 7 **Strategic Priorities** defined in the One Leicester Vision;

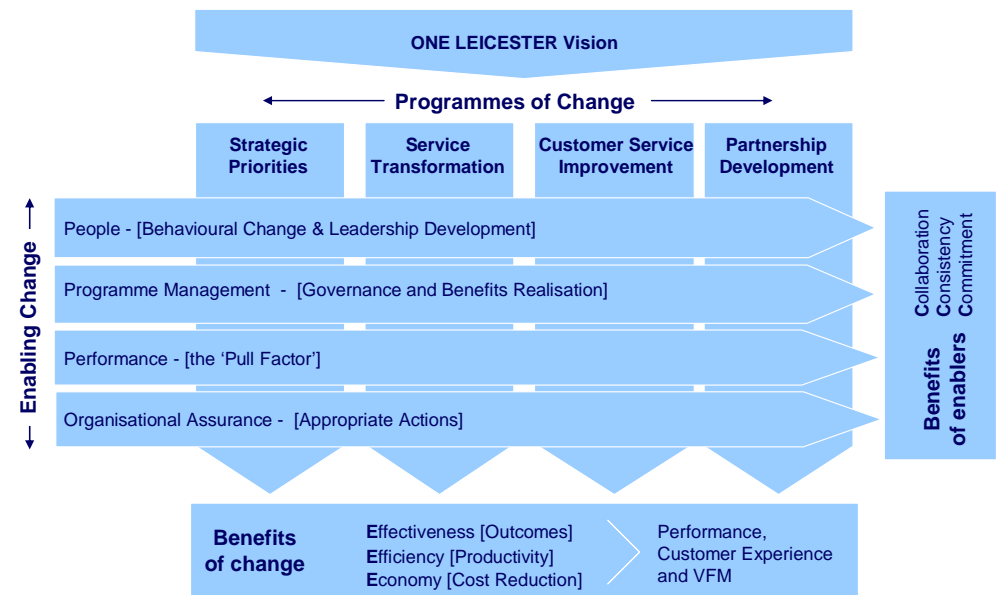


Figure 1– Delivering Excellence Programme - Blueprint for Change

2. the implementation of a **Service Transformation** programme geared first towards defining the Council's future role as commissioner and/or provider of services, and then at implementing the organisational and operational changes required to support this role;
3. the implementation of a **Customer Service Improvement** programme focused exclusively on improving the customer's experience of interacting with the Council, and the Council's overall approach to customer relationship management; and
4. the definition and implementation of a **Partnership Development** programme aimed at delivering clarity on the role of the LSP and the Council, and the framework and activities required to improve

joint performance monitoring and management, and the allocation and use of resources across the City.

These four key programmes will be supported by a further four programmes which will serve as the 'enablers' or drivers of change (identified by the four chevrons running across Figure 1). The purpose of these will be to alter the 'DNA of the organisation' and make the outcomes of the change programme 'stick' by:

1. developing the Council's **people** and creating a can-do and customer-focused culture, building internal skill and capacity through workforce and member development programmes;
2. managing the changes and tracking the benefits through appropriate **programme management**;
3. driving up **performance** across the Council, to improve outcomes and release resources for re-investment; and
4. re-visiting the organisation's protocols and policies, **assuring** they are match-fit for the new organisation.

Some of the key initiatives that are proposed to comprise these enablers of change are identified in

Figure 2.

Further details on the rationale behind, and the composition of, the proposed Delivering Excellence programme are contained in **Sections 2 and 3** respectively.

The proposed change is ambitious and is likely to run within the Council for at least two years. The approach taken in driving it through will be critical in its success. In this respect, it is proposed that the change programme is delivered through three key stages:



Figure 2 - The Enablers of Change

1. Mobilisation – taking stock of everything LCC have been doing and training an internal team to support the delivery. This will ensure there is no wasted effort when the project activity starts.
2. 'The First 90 Days' – a number of planning and quick win delivery activities undertaken over a period of 12 weeks (90 days). This will focus on designing the longer term implementation activities and delivering projects which will help improve performance and fund the programme.
3. 'Wave 1 Implementation' (note there will be subsequent waves) - these will run over a 1.5 to 2 year period and will focus on the

delivery of initiatives for performance improvement defined during The First 90 Days.

Section 4 of this report outlines in further detail the proposed approach to Delivering Excellence.

A key deliverable of The First 90 Days will be a master plan for the Delivering Excellence programme containing a prioritised list of projects that will then be delivered during the *Wave 1 Implementation* phase of the programme.

To deliver this programme of change, the Council will need to work effectively with its partners across the City, and it may also require external assistance and consultancy support.

Delivering Excellence requires a number of permanent changes to the establishment, which will drive additional staff costs. In addition, some one-off investments will be required to deliver the First 90 Day period and Wave 1 of the transformation. This will include set-up costs, additional HR capacity, potential back-fill costs, severance/protection costs and further external consultancy support.

Clearly, there is the potential for savings to meet the above costs. However, no such savings have been assumed at this point in time.

The benefits from this programme will be wide reaching, they will include service improvement, the support towards the One Leicester Vision and the delivery of cost efficiencies to fund both the programme and ongoing service enhancements. The anticipated benefits are:

- Management aligned to organisational priorities.
- Clearer political and management interface.

- Greater Member involvement.
- Greater focus on One Leicester priorities.
- Greater responsiveness to customers and to communities.
- A more holistic approach to workforce planning and development.
- Development of talent within the Council.
- Improvement in service performance, as measured by customer outcomes.
- Delivery of cost efficiencies.
- Improved organisational culture.
- Less bureaucracy – especially around key processes such as HR and procurement.

Important Clarifications:

1. The term 'commissioning' is referred to in several places in this report. In the context of the Delivering Excellence programme, 'commissioning' is not intended to mean the outsourcing of functions or the divesting of services but rather ensuring a strategic fit between priorities, services and supporting the delivery of service improvement. This means organising and delivering our services by achieving the best leverage across the partnership to maximise the use of our collective resources in delivering the desired outcomes for the City.
2. The report refers to the need to re-consider the urgency and priority of current projects and initiatives across Departments against the One Leicester vision and the 7 strategic priorities. Such consideration may lead to recommendations for some projects, or initiatives, to be re-directed, downscaled or stopped altogether. Such decisions will only be taken following Cabinet and Member consultation, and following due consideration of (1)

the impact that a decision of this kind might have on the recipients of the services and any other affected stakeholders; and (2) any political imperatives. In this consideration we will ensure that neighbourhood priorities are not lost in the process.

2 Why Change?

2.1 Current Position

Work undertaken to-date, and highlighted in the foreword, indicates a need for Leicester City Council (LCC) to change the way it exercises its functions. LCC's recent CPA review identified a number of development needs, key among which are:

1. relationships with external partners and strategic suppliers are strong, but the partnership's ability to deliver is hindered by the current support received;
2. cross-departmental working which is currently characterised by 'silos' and an absence of a corporate culture that seamlessly and synergistically integrates the various services of the Council;
3. a bureaucratic culture that stifles creativity, slows down decision making and perpetuates a culture of blame;
4. a lack of pace on addressing recommendations arising from previous reviews and progress on developing services that are more customer-centric; and
5. a lack of alignment between the Council's financial planning and strategy setting processes that potentially 'de-rails' the allocation and use of resources away from the strategic priorities of the Council.

These observations have been further supported by the findings arising from the organisational review work recently undertaken by Deloitte, as well as the ongoing series of workshops facilitated by Greengage and involving Cabinet, Corporate Directors, Service Directors and all Heads of Service, Members and Union

representatives. These findings, which for all intents and purposes can be treated as the result of a self-assessment of LCC's current position, provide an additional level of insight into the issues already highlighted by the Audit Commission and emphasises a need to act now if the Council is to achieve the *One Leicester* Vision.

The findings from the 'self-assessments' conducted to date point to the following issues:

- **bureaucracy and internal systems**, are seen as risk averse and slowing progress rather than helping managers to get things done;
- **slow decision making** is often un-picked at a late stage and hampered by a failure to follow through on decisions;
- **lack of clear and consistent** priorities and an aligned financial planning system, means that resources are not focused on priorities;
- a **performance management system** which focuses on monitoring activity, rather than the management of outcomes or service improvements;
- **low morale amongst some staff** partly due to the absence of visible leadership and leadership changes in the past;
- **difficulties in managing poor performance** of a minority of staff partly due to cumbersome and risk averse HR policies;
- **weak workforce strategy planning** that does not promote staff recruitment, retention, talent management and skills for leadership;
- **too many meetings which do not add value** and which do not have a clear purpose but which absorb a lot of time;

- an **unrepresentative workforce**, particularly at senior management levels. There is a perception that there is a “glass ceiling” for people from a BME background;
- **poor knowledge management** with a lot of information being continually gathered by the organisation but in a manner which is not accessible in a usable or helpful form and which lies unanalysed;
- a **lack of clear alignment between the political and officer structure** which leads to unclear roles, responsibilities and expectations;
- a **risk-averse culture** which is focused on following a paper trail as opposed to meeting the needs of the customer;
- a **conflict avoidant culture amongst senior officers** that allows some of the most difficult organisational challenges to go un-discussed and un-addressed;
- a **lack of clarity about the role of frontline Members** and how Members influence the workings of the Authority to get things done for their constituents;
- dissatisfaction among union representatives at the **level and timing of engagement of unions** in decisions affecting the workforce; and
- **poor internal and external communication** about significant events affecting various groups. This applies to communication between officers, between officers and Members and between officers and unions.

In addition, the Council needs to make savings by 2010/11 to deliver its budget plans, and is expected to deliver £30m of efficiency savings to meet local and national performance requirements.

Notwithstanding these challenges, LCC is still considered by the Audit Commission as a 3 star Authority with a direction of travel that continues to be viewed as “improving adequately”. The recent CPA identified several key strengths to support this view during the build up to this report, namely:

1. **visible and effective political leadership** and a clear political majority by the Labour Administration that should drive stability over the medium term;
2. a **clear and challenging vision** (One Leicester) for the City that should help engender a common goal and purpose for the various public and private sector organisations of Leicester;
3. an **adequate focus on value for money** and good overall use of resources;
4. many **hard-working and professional staff** who are committed to serving the needs of the people of Leicester;
5. many **good relationships** between staff in different departments and with staff in other agencies working for the good of the people of Leicester; and
6. **sound financial management** of its budget.

In view of these strengths, it is understandable that some people may ask “why do we need to change?”. The answer is simple. Leicester is aspiring and working towards becoming ‘Britain’s sustainable city’ – a city characterised as a ‘beautiful place’ to work and live, by a community of ‘confident people’, generating and enjoying the returns of ‘new prosperity’. However, it remains a City where outcomes for many citizens are amongst the worst in terms of health, education and skills and where inequality gaps are widening instead of narrowing - LCC’s Partners expect the Council to lead the change that is necessary to effect change locally.

This cannot be achieved unless and until the City Council demonstrates excellence in its approach to service delivery, and delivers and embeds excellence through all its services. To do this, LCC must consider a new and more effective operating model.

2.2 Required Change

The issues highlighted from the CPA review and the various internal self-assessments can be grouped in a way that suggests that the Council needs to consider 5 key areas for development and improvement:

- a. **leadership** effectiveness;
- b. the execution of **strategy**;
- c. organisation **structure**;
- d. **partnership working**; and
- e. **people** and **culture** (viz. a viz. its approach to customer service and performance management).

A. Leadership

With a clear majority in Council, and a newly elected Cabinet, the political leadership of LCC is stable and strong.

The same cannot be said of its managerial leadership. In recent months, a number of senior managers parted company with the Council, and an even bigger number of second tier management positions have been vacant or remain filled by interim appointments. In addition, over recent years, management has been cut significantly at a time when the demands in key areas has risen and when the performance challenge in Leicester has been greater than that in comparable Authorities.

The Council will not be able to execute its policies and deliver its strategies unless and until the management structure of the organisation has been appropriately addressed.

The key priority is the permanent appointment of the top tier (Deputy CEO and Corporate Directors) and the Service Directors. A second priority is the establishment and implementation of a leadership development programme aimed at supporting the delivery of the Council's future strategic priorities by up-skilling managers in the competencies, skills and behaviours required to effectively deliver the strategic priorities. Such leadership development should also extend to the political arm of the Council. The stable political environment of the Council provides a unique opportunity to the Authority to revisit its decision making processes and enable broader Member participation.

A lot of work is already being undertaken to address both the appointment of senior staff, as well as the Council's leadership development need. These are outlined in points 'C' and 'E' below respectively, but additional activity will be required to embed further effective leadership in the organisation. Some proposals to achieve this are outlined in Section 3.2.3 of this document under the title 'Enabler 1 – People'.

B. Strategy

The *One Leicester Vision* provides both the foreground and backdrop to what the Council needs to consider and deliver in support of the City's vision. It articulates the outcomes that the City is aspiring to achieve, the 7 strategic priorities of action that the Council and its partners should be collaborating on to deliver, and the values and principles that will guide this journey.

Needless to say, LCC currently provides a number of services that already link into or support the achievement of the 7 strategic priorities. However, the current collective provision of services is not

configured to be strategically aligned to the One Leicester Vision or, for that matter, any other clear and overarching corporate vision. Indeed the current definition, development and delivery of services is in most cases driven by a mix of Departmental and Service specific priorities; statutory requirements; national imperatives; and past / traditional custom (i.e., services are delivered today because “LCC have always delivered this service”).

Moving forward, LCC need to consider a programme of change that strategically reviews the current provision of services and aligns future provision to either one or more of the 7 strategic priorities of the One Leicester Vision, or to a statutory requirement. This will ensure that all the services of the Council are contributing to the same corporate priorities, and that resources can be effectively prioritised and corporately deployed. This will also drive forward an effective approach to ‘One Council’ as opposed to departments that operate unilaterally.

There is also a need to ensure that the development of the corporate strategy continues to be more reflective of local needs. This can be achieved through further and better engagement with Ward Members and community meetings.

C. Structure

In April this year, LCC commissioned Deloitte to help it understand and review its corporate management structure and capability in light of the City’s plans around the implementation of the *One Leicester Vision*.

The approach that was followed sought to obtain the views and perspectives of various key stakeholder groups and to develop a potential new structure based on the stakeholders’ perceptions of:

1. the strategic drivers and issues for change;
2. the required design principles for the future organisation;

3. the required core capabilities and operating model; and
4. the transitional arrangements (if any) for mobilising the new structure.









Various inputs were included, ranging from face-to-face interviews with Cabinet Members, to meetings and workshops with the Corporate Directors’ Board, Service Directors and Heads of Service. In total, seven key lines of enquiry were used to assess the current structure, and these led to the identification of several strengths and areas for development for the Council (see

Table 1 overleaf).

The review concluded that the current structure would not be fit for purpose in supporting the delivery of the *One Leicester* vision. It noted that:

1. the *current* organisation is light on management capability and capacity and focuses on operational management whereas the delivery of the One Leicester Vision requires a well staffed management tier focused on strategy development and direction setting;
2. the *current* organisation of activity is largely based on resource availability, inputs or outputs, and emphasises the delivery of services. In contrast, and to maximise the resources of the City, the Council needs to organise its *future* activities on the basis of targeted and improved outcomes and, in this respect, needs to develop a way of working that makes better use of partnerships;

Table 1 - Strengths and development areas

Lines of enquiry	Findings	Ability to deliver Vision
Levels of management	The current three top tiers of management (Corporate Director, Service Director and Head of Service) could provide three distinct and useful roles, but recently, the boundaries between these has become blurred and the consensus is that neither tier is operating effectively	
Leadership/ management requirements	Recurring theme around decisions being taken at the wrong level due to lack of clarity over accountability and responsibility. However, there was a great deal of energy within both Service Director and Corporate Director groups and strong support for the interim CEO.	
Span of control/ size of management	There was consensus from CDs, SDs and Members that there was insufficient resource at Corporate Director level to deliver the current remit. Also, some of the management spans of control	
Accountability for performance	There was a view of strong accountability for financial performance linked to service areas and service delivery performance, but little or no accountability for either delivery on the strategic priorities of Leicester, or financial accountability for spend on these priorities.	
Customer engagement	Despite "customer focus" being a common principle in local government, there was very little said in workshops and interviews. There was a general sense of looking inward, rather than outward, although this may have been a factor of the type of questions asked.	
Internal/ external relationships	Silo / departmental working appears to be an issue, as do the relationships between central resources and service departments. Very little was said on external partnerships, which may be related to the fact that Leicester still delivers many of its services itself.	
Basis for grouping activities	Activities appeared to be grouped by traditional service department silos rather than by type of activity, by customer (except adults/ children) or by geography, for instance. Also, there was little consistency over where Leicester saw itself on the "commissioner vs provider" continuum.	
Council "look and feel"	Significant steps have been taken as a result of recent work to embed common positive behaviours around the Council. Corporate Directors and Service Directors appear to be "up for change" and there is a great deal of support for a new way of working.	

- resource planning, both revenue and capital, in the *current* organisation is driven by historic activity and service capability, rather than customer needs and strategic priorities;
- financial planning and accountability is *currently* linked to service functions and activities, rather than to stated strategic outcomes;
- performance of services is largely driven by the need to monitor as opposed to manage improvement and lacks sufficient rigour as it links largely to operational imperatives as opposed to strategic delivery; and

- the current structure does not adequately facilitate good Member – Officer relations, other than at the most senior levels. Many Members, and likewise, many officers, have no suitable opportunity to interact other than when Members are either raising issues on behalf of residents who have complained about a service, or when exercising scrutiny over some of their work. It is therefore clear, that any new structure must facilitate a more positive and creative contribution from Members.

Section 3.1 of this report outlines the proposed new structure for the Council. Among other things, the new structure emphasises the three key areas of the current structure that are not deemed to be fit for purpose, namely:

- internal corporate collaborative working, and external partnership development;
- the focus of senior leadership; and
- the lack of management capacity to focus on operational service improvements and delivery.

D. Partnership Working

Partnership working in Leicester is defined as strong but its effectiveness in delivering tangible outcomes could improve significantly. The umbrella of the new community strategy 'One Leicester' provides a vehicle for that improvement.

The new organisation structure for the Council proposes that the role of the Council's senior leadership is to direct the delivery of its strategic priorities. This will necessitate both a corporate focus on activity across the Council's Departments, as well as relationship building activity with external partners.

With a renewed focus on developing external relationships, the senior leadership of the Council is well positioned to develop greater capacity through partnerships and the joint commissioning of services.

However, partnership working requires not only a commitment to more effective leadership and relationship building, but also an effective operational framework that provides the necessary structure, processes and resources to facilitate inter-organisational activity.

In June this year, the Local Strategic Partnership (through LCC) commissioned Deloitte to help it understand and review its current Partnership working and suggest key recommendations for improvement. This review focused particularly on the effectiveness of the Council’s leadership role and the support function that is provided to the Partnership by the Council.

Six key lines of enquiry were used to assess the current ability of the Partnership to deliver the outcomes of ‘One Leicester’, that allowed the identification of the key areas where improvement was required.

Through the review of Partnership working the Partners agreed that significant progress had been made over the preceding years, especially in relation to strong leadership and having a clear and collective vision.

However, all Partners agreed and stated that further improvements and change were necessary to ensure that the Partnership was able to deliver the One Leicester vision. Across the key lines of enquiry the key observations were:

Key Area	Key Points	Assessment of Ability
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Right Partners	Good level of representation across all sectors, including Public, Business and Voluntary sectors at all layers of the Partnership.	
Agreed Priorities	Clear strategic priorities established for Leicester, with a supporting vision that is agreed by the Partnership.	
Performance & Governance	Significant focus on the monitoring of performance with an ineffective performance management process. No clear framework for governance of the Partnership that is commonly adopted and understood by the Partnership.	
Ability to Deliver	A strategic commissioning framework is in place but not adopted across all Partnership working. The joined-up nature of working has been noted as an area requiring improvement.	
Support Function	The Partnership has common agreement on the requirement of a centrally funded support function, but the value-for-money in the services provided is not transparent. The focus of work may not be targeting key Partnership areas.	
Partnership Engagement	Partnership engagement has improved since the ERS report, with all aspects of the Partnership being engaged in some manner. A requirement to re-define and communicate roles and responsibilities and promote meaningful engagement still exists.	

100% ability

From this work seven key areas for improvement were identified, namely: Priority Aligned Structure, Creating a Focus on Delivery, Achieving Value-for-Money in Support, Integrated Performance Management, Effective Governance & Accountability, Clearer roles & responsibilities and Enhanced Stakeholder Engagement. Section 3.2.3 discusses these in more detail.

E. People and Culture

There is consensus that the Council currently lacks a “can-do” culture. The prevailing culture is perceived as *risk-averse* rather than *risk aware*, and as *conflict avoidant* i.e. not discussing the things that are

really difficult and challenging. New initiatives are met with reasons as to why one cannot pursue ideas, as opposed to an approach that encourages staff to build a strong business case and offering them support in the process. Many senior managers complain that there is a lack of trust in their decision-making skills and their ability to take responsibility for those decisions. Similarly, while there are many examples of individuals working well across service boundaries, the overall perception is that the organisational culture is one characterised by “silo” working and dominated by a focus on paper trails to justify decisions. This has had the effect of creating inefficiency, slowing progress and taking the focus away from the customer.

In addition, the current culture is perceived, particularly by Members, as failing to recognise and value the role of Members and the contribution they can make in (1) focussing the organisation on the needs of customers, and (2) learning from what is working well for customers and what is not working well. It is recognised that any shift in culture must facilitate the role of all Members and allow them to play a full role in serving the needs of their constituents and in influencing policy in the Council.

If the City is to achieve its *One Leicester* vision, LCC needs to address these issues with some degree of urgency. It needs to create a culture which is characterised by behaviours that exemplify collaboration both internally and externally, and which is supported by value adding, people-centred initiatives. The culture needs to be one in which the Council:

- **listen and responds** to the needs of the customer;
- focuses on delivering **agreed priorities and outcomes** for the customer rather than activity;
- demonstrates a can-do attitude that is **risk aware** but not risk averse;

- **talks about** the issues which are challenging for the City and have the resolve to find solutions;
- **trusts** in staff and managers to make decisions and take responsibility rather than producing a paper trail; and
- develops and exhibits a **collaborative** approach to service delivery and service improvement.

Section 3.2.3 of this report proposes a number of project activities aimed at supporting the development of the desired culture to deliver the Council’s vision, namely:

1. leading by example and leading the way towards the delivery of LCC’s vision through openness, collaboration and role modelling desired behaviours;
2. creating an environment based on trust and building the confidence of staff by listening to and addressing their concerns;
3. creating new and more collaborative opportunities for Member – Officer interaction and dialogue;
4. shifting behaviours and attitudes so that staff begin to think and behave like members of a high performing organisation i.e. focused on quality, focused on performance and focused on customers; and
5. working together and building future capabilities that inspire staff to do better on a personal, organisational and community level.

Indeed, a number of the proposed activities, or aspects of them, (including training, leadership development, building internal coaching capabilities and communications) are already underway, and the proposed change activity is geared to complement and build upon this work.

2.3 Delivering the Change

Addressing the change needs identified above, will require a lot of work. One way of responding to this would be to tackle each of the needs separately. However, experience from other Authorities and the private-sector suggests that a comprehensive and joined-up approach to implementing change is more likely to lead to fundamental change, and the ability to make the changes 'stick', over time.

A significant programme of change will be required which will continue for a number of years. To ensure this is effective and appropriately managed, without putting day to day service delivery at risk, a '**blueprint for change**' is being proposed that comprises:

1. the implementation of a **new corporate structure** to strengthen management and align the team to the challenges facing LCC in the short and medium term. This team will be responsible for driving forward a programme of transformational change across the Council and with partners within the LSP, and for challenging practice from a fresh perspective; and
2. the design and implementation of a **strategic transformation programme** to support and empower the new structure in delivering the required changes.

Details of the new corporate structure and the design principles of the transformation programme are contained in Sections 3.1 and 3.2 respectively.

A change programme of the scale and complexity described in this document needs careful consideration, as experience elsewhere suggests that there will be a number of issues and challenges that the Council will need to face and address. These range from the inevitability of human nature to resist change, to competing ideas

of how change should be driven, and the lack of resources to fund and support all the desired changes.

Summarised below are some of the key challenges the Council can expect to face. These need careful consideration by Cabinet and the CDB to ensure a clear understanding of the risks of the programme.

1. **Clarity of Purpose:** Cabinet, Members and CDB need to be clear about (and agree on) why the Council needs to embark on a comprehensive programme of change. A lack of clarity of purpose will lead to different expectations and impede effective and timely decision-making. Members of staff must also understand the purpose of the change programme, what is expected of them, and what they can come to expect from it. The change programme must therefore be preceded by a clear and unequivocal communication to ensure a common understanding among stakeholders of the Council's intended goals and its desired direction of travel in achieving these.
2. **Inertia:** A perception, typically prevalent among 3 Star Authorities is that "we are good enough: we don't need to change". Cabinet and CDB must clearly communicate that the vision and rationale for the change programme is a fundamental review and 'makeover' of the Council's organisational culture.
3. **Different Perspectives:** Managers in front-line services may have different views on delivering change, to officers with corporate responsibilities. This will only be overcome if the political and managerial leadership of the Council dedicate a fair amount of time to championing a cultural 'revolution' that bridges these sometimes diametrically opposed views. Effective communication, consultation in the reconfiguration of services in support of the strategic priorities, and leadership, by example, will be instrumental in achieving this goal.

4. **Collective Responsibility:** Just as the partners in a partnership share responsibility for their decisions and the outcomes of the actions they take, so too should Cabinet and the CDB be exercising and encouraging a culture of collective responsibility from the corporate and service directorates for which they are responsible. The outcomes of the strategic transformation programme, proposed in this document, must be seen as both a joint and individual responsibility of all functions and directorates. Corporate and service directorates should recognise that they all need to contribute equitably to the restructuring of the Council and that this may lead to the need to re-configure services; re-deploy resources; change decision-making processes and levels of authorities; budget allocations; stopping or cutting back on some services or projects etc. These challenges can only be addressed if Cabinet and CDB members act in a corporate fashion.
5. **Effective Decision-Making:** Cabinet Members and CDB will need to agree upon a decision-making framework and protocol that will enable decisions in relation to the strategic change programme to be taken in as structured and timely manner as possible.
6. **Competing (and sometimes conflicting) Initiatives:** When reviewing the Council's programmes and projects, in order to align them to the 7 Strategic Priorities of the One Leicester Vision, LCC may find a significant amount of duplicated effort across Departments, initiatives that are not contributing to a strategic priority, or gaps in the programme that inadvertently 'fall between the cracks' because of poor scope definition and/or goal alignment. The prioritisation of initiatives will need to consider the number of projects currently in place, and under development, in order to streamline the Council's focus, efforts and resources.

Some projects, or initiatives, will need to be re-directed, downscaled or altogether stopped in order to improve either resource effectiveness, efficiency or economy, or a combination of all three factors. Clearly any such decisions can only be taken following appropriate Cabinet and Member consultation and due consideration of their impact on the users they are serving and any other affected stakeholders. Of course, such discussions will likely lead to some tensions as Members and Officers alike will need to put aside their preference for individual initiatives in favour of ones that address corporate strategic goals and political imperatives.

7. **Stretched Capacity:** Managing "business as usual" is demanding. Managing change, at the same time, makes this even harder. Using the Council's external partners, like Deloitte and Greengage, can help provide additional capacity and support, but this should only be viewed as a short-term solution to fill temporary gaps. Effective knowledge transfer and the development of an in-house delivery capacity to carry the change programme forward is imperative in order to minimise cost and make the change 'stick'.

The above is not an exhaustive list of challenges. However, they represent some of the more critical issues typically affecting success or failure in the execution of change programmes of this type.

3 A Proposed Blueprint for Change

This section describes the key components of activity required for the transition to the new management structure and the proposed configuration of the wider transformation programme.

3.1 New Corporate Management Structure

The proposed new management structure is depicted in Figure 3.

The structure is intended to develop and/or address improvements to six organisational capabilities that the review work undertaken by Deloitte considered necessary to support improved performance in the future delivery of services.

- Strategic Leadership and Technical / Professional Management:** There is sufficient evidence to suggest that the Council currently has an adequate supply of technical / professional management skills among its middle and supervisory management tiers. However, strategic leadership that is exclusively focused on developing and executing the Council's vision and priorities is virtually absent. The new structure makes a clear distinction between the two skills and makes a case for added capacity at both levels. It also emphasises the need to decouple both functions to allow the strategic leadership to pursue corporate wide strategic priorities, rather than departmental operational needs. These strategic priorities are the ones defined in the One Leicester Vision and so create a strategic context that faces both into the Council and externally to drive forward the LSP function.

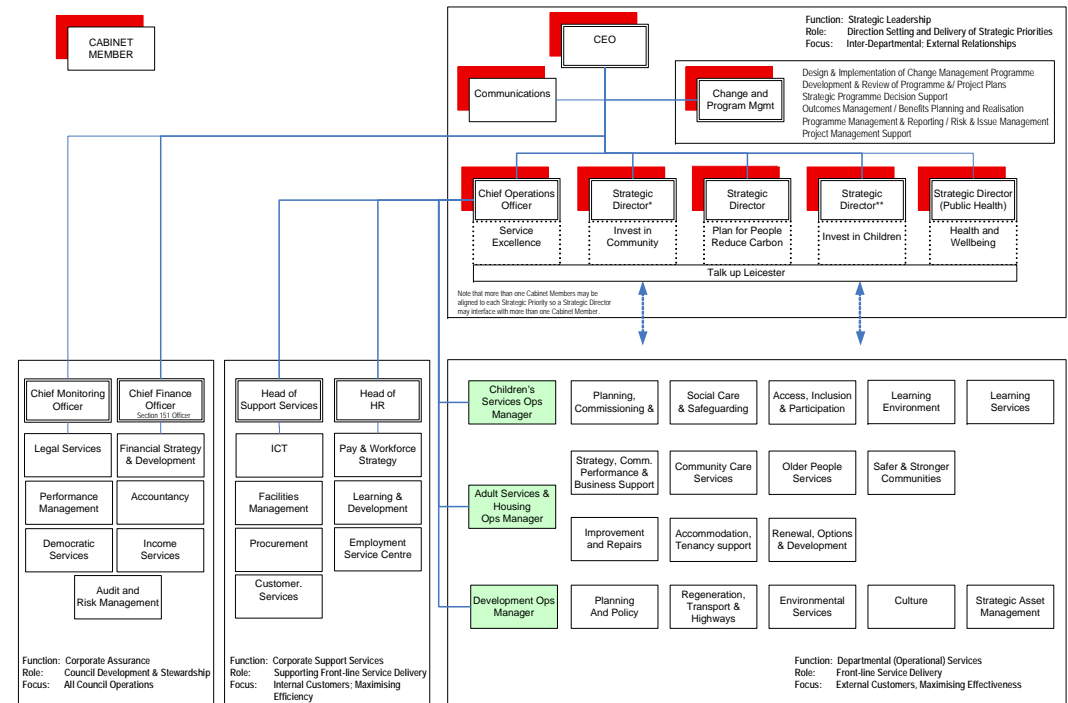


Figure 3 - Proposed New Corporate Management Structure

- Strategic Change and Programme Management:** To execute their responsibilities properly, the proposed new Strategic Directors (currently 'Corporate Directors') will need to be supported by a change and programme management function that will facilitate the configuration and execution of programmes of work related to each one of the Council's 7 strategic priorities. Currently, there is an acute absence of enterprise wide programme management capability in the Council and this function will provide a framework for ensuring a 'golden thread' between the One Leicester Vision, the 7 Strategic Priorities, and the execution of services and projects

in support of the delivery of the intended outcomes. A new change management capability will also provide the skills and competence required to establish an enabling environment for altering the processes, systems and, more importantly, behaviour, in support of the Council strategic programmes of work.

- **Joined Up Services:** Present line departments at LCC could be more effective in working together, and the relationships between support service functions and departments could be more customer focused. To facilitate a more joined up approach to working and service delivery, the new structure proposes that all line functions as well as key support services are led by a Strategic Director in a Chief Operating Officer capacity. The strategic remit of the Chief Operating Officer would be the establishment of 'world class public services' and the incumbent would also occupy the position of Deputy CEO.
- **Organisational Assurance:** Currently, much decision making in the Council is slow and cumbersome. To some extent this is a function of bureaucratic processes, but it many other respects it reflects a culture of mistrust and lack of confidence in the information and processes of the Council. The establishment of a Chief Monitoring Officer function with a remit broadened to include performance and risk management, and reporting directly to the CEO and Strategic Leadership, is intended to address this lack of confidence. It is also intended to create a clear link between outcomes for the customer and organisational decision making. The same logic applies to the Chief Financial Officer's new direct reporting relationship to the CEO. The configuration of these services in the new structure should improve assurance in both the Council's decision making processes, as well as the follow-through of decisions by the various services.

- **Political and Managerial Alignment of Responsibilities:** Some Cabinet portfolios are currently linked to line management functions. The new structure proposes a realignment of Cabinet responsibilities to the 7 strategic priorities of the Council. In this way, both Cabinet and the Strategic Leadership will have a common and shared understanding of the strategic goals and programmes of work and can jointly provide a unified policy and administrative direction to them. The new structure also proposes a more participative role for front line members in the delivery of the strategic priorities. The purpose of this proposed structural change is to broaden the participation of the political arm of the Council in the management of its services and to provide a more effective support function to Cabinet Members in the political leadership of the strategic priority for which they are responsible. It is also designed to create additional capacity, amongst senior officers to respond to members in a timely and efficient way. It is recognised that further work is required to clarify the roles of Members, the mechanisms for Members to influence delivery and policy within the Council, and the responsibilities of officers to respond adequately to Member requests and concerns.

In addition to addressing these six capabilities, the new structure also proposes the establishment of **three Operational Manager positions**, reporting directly to the Chief Operating Officer and shown shaded in green colour on Figure 3. These positions are to be subject to review, but if adopted would provide greater capacity to respond to the demands of both operations and strategic planning, particularly in some of the large departments. A key role for the incumbents would be to lead on and manage the demands that the proposed change programme will place on the Departments. This will ensure that Service Directors' focus on the day-to-day requirements is not distracted by the equally important need to introduce and deliver change.

The proposed structure addresses all the design principles discussed with stakeholders during the review period and will deliver the following clear benefits:

- i. **capacity** is added at the senior levels;
- ii. most senior managers are directly aligned to the Council's vision and **strategic priorities**;
- iii. clear **accountability** is maintained for services as well as introducing accountability **for outcomes**;
- iv. an **assurance** function is introduced to help build organisational confidence;
- v. the introduction of a Head of HR and a Change and Programme Management role, puts **people at the heart of the change agenda**;
- vi. there is better **alignment** between the political and managerial arms of the Council;
- vii. the proposed political structure provides an opportunity for **broader Member participation**; and
- viii. there is a much greater focus on **improved outcomes for the end service user**.

There are some key challenges that must be addressed if the proposed changes are going to be successfully implemented and/or embedded and sustained. These can be categorised as follows:

1. *Behaviour*: the proposed structure can only work if it is accompanied by a change in role focus, behaviour and process.
2. *Empowerment*: Service Directors will need to be empowered to make decisions and engage in greater delegation with accountability. This also refers to embedding a culture of performance management.

3. *Decision-making*: one of the key challenges for the Council has been the 'stickability' of decisions. For the proposed structure to be a success there will need to be a review of the Council's current decision-making processes.
4. *Funding additional management*: the Council must be prepared to fund additional management positions. The table below summarises the increase in permanent and interim new positions and the associated estimated cost. There have been informal discussions with key members of the LSP to consider the joint funding of all Strategic Director positions (with the exception of the COO post) given their city-wide strategic focus. If formally agreed by the partnership, the posts will be employed by the Council (and employment contract will be with the Council), but they will be equitably funded between the Council and ABG.

Employment area	Present Staffing	Proposed Staffing Change	Cost of Change
Corporate Team	6	-	0
Frontline Service Direction	16	+4	£432,417
Central Service Direction	7	+3	£232,856
Band 9	-	+1	£ 75,099
Assistants	29	+4	£104,000
		Total	£844,372

Table 2 – Summary financial impact of proposed management structure change

For the avoidance of doubt it is clear with the Partnership that the accountability of the strategic directors is to the Council and its Members and that their employment is a Member appointment. Of course, Members of the employment panel may wish to consider external advice from Partners.

Several key activities need to be considered and delivered to address these challenges and ensure that the proposed structure is effectively implemented.

From engaging in a wider consultation on the proposed structure, to getting Cabinet and CDB support, there is a clear need to connect with and manage key stakeholders (Councillors, SDs, HOS and other officers). There is also a need for HR to perform a detailed review of the structure and identify any issues through an organisation impact analysis. Furthermore, whilst a new Head of HR is currently being recruited, there is a need for a clearly defined recruitment and transition plan for implementation purposes and for the mapping of BVPIs and other performance measures into the new structure. Lastly, the Council needs to consider and integrate the recommendations that will arise from the work commissioned to Deloitte with respect to the Council's leadership and support activity in relation to the LSP.

Clearly, these activities are going to require a great deal of resource and effort and in themselves constitute a programme of change.

Typical to the implementation of any new structure, the change activity will require different areas of focus that need to be owned by the Council (key from the perspective of obtaining buy-in) and supported by additional resources where required. Transition typically demands relevant skills and experience in the following areas; organisation design, programme management and planning, technical HR, process redesign (including understanding

links to technology), cost accounting / budgeting and planning, communications, stakeholder management and change management. Robust governance arrangements, including a Steering Group comprised of senior stakeholders (project sponsor, key political and administrative stakeholders and an HR representative) would also be required to support the transition and would be accountable for maintaining the integrity of the overall design of the change programme.

Six areas of work are needed to cover the proposed transition and implementation phase of the new structure at LCC. These are as follows:

1. **Finalisation of detailed design:** Whilst the job profiles for the top tier have been completed, there is a need to develop finalised role profiles for any re-designed positions that are impacted by the implementation. There may, therefore, be a need to conduct further detailed impact assessments and to complete/continue with any transition plans that are being put in place. Importantly, the content of the detailed design may have to be refined, based on feedback from stakeholder engagement activities. Impact assessment and transition plans may also have to be updated to align fully to the HR plan and associated processes and to reflect the output from the on-going job evaluation.
2. **Development of, and transition to, new governance structures:** One of the issues facing the Council that has come out of the self-assessment process, the CPA review and the workshops with Greengage, is the lack of 'stickability' of decisions and the 'siloed' working of functions. To address this potential risk for such a key change, a Steering Group will be created to oversee the transition process which will be supported by clear governance structures. This group would oversee the process of review and development, looking at

elements such as *structures and membership* (how many structures? how many members?), *accountabilities and decision-making* (who holds delegated rights? who holds decision-making rights?), *terms of reference* (what is the remit of each of the governance groups?), *relationship to other organisations* (how does governance operate in other government organisations?) and *good practice* (do the current governance structures meet the OGC good practice governance requirements?). Once these elements have been assessed, a revised governance structure will be put into place and transitioned in a centralised and phased manner. This allows parts of the organisation that are moving more quickly to set up and embed new arrangements in advance of those with a longer lead time for implementation and maintains control over the process, ensuring that the integrity of the design is adhered to.

3. **Change Management and Programme Management Support:**

It is important that broad-based change and programme management support is built into the transition process of the new structure. This needs to be driven by the proposed Change and Programme Management Support team, with additional resources being sought where required. The type of change and programme management support envisaged for the transition of the new structure would involve the following:

- development of a governance arrangement, and a change architecture and plan, to support the transition;
- completion of a change readiness assessment by impacted audience groups/functions;
- completion of a capability and training needs analysis (if required for existing and new roles and including members);

- overseeing the development of new performance management frameworks and processes;
- the management and mitigation of issues and resistance to change; and
- project management administration and support (including project controls, monitoring and reporting, issue and risk management and mitigation, and project planning and delivery).

From a quality of design and transition perspective, having a strong change and programme management function in place will ensure that the right governance structures are in place to mitigate any risks that may arise during the course of the transition.

4. **Communications and Stakeholder Management:** the transition to the new structure will directly effect several stakeholders including Cabinet, Members, Service Directors, Heads of Service, Union Members and other officers. Communications and stakeholder management will span both the pre-implementation and implementation phases. In the pre-implementation phase, consideration will need to be given to five key activities aimed at developing stakeholder buy-in and sign-off of the detailed design. These are:

- development of a comprehensive, clear, and consistent communications strategy and plan, to support the transition;
- development of a detailed stakeholder management plan to support the transition;
- detailed design validation and sign-off;
- wider communications to the Council; and
- 1-2-1 briefings with key stakeholders.

During the implementation, communication will need to focus on the consolidation of key messages in the pre-implementation phase, i.e., timely messages to impacted audiences and key stakeholders (critical to success), timely and proactive messages to the wider organisation, monthly updates with the Steering Committee and monthly updates with the senior management team. This activity should be led by the Council's Communication Team working closely with the new Change and Programme Management function.

5. **Technical HR:** Key to the successful transition to the proposed management structure is the upfront involvement of HR and current HR processes and policies. These will have a significant input and impact on timescales for the transition. Given the current lack of internal HR capacity, it may be appropriate to engage an external resource to support the key transition activities listed below, and concurrently help develop and improve the HR function:

- Definition and setting up of HR governance arrangements to support the transition;
- Job evaluation and sizing (based on job profiles);
- Definition of HR processes and policies in relation to decisions regarding selection, redeployment, recruitment, consultation, and severance. This would include the design and development of assessment centres, the appointment of external assessment providers and recruitment agencies, and engaging in proactive communications before and during each step of the selection process. This process is best done in consultation with Union representatives and employment law experts;

- Reward strategy: This should be driven by same and cross-industry benchmarks and cost analyses provided by the Council's Finance function;
- Performance management (described in more detail in Section 3.2 in the 'People' stream of work);
- Conducting a training needs analysis for current officers impacted by the transition;
- Leadership support/development (described in further detail in Section 3.2 in the 'People' stream of work); and
- Implementation of all of the processes and policies noted in this activity list.

6. **Finance:** The new organisational design has an impact on both the actual cost of the management structure, as well as current policies and practices regarding financial accountability of the Council's budget. The Chief Financial Officer has been engaged in discussions regarding both issues and, specifically:

- reviewing the costs associated with the change (identified earlier in Table 2);
- providing the terms of reference, including guidance with regards to the roles and responsibilities of the Chief Financial Officer, Directors and other officers with regards to setting of budgets, budgetary control and other financially related activities (see Appendix A);
- supervising cost centre migration activity; and
- adjusting budgets and plans to reflect the cost centre changes.

Section 4.1 identifies a proposed project structure for dealing with the implementation of the new management structure. Indicative

timescales and costs for its implementation are outlined in Sections 4.2 and Appendix B.

3.2 Change Programme (Design and Structure)

3.2.1 Overview

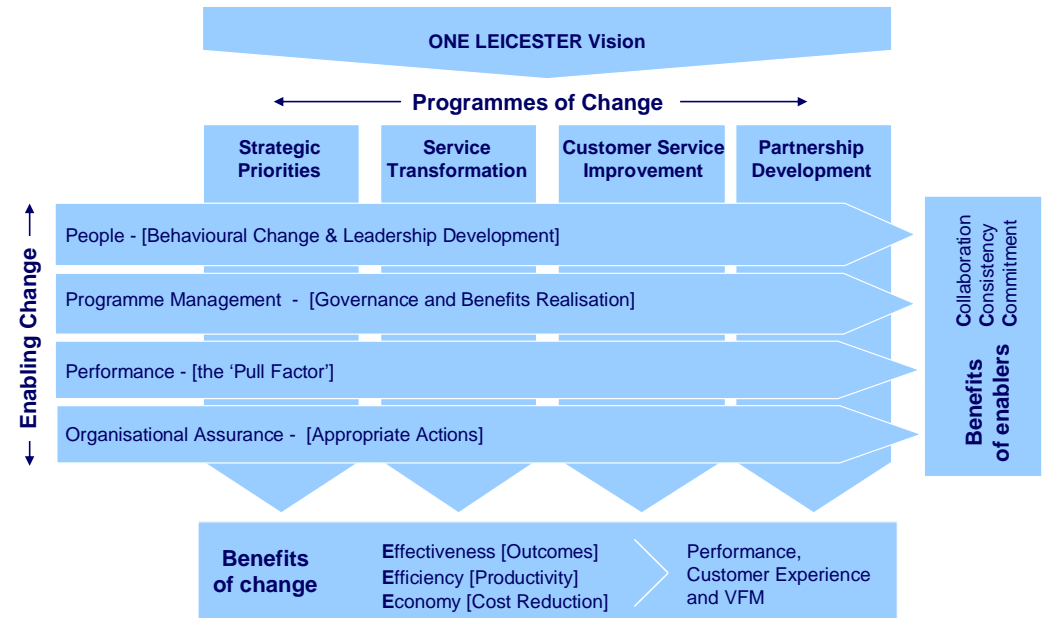
To achieve the ambitions established in the One Leicester Vision, the Council needs to do more than just change its management structure and accountabilities. It needs to transform itself into a high performing organisation, characterised by the ability to both deliver quality services to customers at an affordable cost, and to provide staff with rewarding employment.

Figure 4 outlines a proposed blueprint for change that aims to achieve just this. Branded as “**delivering excellence**”, it is divided into four programmes of change (these are effectively bundles of project activity sharing a similar strategic intent), each of which will have a Programme Sponsor(s) to provide the required guidance, and ensure targeted outcomes are delivered on time and to the right quality. These sponsors will be accountable to a Programme Board which will include both the Leader and Chief Executive Officer.

1. **Strategic Priorities** – this will include the different projects and initiatives specifically required to support the 7 strategic Priorities defined in the One Leicester Vision. Grouping them together ensures that resources are appropriately prioritised across the Council to maximise its impact on achieving the priorities. This Programme will be co-sponsored by the Cabinet Member and Strategic Director with responsibility for the relevant strategic priorities.

Figure 4 - A Blueprint for Change

2. **Service Transformation** – this programme of change will



define the Council’s future role as commissioner and/or provider of services. It will then comprise a series of projects focused on designing and implementing the organisational and operational changes required to support the agreed future role. This Programme will be co-sponsored by the Deputy Leader and Chief Operations Officer .

3. **Customer Service Improvement** – because the Council requires a renewed focus on its customers and the quality of services provided to them, there will be a specific programme of change that brings together all those projects which are / will be exclusively focused on improving the customer’s experience of interacting with the Council, and the Council’s

overall approach to customer relationship management. This Programme will be co-sponsored by the portfolio holder for front line services and Chief Executive Officer.

4. **Partnership Development** – this programme will be dedicated to defining and implementing projects aimed at delivering clarity on the role of the LSP and the Council, and the framework and activities required to improve joint performance monitoring and management, and the allocation and use of resources across the City. This Programme will be co-sponsored by the Leader and Chief Executive Officer.

To facilitate the changes and service improvements arising from these programmes of change, consideration also needs to be given to improving the Council’s approach to:

1. its **people** and their management;
2. the way it **manages its projects and programmes**;
3. improving and **managing operational performance**; and
4. **assuring the organisations** activities.

These further dimensions of the change act as the ‘enablers of change’ and are fundamental to ensuring that the four delivery focused programmes are both successful in achieving their intended outcomes, and sustainable in the longer term, as their outcomes transition to business as usual activities.

The enablers of change will in themselves comprise programmes of project activity that will help create a conducive environment for change and make the future Council ‘look and feel different’. They will be deemed successful if they alter the ‘DNA of the organisation’ and make the outcomes of the four programmes of change ‘stick’.

Figure 5 identifies an initial list of projects and initiatives that will be considered under each of the four enabling themes of change.

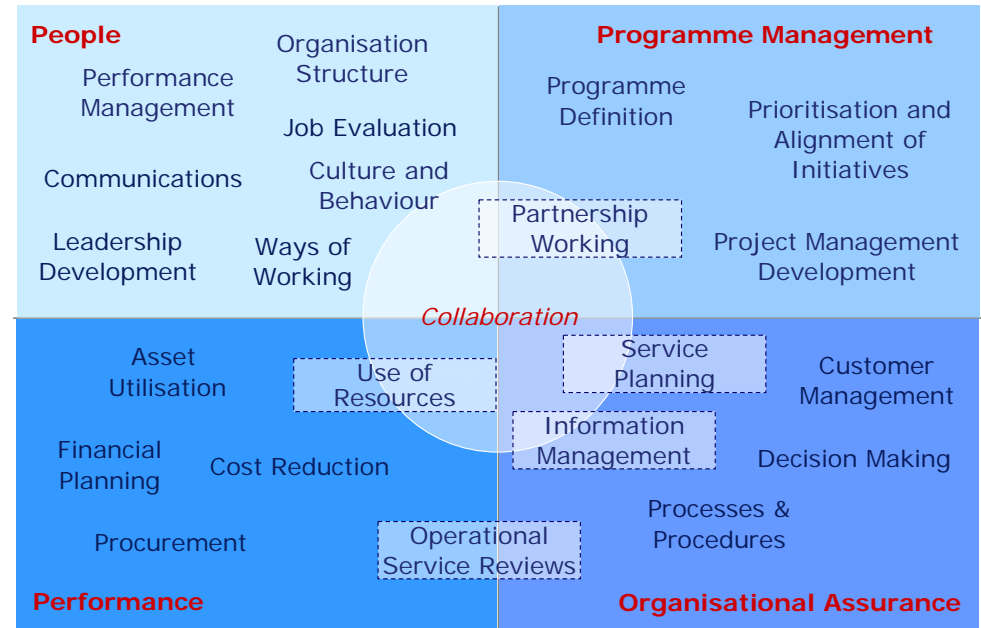


Figure 5 – The Enablers of Change

As part of the initial scope of the transformation programme, LCC will need to undertake a number of skills and capability audits to more accurately establish the Council’s current position against each of the four areas, and confirm / develop a comprehensive list of project activity under each one.

The following text explains in some more detail, the envisaged activity in relation to each of the 4 programmes of change, and 5 enabling themes of change.

3.2.2 The Programmes of Change

The four programmes of change have been specifically designed to achieve the priority outcomes of:

- increasing the Council's service standards;
- improving productivity; and
- reducing costs.

These outcomes are not independent and changes in one, will impact on the others. This needs to be understood and managed to ensure that the impact is positive for the organisation, this is illustrated graphically in Figure 6.

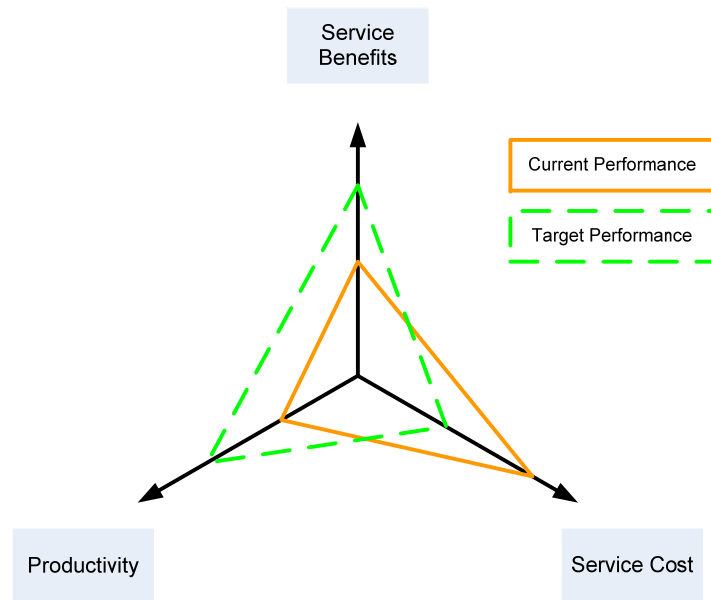


Figure 6 -The relationship between the change outcomes

When the change programme starts, the Council's current performance will be confirmed in relation to service benefits, productivity and cost. This will build on the VFM work which the Finance Team has already completed. Then as the programmes of change progress they will all be monitored to ensure that the outputs are moving the organisation in the right direction towards a target level of performance. This target will be defined at the outset and its accuracy or "confidence intervals" will be tightened up as the analysis and design work within the programmes progresses.

Programme 1 – Strategic Priorities

There are currently no clearly defined suite of projects or initiatives that comprise and define the 7 strategic priorities that the Council will need to deliver in the future.

Although, in response to the development of a new corporate plan, this process has already been kick started by the CEO, the Council will need to embark on a well-structured process of defining, identifying and evaluating project and service activity against each of the 7 strategic priorities. Each priority will itself constitute a strategic programme of projects and initiatives that are instrumental in contributing to the intended outcome of the strategic priority in question.

Defining these programmes and their constituent projects will require a process of four stages:

Stage 1 – Design: The aim of this stage is to consider the purpose of each of the 7 strategic priorities and clearly identify the corporate objectives the Council will seek to achieve and the criteria that will be used to evaluate the suitability of current and proposed projects in delivering the said objectives.

Stage 2 – Align: In this stage, current and proposed projects will be aligned to one or more of the 7 strategic priorities and evaluated against the criteria identified in the 'Design' stage. Projects, which are judged by the evaluation process to poorly align to the 7 priorities, will be terminated, as they do not contribute towards the achievement of the Council's strategic objectives and detract resources from other critically important projects. This stage will also consider the opportunity to combine, reconfigure or redefine existing projects, to draw out any duplication of effort and either re-direct resources to other projects or generate a saving that can be invested elsewhere in the Council.

Stage 3 – Investigation: This stage will focus on gathering data and information on existing work and projects that are currently underway and what additional projects should be undertaken. The analysis of existing projects and the identification of new ones will consider why they were / should be launched; what they are / should be trying to achieve; what resources (and cost) they consume / are estimated to consume; and what benefits they have / would aspire to deliver. The outputs from this will be used to create (or update) a business case to support the project.

Stage 4 – Prioritise: This stage addresses the sequencing of projects and initiatives. The overall objective of this analysis is to give priority to initiatives of higher-value and lower-business risk. By this stage, each project will be backed by a detailed business case. The business cases will be used to prioritise the projects on the basis of expected benefits, affordability, risk, required resources and any interdependencies with other projects.

Adopting this staged approach to determine the project activity that will define each of the 7 strategic priorities is time consuming but an imperative in order to ensure that:

1. visibility is achieved from all projects (and therefore budgetary spend) across the Council;
2. the selection and definition of strategic programmes is done at a corporate, enterprise wide level, enabling LCC to manage conflicting demands and agree the most appropriate allocation of resources to initiatives;
3. future budgets and investments are better aligned to corporate objectives;
4. the right choices are made when prioritising investment; and
5. the ability to execute projects and realise LCC's intended outcomes is improved.

Clearly there are a number of operational initiatives and 'business as usual' services that the Council delivers and that are not directly linked to any one of the 7 strategic priorities (eg., trade regulation, provision of sports facilities). These do not constitute 'projects' and will be excluded from this assessment. However, a high level review of the services will still be required to challenge and ascertain, in a similar fashion, the future requirement and appropriate composition of the service. This will be tackled through the Service Transformation programme (see below) and other performance review initiatives undertaken under other parts of the transformation programme.

Programme 2 – Service Transformation

The overall transformation programme will encompass a range of projects across all of the Council's activities. Whilst the programme will manage the interactions of these activities it is vital that LCC provide some structure to ensure all change initiatives take the Council in the right direction and are sustainable when implemented. For example, if part of the organisation is looking at increasing the opportunities for remote or home based working, LCC do not want another group looking at how to increase the office based capacity of

LCC's estate. To achieve this, the programme team will need to develop a target operating model (TOM) for the Council and each Department, and an appropriate performance management regime for the re-defined organisation.

The TOM provides a clear, unambiguous articulation of how the Council's operations will be configured to execute the Council's strategy and deliver the Council's statutory obligations and priorities. It acts as a focal point for the decisions around operational strategy, such as what functions should be shared, how functions should be configured in size and budget, where operations should be performed and by whom.

The TOM is developed by considering a number of 'architectural layers' which address the key dimensions of the Council (see Figure 7). These include:

- the services provided by the Council;
- the channels customer use to access them;
- the processes used to deliver them;
- the organisation needed to manage them;
- the technology used to support services; and
- the physical locations from which the Council needs to work.

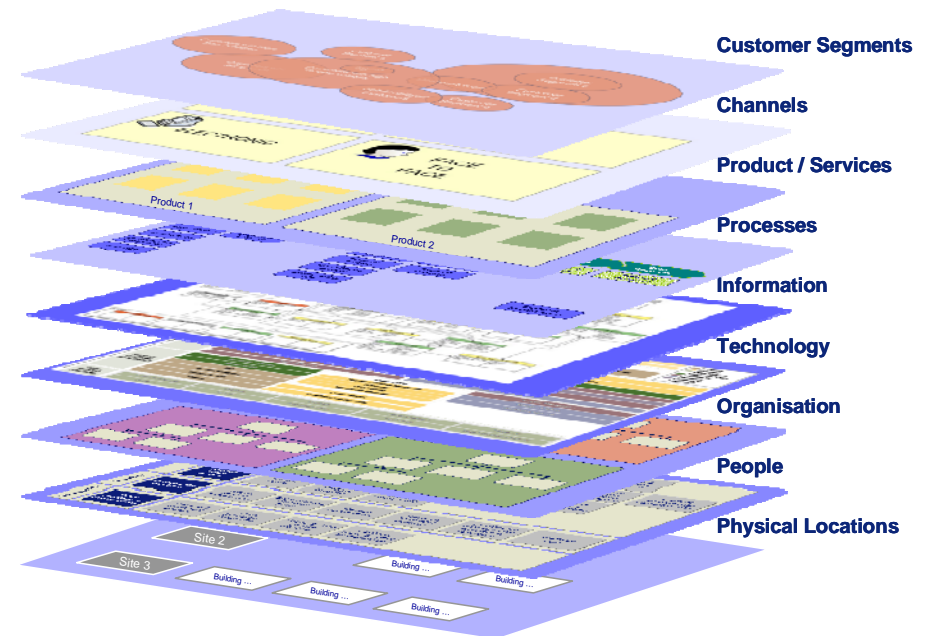


Figure 7 - The Layers of the Target Operating Model

In consultation with officers and Members, the programme team will define the design principles and the new organisational configuration for the TOM. From this, the team will work with a wider group of staff to cascade the principles down through the organisation developing new processes and supporting structures.

Developing the TOM can often highlight opportunities to reduce service delivery costs, increase operational efficiencies and effectiveness, and improve customer service.

To ensure success in line with statutory obligations and priorities, LCC will develop a performance management framework to underpin the target organisation. This will enable the performance of units to be understood and decisions taken proactively to improve performance.

The performance framework will need to be clearly linked to the Council's priorities. These will then cascade down the organisation, identifying SMART (specific, measurable, achievable, relevant, time-based) measures for all activities which are being undertaken to achieve them.

Of course, a precursor to developing the Target Operating Model for the Council is an understanding and agreed position on the future role of the Council as commissioner and/or provider of services. This is a fundamental consideration as the two roles require considerably different operational configurations.

Further discussions on the priority areas for service transformation are required. However, the services that were mentioned to date by officers, Members and union representatives as needing urgent attention include: human resources, procurement, internal communications, member services and housing repairs.

Programme 3 – Customer Service Improvement

At the core of all the One Leicester priorities is the desire to improve Customer Service. To support this, the Customer Service Improvement programme will co-ordinate the key customer experience projects.

By building on the work undertaken in defining the TOM, and in developing the customer access strategy, the Council will be able to develop its understanding of the customer and use this insight to focus service improvement efforts through four primary projects, underpinned by an improved Customer Relationship Management (CRM) tool, as illustrated in Figure 8. The four projects envisaged to constitute the Customer Service Improvement Programme are:

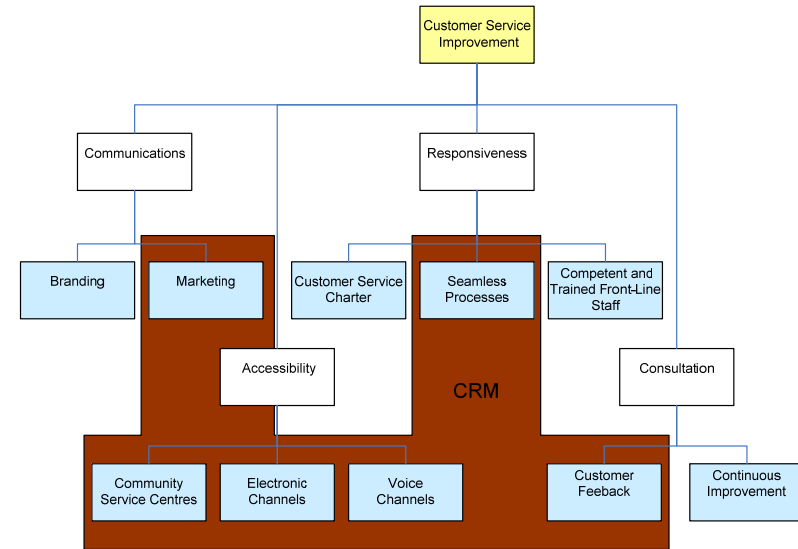


Figure 8 - Key elements of Customer Service Improvement Programme

1. **Improving Communications:** this project will consider how the Council needs to communicate better with customers to ensure they clearly understand the available services. It will include initiatives focusing on:
 - Improving branding – how is LCC going to consistently brand LCC services; development of consistent rules; link to One Leicester.
 - developing LCC's marketing – getting the information out to LCC's customers. Telling customers 'what LCC do' and 'what LCC are doing to improve it'.

2. **Increasing Accessibility** – this project will build on work already undertaken and consider the channels/routes into services, and will include initiatives focusing on:

- A review of physical contact points – where are LCC going to locate its staff to meet the needs of the community;
- Development of electronic channels – continuing the e-government drive to make it easier for ‘electronic’ customers and to reduce LCC’s service costs;
- Improve the effectiveness of voice channels – by introducing an integrated corporate wide CRM LCC will enable all customer contacts to have the necessary information to resolve the different customer needs; and
- Action that moves away from departmental access points to a ‘one stop’ approach, which collocates all front of house responsibilities into an accessible service.

3. **Improving Responsiveness** – this project will consider what customers are going to expect, and what standards the Council will uphold. This will include initiatives focusing on:

- Developing / updating the Council’s service charter – what is LCC committing to delivering for its customers, how long will it take to respond, what will they get;
- Improving the response processes – how will LCC respond to the customers and who will be involved. What quality assurance procedures are in place and what will happen when something goes wrong; and
- Building staff competence – LCC needs to develop a programme of staff training which will enable staff to

interact with customers appropriately and deal with activities effectively.

4. **Consulting Customers** – this project will consider what services customers want and how. It is recognised that Members play a pivotal role in providing feedback about customer concerns and this role needs to be fully incorporated into our activities to improve customer consultation. This insight can be used to drive continuous improvement. Initiatives will include:

- Developing appropriate feedback collation mechanisms – customers need to be feeding into the design, management and improvement of services. A scaleable feedback system will be developed to ensure suitable data is collected to inform this;
- Embedding continuous improvement – as part of LCC’s longer term commitment of transformation it wants to embed a culture of continuous improvement. This will involve developing the internal capability at analysing customer information and also analysing its actions to deliver; and
- Strengthening the community ward meetings as a means to engage local people in decision making, service design and evaluation.

These four projects will deliver improved customer service, but to take this to the next level the customer experience needs to be seamless. This can be achieved through a review and development of a corporate wide, CRM standard and tool. This underpinning technology will ensure that all customer details and interactions are recorded and linked, across the range of Council activities ensuring a joined-up customer experience.

By deploying this system throughout the customer facing areas of the Council, when a customer makes contact through any route, their 'interaction history' will be instantly available to ensure the customer need not repeat previous conversations and the right advice can be given consistently. A further ambitious project would consider the development of a CRM tool across other partners, in the City, to provide a truly seamless One Leicester service.

Programme 4 – Partnership Development

As Leicester City Council is all too aware, the Public Sector is changing its focus towards policy implementation ('strategy execution'), with Councils becoming commissioners of services (as opposed to a direct deliverer of services) and focusing on policy outcomes that cut across departmental silos (expressed in new PSAs and CAAs).

As a consequence, there is an increasing need to breakdown traditional boundaries and work more collaboratively with partners and other stakeholders to achieve objectives.

A key delivery vehicle for collaboration is the Local Strategic Partnership. This programme will focus on developing the current LSP arrangements to support the delivery of outcomes of the One Leicester vision, whilst also ensuring direct alignment to the Council transformation.

The key areas for improvements are taken in turn below and will form the key work packages of the 'Partnership Development' workstream.

Improvement Area 1 – Priority Aligned Structure

The structure of the Partnership needs to re-organise so it is in direct alignment to the One Leicester priorities, and also complements the transformation programme of the Council.

This can be facilitated through establishing 'Strategic Theme Groups' and 'Strategic Commissioning Groups' that are clearly structured to the seven priorities. The diagram below provides an overview of the suggested organisation structure:

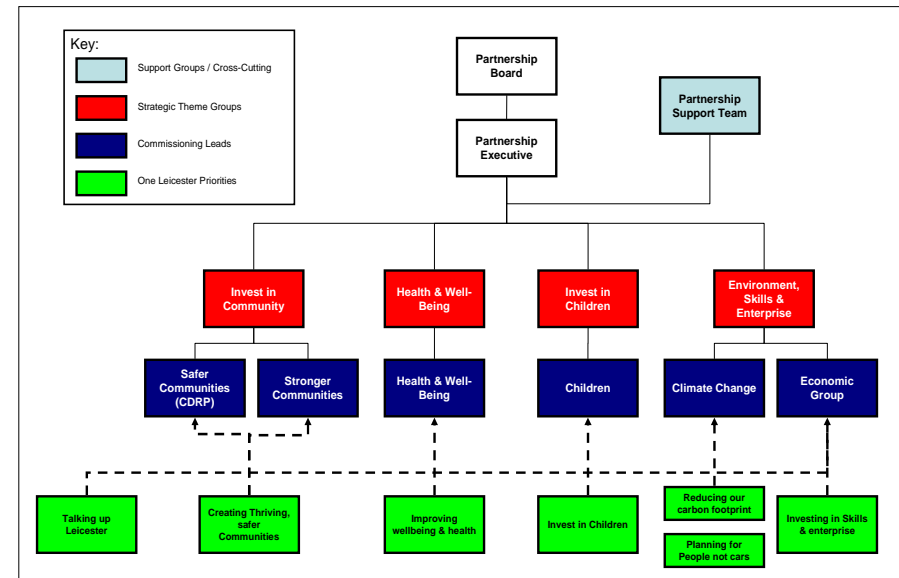


Figure 9 - Overview of suggested organisation structure

Improvement Area 2 – Creating a Focus on Delivery

A key mechanism to ensuring delivery against targets is the ability for effective joined-up working in strategic planning by the Partnership. In order for the Partnership to develop, it requires an effective strategic commissioning framework to be in place for the entire Partnership.

The allocation of funds must be directly aligned to the strategic priorities and as such a robust and generally agreed strategic commissioning framework has to be implemented to support the achievement of the priorities. This needs to support the Council in its role as the accountable body and be adopted by the entire Partnership.

Improvement Area 3 – Achieving Value-for-Money in Support

The support functions provided to the Partnership need to be organised and operated in a manner that creates open and transparent value for money for the Partnership in the services it provides.

Figure 10 provides the principles that will be used to develop a detailed operating model.



Figure 10 - Partnership support principles

The key support functions that it will need to provide are:

- Communications & Marketing;
- Administrative Support;
- Research & Intelligence;
- Performance Management; and
- Commissioning.

The proposed support functions will need to be:

- Organisationally located within the City Council;
- Situated within a strategic and co-ordination focused function of the City Council. For example the 'Change & Programme Management' function; and
- Funded through Partnership income where the roles are fundamentally servicing the Partnership.

The inter-dependencies of common support functions that are provided to the Partnership and also required to be provided to the Council will be a key design activity in the early stages of the Delivering Excellence programme.

Improvement Area 4 – Integrated Performance Management

A significant opportunity exists to develop an explicit Performance Management Framework to ensure the standardisation and simplification of the performance monitoring process. This in turn should re-focus resource on appropriate reporting and the pro-active management of performance.

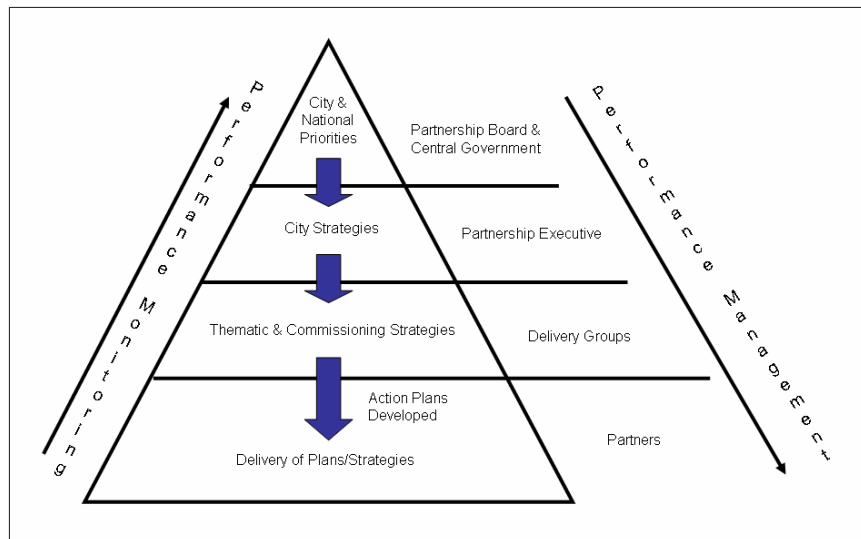


Figure 11 - Performance Management Framework

The Partnership needs to focus upon appropriate and timely monitoring of performance and an emphasis on the management of performance. The framework overleaf provides an overview of the proposed process.

The implementation of this framework will facilitate performance reporting of the Partnership becoming **simplified and standardised** and allow greater focus on the management of performance.

Improvement Area 5 – Effective Governance & Accountability

An explicit Governance & Accountability Framework needs to be developed to ensure the common understanding of roles & responsibilities. The Leicester Partnership should continue to demonstrate its accountability as an open and inclusive

organisation through reinforcing the implicitly stated lines of accountability.

Scrutiny has a key role to play in ensuring the successful delivery of the One Leicester objectives. Scrutiny is not only vital for the delivery against outcomes but the Audit Commission has made it clear that it will play a key part in the Comprehensive Area Assessment (CAA) process. The working of the Partnership should establish a **joint scrutiny programme** to allow the Council and Partnership review to be further joined-up.

It is also necessary to formalise and enhance the role of the Strategic Theme Groups and Strategic Commissioning Groups in decision-making. The key mechanism to establishing this enhanced role is the current informal process of the **‘Four Chairs Meetings’**.

Improvement Area 6 – Clearer Roles & Responsibilities

In order to foster joined-up working, a clear Partnership framework will be agreed and implemented. Roles and responsibilities within this framework must be clearly defined and where appropriate, re-defined.

The ability to implement the areas of improvement outlined is partly predicated on the need for the Partnership to agree and accept the roles that each layer needs to undertake.

Full clarity over expected roles and responsibilities will assist in embedding change and ways of working in the new operating model.

The diagram overleaf illustrates the key layers that comprise the Partnership framework.

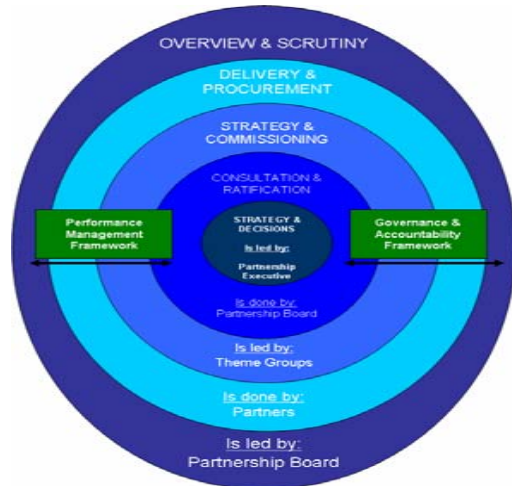


Figure 12 - Layers of the Partnership framework

Improvement Area 7 – Enhanced Stakeholder Engagement

The Partnership needs to continue to effectively engage and mobilise all partner agencies in the appropriate capacity upon a continuing basis.

This means continued effective engagement with the Private Sector, Voluntary Sector, Elected Members and the Partnership Board.

3.2.3 The Enablers of Change

Enabler 1 – People

The implementation of the new structure and the broader transformation programme will have an impact on everyone, albeit in varying degrees. Success will be achieved if the desired behaviours can be stimulated and support garnered for the vision and associated change activities. This is as much about developing the right infrastructures and skills, as it is about developing strong working relationships and creating multi-disciplinary teams that can deliver service improvements, across the organisation. This applies equally to Members and the political structure of the Council as it does to officers and the administrative structure. The *One Leicester* vision cannot and will not be achieved without collaborative working. Success, therefore, will come down to achieving the right balance of value-adding interventions without creating disruption to business as usual.

As discussed at the outset of this document, Leicester City Council’s organisational structure and culture is currently not fit-for-purpose. The frequency of calls (from the CPA, self-assessment and ongoing workshops) to engage its people in a manner that fosters collaborative working, and that builds confidence and trust whilst thinking about the future from a capability and leadership perspective can no longer be put on hold.

An effective programme of ‘people’ related change initiatives covering, in equal measure, both the Member and officer dimensions of the Council would comprise the following:

1. **Engagement and Participation:** The proposed change will have an impact on everyone. As the Council considers the steps it will need to take in order to deliver its vision, employees will begin to feel concerned about what the change means for them and how

their jobs will be affected. Members might also be concerned on the impact that any changes might have on their role as the stewards of Council services and their ability to influence future provision. Historically this has meant a focus on the negative as the rumour mill starts to turn. Engaging employees and Members right from the outset will thus be a priority. This ensures that the programme facilitates change, rather than generating resistance against it and seize the opportunity to begin role modelling the kinds of behaviours that are necessary for success.

To achieve this, LCC will need to:

- conduct an impact assessment to determine the extent to which various functions will need to be redesigned;
- engage in Member and officer engagement and management, on an ongoing basis, to identify key stakeholders and impacted audiences;
- communicate with Members and employees on an ongoing and regular basis using a range of media e.g. the intranet, town hall meetings, e-mail and Q&A forums;
- conduct 'temperature checks' and change readiness assessments to identify the Council's 'hot zones' i.e. areas that require greater attention than others;
- engage with Unions during the change process and ensure that they are bought into the process;
- train managers in change management techniques, thereby equipping them to handle resistance and the change more effectively; and
- display consistent leadership behaviours at the top.

Engaging Members and employees in a consistent and ongoing basis is something that the Council recognises it has not always been good at. This is, therefore, an opportunity to change perceptions and win hearts and minds by directly

involving Members and staff in the change rather than having it done to them. Section 5 of this report proposes a governance model that is intended to promote this direct engagement through the establishment of a Members Reference Group and a Staff Reference Group to act as Advisory Panels to the programme. This is in addition to the decision making processes in the Council and our formal consultation mechanisms with Unions.

2. **Get it right at home:** The Council's current HR infrastructure needs significant improvement. Processes are too bureaucratic and greater emphasis is placed on the 'paper trail' than on people. This position is not unique to Leicester, nor to local authorities. In fact, many organisations, in both the private and public sectors, struggle to deal with just these issues. They also struggle to deal effectively with the strategic demands placed on them by ever changing business requirements. As HR plays such a key role in the day-to-day running of the organisation, and an even more important role during times of change, a review of LCC's HR infrastructure is required. The activities involved here would include:

- engaging in an "as-is" analysis of the current HR function including a review of HR process volumes, HR costs and HR performance (time-to-fill vacancies, number of payroll errors etc.);
- engaging in process re-engineering and activity analysis work to determine where HR is spending most of its time and where the Council can extract greater value;
- engaging with customers to identify what it is that they are saying about the HR function and what they require from it;
- engaging with unions to ensure that our new HR processes safeguard the needs and rights of our workforce whilst being streamlined and effective;
- re-focusing HR so that it is more aligned to workforce and business strategies; and

- creating capability, processes and systems to address compliance and minimise people-related risk.

‘Getting it right at home’ is about putting into place HR processes and activities that facilitate employees jobs, add value to the organisation, and its customers, and builds HR capabilities that are able to help the Council deliver its vision.

3. **Focus on Performance:** It is fair to state that at present, poor performance is sometimes tolerated and line managers do not always have the skills to have meaningful performance conversations with staff. There are only nominal links between productivity and reward, and to date LCC have been constrained and unwilling to take action owing to a series of cultural and process barriers. To improve the performance management of LCC staff the following will be needed:

- create stronger links between individual and organisational performance;
- make performance management a regular item for discussion at board level and with Members;
- establish more robust appraisal mechanisms that places a series of ‘hard’ delivery expectations on every post holder;
- set clear stretching goals and align performance to customer outcomes;
- support the line management function by increasing mandatory initial and refresher training for line managers, and clarify legal requirements and boundaries to managers;
- align elements of reward and recognition to the attainments of required skills, behaviour, and overall contribution; and,

- promote a culture of well being that encourages staff to manage their own health better to reduce absenteeism.

These actions can be undertaken by conducting a thorough performance management review and ensuring that performance management systems align to the requirements of the new structure.

4. **Workforce Planning:** Currently the Council has no systematic approach to workforce and succession planning. There is no data that can help identify, develop, and sustain the workforce skills it needs to successfully accomplish its strategic intent while balancing the career goals of employees. The traditional monolithic department or local authority is fast becoming a collection of people from different backgrounds who ‘belong’ to different organisations and who bring particular skills. In this climate, the Council needs to consider whether it has the right structures in place to develop the skills and capabilities required for the future. It also needs to proactively respond to the perception that there is a lack of diversity in the Council, particularly at the senior levels, and that it is therefore not representative of its constituents. To tackle these concerns, LCC will need to:

- develop a sourcing strategy to identify which capabilities need to be brought in externally and which capabilities need to be developed internally;
- conduct a training needs analysis and review / improve learning and development structures. This is more than identifying what skills gaps exist. It is about identifying the capability requirements that are necessary in order to deliver the *One Leicester* vision;
- put in place measures to retain the right people, regardless of their background. This means ensuring that the Council adequately represent its constituents and is seen as an equal opportunity employer. It also means identifying the

groups of people whose activities add a disproportionate amount of value to the Council and ensuring that they are adequately looked after. To do this, HR will need to provide accurate and timely data across a range of organisational metrics e.g. recruitment, retention, diversity, turnover, total rewards strategy etc.;

- develop commissioning and stakeholder management skills through skills development workshops. These skills can be transferred using consultants or internal training facilities; and
- improve knowledge management structures so that they are relevant and accessible to staff. These need not be technologically driven and may grow organically through communities of practice.

An example of how workforce planning helps to address a hierarchy of needs is presented in Figure 13.

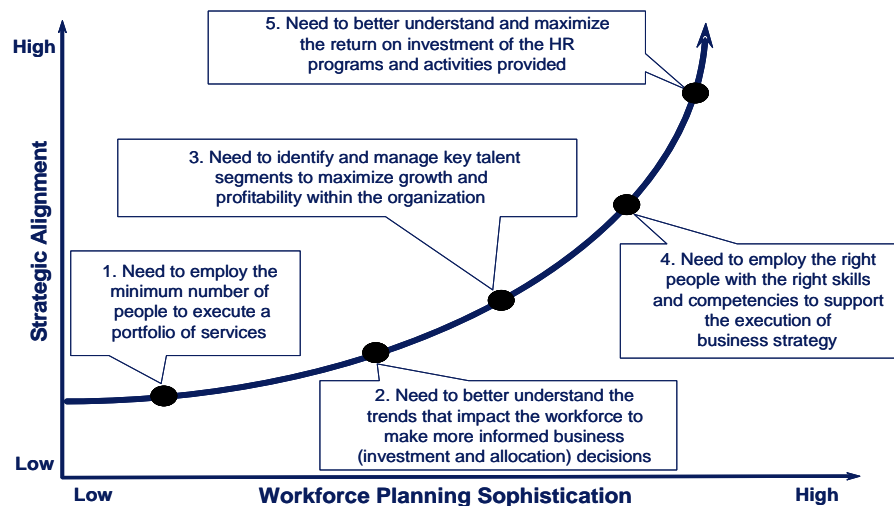


Figure 13 - The relationship between workforce planning and strategic alignment

5. **Lead the Way:** The 2005-06 Cabinet Review on leadership capability in the civil service emphasised the need to develop leaders who were capable of focusing on performance and delivery. Sir Gus O'Donnell's address to local and central government departments majored on the development of leadership capabilities across the civil service. His address is probably more relevant in today's economic climate than at any time in the past twenty years.

With central and local authorities moving towards a commissioning model and the 'war for talent' becoming the norm, ensuring that senior employees in the Council are equipped to lead as well as manage people will be the difference between success and failure. Engaging in behaviours that encourage collaborative working at all levels (especially between the political and administrative arms), speed up decision-making, promote risk awareness over risk aversion and motivate staff is therefore a must.

To address this LCC need to:

- conduct a leadership capability review at both Member and officer level;
- assess individual leadership styles, their impact on members of the senior political and managerial team and direct reports as well as when and where they are most appropriate;
- establish collaborative ways of working through the identification of value-adding behaviours and through the development of a high performing senior leadership team;
- develop quality stakeholder management skills and focus on leadership alignment activities, especially between the political and administrative arms of the Council;
- work with Cabinet, Members and the senior leadership team to develop and articulate accountabilities and leadership roles;

- work with Cabinet, Members and the senior leadership team to develop and run the correct management and governance structures to improve decision-making; and
- extend the leadership development programme beyond Cabinet and the senior leadership team to Members and middle managers and promote cross-functional team-building activities.

Importantly, leadership development work must centre on three things:

1. aligning the team around the successful articulation and execution of the Council's strategy and vision
2. holding the senior leadership team accountable for their actions through clear performance management criteria and evaluations; and
3. leading the talent and succession management from the top.

The way the senior leadership team collaborates, manages stakeholders and makes decisions will be one of the key critical success factors for this programme.

6. **Managing Talent to Release our Full Potential:** the Council has to date failed to recognise the wealth of talent amongst its workforce and Members. Employee satisfaction is lower than leading authorities, diversity continues to be an out-standing issue, there are few role models for people to look up to and the organisation risks losing talented individuals to organisations that will make them feel valued and looked after. LCC is thus in need of a talent management driven project that:

- reviews its approach to talent and succession management for both officers and Members;

- uses workforce planning tools and techniques to evaluate to a high degree of granularity the capability requirements for the future;
- sets up a mentoring and/or coaching programme to develop skills and leadership capabilities across the organisation, again for both officers and Members;
- provides opportunities for staff to engage with leaders in the Council both on a 1-2-1 and a group level basis;
- develops a 'hot house' approach to help accelerate skills development when they are most needed; and
- measures the effectiveness of the talent and succession management processes by using a benefits tracker or employee surveys, and where gaps appear, identify ways of fixing them.

Talent and succession management at all levels is going to play a central part in the successful and continued delivery of the *One Leicester* vision. A vision for the future cannot be achieved if the Council does not develop the people in the organisation who will help it get there and beyond.

7. **Changing Attitudes and Behaviours:** Culture change is an essential element underpinning all of the changes we want to make at Leicester City Council. Everything we do in the change programme represents an opportunity to challenge existing attitudes and behaviours and embed the can-do and customer focused culture that we want to see. To address this we need to:

- **Communicate change.** The change we are trying to bring about should be spelt out explicitly and communicated consistently, repeatedly and in language that people can understand.
- **Engagement.** It is vital that those who are expected to take part in the change, own the changes that they are being

expected to make. Engagement is essential if change is to be owned and the energy and creativity of the whole organisation is to be released. This means listening to people's concerns and ideas and responding to what is said.

- **Develop Change Management Skills.** Whilst some people wholeheartedly embrace change, others will inevitably experience anxiety and concern over the impacts of change on them personally. It is essential that people in management positions have the skills necessary to deal with resistance to change which maintaining trust and still moving things forward.
- **Align Key Systems and Processes.** Whilst communication is important it is equally important that the systems and processes of the organisation are aligned with the required culture so that they do not send conflicting messages and undermine trust that the changes are for real. Organisation-wide processes such as appraisal, competency frameworks, procurement etc. can all serve to re-inforce the required culture.
- **Develop Leadership.** The strongest message that people receive is from the behaviour of the people who lead them and manage them. It is essential that the senior leadership (Directors and Cabinet) of the organisation model the required culture or there will be conflicting messages leading to confusion and a breakdown in trust.

In summary: as noted above, there are several significant pieces of work that need to be done in order for the 'People' agenda to be adequately addressed. Senior political and managerial buy-in to support HR and the programme management team is essential if

LCC's vision is to have any longevity at all. Furthermore, the role and interest of the unions in all issues affecting the staff of Leicester City Council is recognised and we are committed to building effective and constructive engagement with union representatives in all strands of the programme, and particularly the People strand.

Enabler 2 – Programme Management

Another enabler of change is the implementation of a well structured change and programme management function – a new feature in the proposed structure of the Council. This will include clearly embedded role delineations and a governance framework that provides assurance that all resources will work in the best interest of the overall corporate priorities.

The change and programme management function will operate at two levels. At a programme level, it will provide the senior leadership team with strategic support in managing the definition and direction of the strategic priorities, addressing uncertainty, and providing assurance that the right things are being done and associated risks are being managed properly. At a project level, it will coach and support project teams in planning their work initiatives, prioritising their activities and managing their stakeholders, all of which are geared to the realisation of identifiable outcomes (or benefits). This structure will sustain the programmes of change that LCC is seeking to complete.

The implementation of the new change and programme management function will be broken down into 3 key stages: Plan, Execute and Monitor.

1. **Plan:** This stage develops the desired programme management structure; defines individual roles and responsibilities; establishes standards, tools and processes; prepares a working charter; develops a communications plan

and, in conjunction with the 'People' workstream, develop and conduct training. The staffing and process requirements will need to carefully consider the breadth and depth of the 7 strategic priorities and the other 3 programmes of change. An assessment will need to be undertaken, to determine the benefits that the programmes need to deliver and to scope the parameters of each programme.

2. **Execute:** subject to confirmation from the assessment in the previous stage, the programme management function will be structured following a thematic, rather than functional, approach – the 'themes' in this case being the subject of the four programmes of change. Aligning each programme management resource to one or more of the programmes of change will enable full and clear accountability and leadership for all programme and project office activity arising from each programme. This applies from inception and planning at business case development stage, through to monitoring, execution and review at, and during, implementation.
3. **Monitor:** Evaluation of the programme management function to ensure alignment with programmes, stakeholders, benefits and risks needs to be undertaken periodically. This will also be used to evaluate the effectiveness of the programme management approaches being adopted, ensure the completeness of the work that is being undertaken in achieving the objectives set, and assess the realisation of the intended benefits. Some of the questions that would be asked at this stage include:
 - Are the Programme's objectives still properly aligned?
 - Does it meet current stakeholder requirements?
 - Is the PMO still aligned to the delivery of the change programme and its benefits?

- Is the PMO still managing the risks to those benefits?
- Is a new/amended Operating Model required?

Enabler 3 – Performance Management

One of the key drivers of the transformation programme is to deliver improvements in operational performance, including a realisable reduction in service costs to re-invest in priority areas and the wider transformation activities.

By building on the value for money (VFM) analysis work already undertaken, the team will confirm a number of perceived areas of inefficiency (including quick win areas which have been challenged by other Authorities) to target some quick win areas to release resources in the first 90 days. These will include

1. **Asset Utilisation** – this project will identify assets which are under utilised and provide options for improvement or rationalisation. It will have a strong link to the work being undertaken in developing the TOM, but will be more focused on reducing the overall cost of the asset base. The focus will be on different types of assets particularly: buildings, fleet and technology.
2. **Working Capital** – the Council recovers a proportion of its expenditure through charges and contributions. Providing credit cover for the time between expenditure and receipt costs the Council money, and reduces the free capital it has available to invest in service transformation. This project will look at how this financial process can be optimised to reduce the Council's overall banking needs.
3. **Procurement**– a significant proportion of the Council's budgets are spent on 3rd party suppliers. This project will seek to understand this spend, how it can be undertaken better (this may

be through consolidation of contracts or market development etc) and squeezed to deliver maximum value for money.

4. **Business processes** – whilst the Service Transformation activity will identify improvements in the organisation. This will focus on the identification of things that can be stopped or quickly improved to rapidly improve outcomes or reduce costs.
5. **Managing information** - timely, accurate and trustworthy information is essential for effective performance management. Whilst LCC collects vast amounts of information much of this is not held in a form that is accessible or can reliably be used. It is essential that LCC collect's and makes available performance information, which can be used for a variety of purposes by both officers and members.

In conjunction with these rapid benefits release projects a wider review of service performance will be undertaken. This will focus on identifying further areas of high spend/poor performance. These will be addressed as part of the Wave 1 activities, closely aligned to the service transformation activity. Some initial candidates for these reviews could include: community centres; provision of special educational needs; housing repairs and maintenance; potential for shared services; cultural services; homelessness; and benefits.

The identified opportunities will be used to develop an indicative efficiency plan incorporating efficiencies already planned/expected within budgets, all the quick wins identified and additional opportunities coming out of the wider review of service performance. This plan will be developed for the period 2008/09 and offer foresight to opportunities in future years.

As part of the drive towards improved alignment of resources, a **Priority Based Budgeting** exercise will be undertaken in Wave 1. This is a forward-looking budgeting technique that can be used to establish the financial and resource requirements of services,

based on an assessment of their future merits and objectives, rather than their past successes and failures, or the amount of money that was traditionally budgeted and allocated to them in previous periods. One of LCC's partner organisations has successfully used this approach in Library Services; Sports & Leisure; Parks & Nature; Neighbourhood Service provision; and Grounds Maintenance have ranged from 8 to 13% of the services' annual revenue budget.

Enabler 4 – Organisational Assurance

Whilst the Service Transformation programme will establish how the organisation is going to be configured to deliver its range of services, there is a need to ensure that an appropriate risk management approach is adopted across these different services. These needs to be a consistent, and co-ordinated approach which will cover the different aspects of risk, including: financial risk; political risk; brand risk and service risk.

It is important that LCC address this, as it is common to find that processes are 'tied-up' with out-dated or inappropriate checking or approval 'hurdles' which is often seen as bureaucracy and from a lean systems perspective, would be regarded as waste i.e., adding no value. For example historically a Council may have made it a requirement to check, or audit, every purchase order – if they subsequently implement an IT solution with intelligent forms this may no longer be necessary.

This programme will work across the Council to review the key control levers of the organisation and update them to reflect the needs of the organisation and its stakeholders. Some of the key processes to be considered include:

1. The Constitution – how are LCC going to operate going forward, will anything change?

2. Decision-Making Processes – do different people become responsible for things as a result of process or structural changes? Do LCC need as many steps as at present and can it delegate more to individuals?
3. Expenditure Approval Levels – are these aligned to the needs of the Council? Depending on how services are procured these may need to go up or down.
4. Audit Requirements – a key requirement to ensure public value, but are LCC focusing on the right things? LCC need to ensure Audit is used in a constructive manner.
5. Engagement and Consultation - the need for adequate engagement with key stakeholder groups and with unions and Members, in particular, must be recognised including both formal consultation mechanisms and informal discussion processes.

The objective is to streamline the bureaucracy so that the political process can have sufficient oversight of the service delivery activities, whilst service delivery is able to effectively operate and respond to customer demands.

4 Implementing Change

4.1 Structuring the Transformation Programme

The Delivering Excellence programme will involve a significant commitment of effort and is likely to run over a two to three year period. Because of this, a logical approach to structuring the programme would be to divide it into smaller, more manageable, stages of activity.

As mentioned earlier in this document, work on a number of the fronts identified is already underway. The first step, therefore, is to take stock of current activities and build / align them into the broader change activity proposed. This will be referred to as the **'Mobilisation'** stage of the programme.

This stage will need to be followed by a period of intensive planning activity, focusing on defining, in detail, the work that will comprise the different programmes and enablers of change of the transformation. It is also important that this stage focuses on the early implementation of those initiatives that can start to deliver qualitative and quantitative benefits in the immediate to short-term, in order to build momentum to the transformation programme and win the 'hearts and minds' of various stakeholders. Based on similar experiences in other Authorities, a reasonable estimate of the time required to engage in the proposed planning and quick win activity mentioned is 3 months, and this stage of the programme will therefore be referred to as **'The First 90 Days'**.

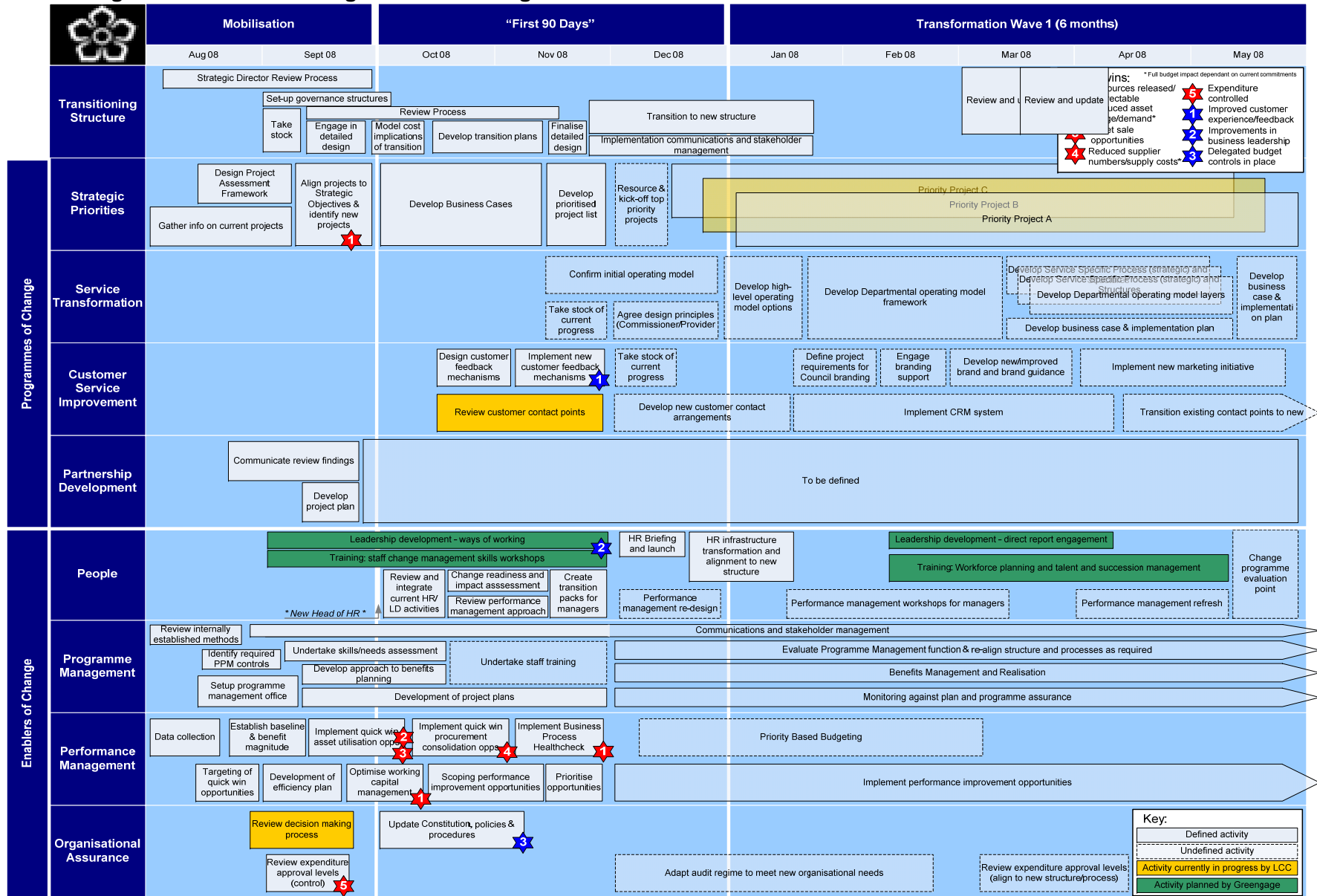
The activity to follow from the First 90 Days will essentially comprise the implementation of the defined change activity, which will involve various projects of different durations. Once again, based on the experience of other similar programmes, it is proposed that a comprehensive check point or review of progress

against plan is held 6 months after the commencement of this stage. As such, this stage will be referred to as **'Transformation Wave 1'**.

Error! Reference source not found. illustrates a 'roadmap' of the transformation programme. It summarises the key activities defined to date with respect to each of the programmes and enablers of change, and 'maps' these across the three initial stages of the programme. Each of the three stages is described in more detail in the text below.

Ideally, the Mobilisation activity would commence and be carried out across all of the different programmes and enablers of change at once. However, this would be very resource intensive from a project management perspective, and also place considerable demands for information and support from members of staff that may, as a result, be distracted from their daily jobs. As such, the roadmap proposes to stagger work, with the 'Service Transformation', 'Customer Service Improvement' and 'People' programmes kicking off at a later date.

Figure 14 - The Delivering Excellence Programme



Mobilisation

The Mobilisation stage focuses on providing an 'as is' assessment of the current key initiatives across the Department and how they 'fit' with and into the proposed transformation programme. This involves:

- identifying and understanding existing initiatives recently launched, including work on customer access, procurement, planning and asset management, management structures for decision making;
- reviewing existing projects which are underway;
- identifying and collecting data;
- confirming and communicating the scope and approach to be adopted; and
- commencing initial stakeholder engagements.

In addition to these preparatory activities a number of sessions will be run with the wider staff base. These will be used, with the support of the Heads of Service, to start to communicate the transformation programme and the approach being taken, thereby ensuring ample opportunity for staff to ask questions and be involved from the start.

First 90 Days

The First 90 days has been designed as an intensive phase of activity to rapidly generate the required momentum to get the organisation to "shift a gear" in its approach to change. Work during this period will focus on:

1. finalising the detailed design of the new management structure and implementing this across the organisation

(see reference to 'Transitioning Structure' in Figure 3). This is essential to ensure the organisation's management and leadership is fit for purpose and able to drive forward the key elements of change before wholesale implementation of the change activities begins in Wave 1 of the transformation programme;

2. designing and developing (but not starting the implementation of) the portfolio of projects to support each of the 7 strategic priorities of the One Leicester vision (see reference to 'Strategic Priorities' in Figure 14). The definition of the projects will feed into and inform the Council's annual Service Planning and budget setting activity. Implementation of the projects will commence following the recruitment and 'on-boarding' of the new Strategic Directors;
3. sustaining and stepping up the design and implementation of the people and culture related activities already underway across the Council (see reference to 'Strategic Priorities' in Figure 14). Not all of the activities will be fully delivered by the end of this stage, and implementation will continue into Transformation Wave 1;
4. designing, developing and setting up the programme management function, capability, methodologies and toolkits for the Council (see reference to 'Programme Management in Figure 14). It is essential that this is completed by the end of the First 90 Days, to ensure that the necessary capacity and skills are available to lead and support the implementation activities across the various programmes of change during Transformation Wave 1; and
5. defining and designing performance improvement initiatives and commencing the implementation of agreed quick wins (see reference 'Performance Management' and

‘Organisational Assurance’ in Figure 14). Priority will be given to opportunities that will lead to reduced bureaucracy, free up resources, and/or generate efficiencies / release cashable savings.

Transformation Wave 1

The activity in this stage will be to deliver the key changes designed in The First 90 Days. As in previous stages, the pace will be maintained to ensure that the momentum is not lost and tangible benefit is delivered to ensure the continued support of staff and members.

The projects and activities that will comprise subsequent ‘Transformation Waves’ will depend on the achievements delivered in Wave 1 and further scoping activity during this stage.

4.2 Managing the Transformation Programme

Each of the initial three stages of the transformation programme will require consistent commitment and oversight from the senior leadership of the Council. However, the type and level of resources required to deliver the work activity will differ between the stages, increasing from one stage to the next.

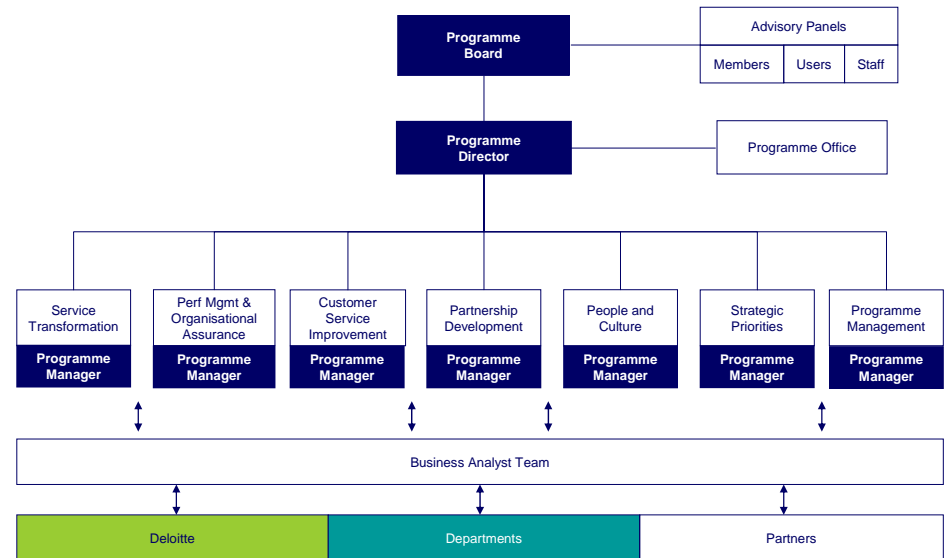
The proposed governance and project management arrangements for each of the three stages are described below. Given the current capacity within the Council, external project and consultancy support is required to kick off and sustain the programme initiatives. It is envisaged that the level of external support will decrease over time, as internal capacity is built through:

1. the recruitment of staff to key positions in the new structure that are currently vacant;

2. the re-deployment of resources following the review and re-prioritisation of work that will be carried out during the Mobilisation and First 90 Day stages of the programme; and
3. training and knowledge transfer from the external consultants currently supporting the change efforts.

Mobilisation and First 90 Days

It is important that the programme is launched on a strong footing with clear sponsorship and leadership by the Council. The diagram below is a graphic illustration of the proposed Governance requirements which is described in further detail below.



A **Programme Board** is being proposed to provide overall sponsorship to the programme. The Programme Board will provide the highest level of authority to the programme and, as such, will be responsible to:

- provide strategic direction and vision, ensuring that the programme and its projects are clearly linked and ‘dove-tailed’ to the Council’s overall strategy;
- provide programme/project executive endorsement;
- determine how funds will be allocated to the programme;
- define and approve project selection criteria (quantitative and qualitative);
- act as the highest level of escalation for programme issues and management decisions; and
- periodically review the programme performance.

It is proposed that the Programme Board is chaired by the Leader of the Council and includes the CEO, Deputy CEO, the new Head of HR and Member representation, as well as Partner and Advisor representation to bring external ‘critical friend’ challenge to the programme.

It is also proposed that 3 reference groups are established to act as Advisory Panels to the Programme Board. These will consist of a Members Advisory Panel, a Staff Advisory Panel and a Users Advisory Panel. The roles of these panels include providing advice to the Programme Board, acting as a ‘sounding board’ to the ideas being developed, and delivering feedback on the programme from the viewpoint of the stakeholders they represent.

Reporting to the Programme Board will be a **Programme Director**. It is proposed that the role of Programme Director be vested in the new Head of Change and Programme Management. He/she will be the ‘visible champion’ providing executive leadership to the programme with responsibility for:

- reviewing and approving project charters, providing the mandate to Programme Managers to execute projects;
- collaborating with the Programme Managers and appropriate leadership to determine Project Leads and staff for individual Project Teams;
- critically assessing programme and project performance against attainment of business objectives;
- acting upon programme risks identified by Programme Managers;
- escalating matters to the Programme Board as required;
- keeping the Programme Board updated with programme status and progress; and
- working with line managers from within the Council to ensure that any issues of a policy, functional, technical or service nature are quickly acted upon and appropriately addressed.

This role will help the incumbent establish a pivotal corporate role in the Council and a ‘platform’ from which to build a lasting and effective support function for the Council’s executive leadership team.

Until a new Head of Change and Programme Management is recruited, it is recommended that the Programme Director role is initially occupied by a Deloitte consultant.

The Programme Director will manage the project team responsible for the implementation of the Delivering Excellence programme. A call for applications was issued in August and following over 120 expressions of interest from Council and partner staff, 20 officers were selected to assume Programme Manager and Business Analyst roles in the new Delivering Excellence team. These officers have undergone a week long induction programme organised and delivered by our change partners Deloitte. The Delivering Excellence team also

currently comprises a number of Deloitte consultants who are helping set up the programme and train our officers in their new role.

The **Programme Managers** will be responsible for directing, controlling, monitoring and reporting on the project initiatives and activities comprising their respective programmes. Their roles and responsibilities will include:

- delivering the vision and objective of their respective programmes;
- defining Project Charters and submit these to the Programme Director and the Programme Board for endorsement;
- working with the Programme Director to select Project Teams;
- continually assessing and managing the risk of the projects comprising their programme;
- overseeing and managing the delivery of their projects, appropriately escalating issues and concerns to the Programme Director and Programme Board;
- ensuring that project management processes and methodologies are being followed and adhered to;
- working with the Programme Director and fellow Programme Managers to identify inter-dependencies between programmes and projects and make recommendations to the programme Board for the effective deployment of resources; and
- approving project deliverables in consultation with the Programme Director.

Individual projects in each of the programmes will be supported by one or more Business Analysts as required. They will be responsible for supporting the Programme Managers in controlling and monitoring programme and project progress, and their activities will include:

- project management and execution;
- budget management;
- developing Project Charters;
- managing the scope of project activities;
- coordination of project initiatives;
- staffing on projects;
- communicating progress and results; and
- identifying change issues.

It is expected that the resourcing strategy for the Mobilisation and First 90 Days will require a mix of Council and Deloitte staff, until the Council is in a position to fully resource the transformation programme.

Supporting the Programme Director and the Programme Managers will be a small **Programme Management Office** which will provide a Programme Planning and Administration function including:

- maintaining and updating the programme management tool kit;
- ensuring Project Teams properly use agreed methodologies and tools;
- assist Project Teams with the development of workplans;
- verifying that project workplans are completed satisfactorily;
- incorporating individual project workplans into a master programme schedule;

- developing and maintaining a programme-wide status reporting process;
- maintaining a risk register;
- producing status reports on the master programme schedule;
- accounting and controlling programme and project spend against budgets;
- working with the Council's communications team to maintain an appropriate flow of communication on the status of the programme and projects;
- assisting with identifying the impact of changes to business processes and ensure these changes are properly planned for and addressed;
- coaching project managers and business users on the financial reporting/documentation of their projects;
- tracking the achievement of project milestones and the calculation of project earned value; and
- tracking project outputs and outcomes and monitoring the achievement of expected benefits.

Transformation Wave 1

At this stage it is not possible to determine the exact governance and resourcing requirements of Wave 1, as this is in large part dependent upon the outcomes of the work and opportunities arising from the First 90 Days.

However, it is expected that the governance arrangements will remain relatively similar to that of The First 90 Days, with the exception that additional Project Managers might be required to lead on any new projects that will be kicked off at this stage.

5 Indicative Costs and Benefits

5.1 Programme Costs

“Delivering Excellence” requires a number of permanent changes to the establishment, although further requirements may arise as the work in the first 90 days is completed.

The following additional posts can be identified now:

- a) a net increase of 3 service director posts;
- b) 3 operational managers (these are potentially interim roles and the need and duration of the posts is still under review);
- c) a permanent team reporting to the Head of Change Management, provisionally estimated at 4 people. It can be expected, however, that this will increase over time as this way of managing programmes and projects is embedded into the city’s culture. Such further growth ought, however, to be self-justified in terms of saved costs; and
- d) PA support (provisionally assumed at 2 permanent and 2 temporary staff).

Ongoing costs of the above amount to an estimated £0.9m per annum for the duration of the operational managers; falling to £0.5m per annum thereafter. The cost will be mitigated by any contribution made to the 3 strategic director posts provided by Leicester Partnership.

In addition, the following temporary resource would be needed. In the main, this covers the first 90 day period and wave one; clearly, however, further resource will be needed beyond this point.

- a) one-off costs of £40,000 to set up the new posts;
- b) additional HR capacity – it is estimated that 2 posts will be required for 1 year (which goes beyond wave one, but can realistically be estimated now) at an estimated cost of £150,000;
- c) costs of staff seconded to the programme work. The programme envisages the need for 20 staff. It is expected that this level of resource will continue thereafter, with in-house support increasing and consultant support decreasing. **No cost assumption is included for in-house staff:** departments will be asked to meet any back-filling costs within their own budgets.

This does not include any potential costs of external consultancy support. The report also envisages the potential development of CRM. An indicative cost estimate of £2m should be set-aside for this potential development.

Clearly, there is the potential for some savings to meet the above costs – no such savings have been assumed at this point in time.

5.2 Programme Benefits

This section will describe the quantitative and qualitative benefits that are envisaged to arise from the programme.

The benefits from this programme will be wide reaching, they will include service improvement, the support towards the One Leicester Vision and the delivery of cost efficiencies to fund both the programme and ongoing service enhancements.

The anticipated benefits are:

- Management aligned to organisational objectives
- Clearer political and management interface
- Improvement in service performance, as measured by customer outcomes
- Greater focus on One Leicester priorities
- Delivery of cost efficiencies
- Improved organisational culture
- Development of talent within the Council

6 Appendix A - Financial Accountabilities

6.1 Introduction

This section describes accountability within the proposed structure for:

- (a) budgetary control;
- (b) budget setting.

In respect of budgetary control, there are a number of principles of good practice which need to apply to the proposed operating model, as they would to any other model. Arrangements for budget setting can be more flexible, and designed to best achieve the particular circumstances of the Council.

6.2 Key Principles

In respect of budgetary control, the following are regarded as non-negotiable:

- (a) accountability is to be aligned as closely as possible with managerial responsibility for spending money;
- (b) the entire budget of the Council is to be allocated to budget holders, such that all parts of the budget are allocated to one and only one budget holder;
- (c) budget holders are to be accountable for budgetary control through the normal line management structure of the Council;

(d) at the highest level in the management hierarchy, a director will be responsible for the budget of an entire service, and will be empowered to redirect resources to ensure the service as a whole does not overspend.

2.2 In respect of budget setting, the following guiding principles are proposed:

(a) directors with accountability for achievement of outcomes must have significant input into the setting of resource levels to achieve those outcomes;

(b) directors with the highest level of responsibility for budgetary control must be consulted on the setting of resources, and must themselves arrange to consult budget holders.

3. Accountabilities

3.1 Front line service directors are to be accountable for delivering services within the overall budget available to them. This will replicate present arrangements for corporate directors, although the highest level of accountability will be exercised by more directors than is presently the case.

3.2 To assist them in delivering services within budget they will:

(a) be authorised to vire resources within services, subject only to consultation with the relevant strategic director where such virement may affect an outcome;

(b) have unlimited carry forward of unspent resources, subject only to any legal constraints;

(c) be responsible for ensuring the budget for the service is allocated to managers nominated as budget holders, and that those budget holders are properly supported;

(d) be responsible for reviewing their budgetary needs each year, and identifying resource levels needed to continue to deliver existing service levels; and to meet any statutory, demographic or financial changes.

6.3 Strategic Directors will be responsible for:

(a) undertaking cross cutting reviews of use of resources, recommending changes as necessary to better achieve outcomes (including the reallocation of resources between front line services);

(b) recommending to Cabinet each year a budget which enables them to achieve their required outcomes. As some front line services contribute to more than one outcome, this will be a collective responsibility of the whole board;

(c) redirecting resources in-year between front line services as necessary, in order to:

- respond to emerging budgetary problems that cannot be resolved within an individual service;
- better deliver outcomes (mini-budget reviews).

To the extent that (c) above affects outcomes of more than one strategic director, the responsibility is shared with the whole board.

In addition, the Chief Operating Officer will be responsible for preparing and delivering a plan to achieve the efficiency targets required by the local area agreement and multi-area agreement.

A conscious decision has been made that Interim Corporate Directors will not have a formal role in the process, and will therefore focus their efforts on driving performance improvement. This is to prevent the development of conflict between strategic directors and interim corporate directors; and to pave the way more effectively to the final structure. Interim corporate directors will, nonetheless, have a supportive and coaching role for front line service directors.

The Chief Finance Officer will be responsible for:

(a) developing an overall framework within which the Council's budget is set, managed and monitored;

(b) advising strategic directors and members on the financial impact of policy development;

(c) providing budget monitoring information and advice to support directors in the exercise of their responsibilities as described above;

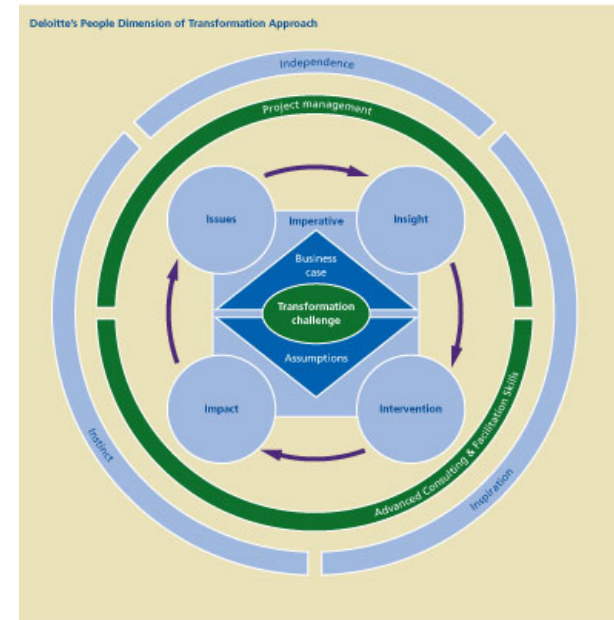
(d) providing aggregate budgetary information for the Council as a whole.

The above accountabilities will have an impact on the way the Council-wide finance function is best organised, which will be developed further in the next phase of the transformation work.

Appendix B – Roles & Responsibilities

The Strategic Director role will fundamentally change from Operational Manager of line departments, to Strategic Leader of programme activity

- Accountable for:
 - Progress against designated strategic outcome(s) and for Leicester and contribution to Talk up Leicester
 - Overall Council performance as part of the senior management team
- Responsible for:
 - Designing a programme of activity, based on available evidence to deliver two strategic outcomes for Leicester
 - Agreeing the required deliverables, resources and timescale within the Council and with partners
 - Programme managing all resources delivering to their programme (s)
 - Agreeing overall budget and sub-budgets for service delivery areas
- Consulted on:
 - All the programmes of the other Strategic Directors
 - All service improvement plans
 - Any high risk changes to service delivery (e.g. plans to outsource a substantial section of delivery)
 - Any politically sensitive areas of service delivery



- **Imperative** – identifying and being clear on the priority needs of the citizens of Leicester
- **Issues** – knowing the key issues which are preventing progress on strategic objectives and understanding where others have made progress in a similar situation
- **Insight** – bringing professional expertise to show insight on how the issues can be addressed in Leicester
- **Intervention** – configuring services delivered by the Council or by partners into a delivery programme
- **Impact** – establishing effective impact measures and monitoring to make sure that the programme is having the desired effect, taking action as appropriate

The following table outlines the key responsibility and accountability of each of the other senior roles

Role	Responsible for	Accountable for
Chief Operations Officer (Strategic Director for World Class Services)	Providing an escalation point for any service issue Designing service delivery to improve quality and reduce cost Line managing all service Ops Managers	Achieving the agreed target for efficiency/ cost reduction in service delivery
Head of Change and Programme Management	Providing specialist expertise, including frameworks and tools to the Strategic Leadership to enable them to structure and deliver their programmes.	Effective delivery of the change programme
Chief Monitoring Officer	Managing legal, performance management, democratic services and joint responsibility for internal audit/risk teams with CFO. Regular reporting on performance against BVPIs and progress against strategic activities across Leicester	Accountable for stewardship of Council resources and ensuring best value on all Council activity
Chief Finance Officer	Managing Financial Strategy and Development, Accountancy and Income Services and joint responsibility for internal audit/risk teams with CMO	Ensuring that costs are controlled and all spending auditable across the Council Achieving the agreed target for efficiency/ cost reduction in corporate operations
Head of Support Services	Managing ICT, Facilities, Procurement, and Customer Services and Communications	Achieving the agreed target for efficiency / cost reduction in corporate operations
Head of HR	Managing Pay & Workforce Strategy, Learning and Development and the Employment Service Centre	Ensuring the Council has the right people with the right skills at the right time Achieving the agreed target for efficiency/ cost reduction in corporate operations
Service Operations Managers	Working with the Chief Operating Officer to plan and manage service transformation in their service area Line managing and coaching the Heads of Service in their area to raise performance consistently Preparing a transition plan to leave the organisation and managing the transition so that there is no negative effect (tbc)	Delivering against agreed efficiency/ effectiveness targets for service transformation
Cabinet Members	Providing political leadership to their respective One Leicester Priority to ensure that resources, plans and political support are in place to deliver the required outcome/ output	Delivery within their area (whether outcome or output based)
Frontline Councillors	Providing a single point of contact in the political structure Providing specific expertise on customer needs in the area Being an advocate for their respective function	The frontline member role would not be accountable for any aspect of performance rather being an enabler to their respective officer in delivering his/ her performance accountability.

Appendix C – Programme outlines

MANAGEMENT STRUCTURE IMPLEMENTATION – PROGRAMME OUTLINE

Programme Title	Management Structure Implementation
Description	To provide an approach and support to the transition from the old to the new structure management structure
Terms of Reference	<p>This project has six key work packages:</p> <ol style="list-style-type: none"> 1. Finalisation of the detailed design: This activity will include the finalisation of role profiles for any re-designed positions that are impacted by the implementation, conducting further detailed impact assessments and to complete/continue with any transition plans that are being put in place. 2. Develop and transition to new governance structures: To create a Steering Committee that will oversee the transition and to implement new governance structures. This will include a review of current governance structures and processes to ensure alignment with leading practice. 3. Change management and programme management support: To support the transition process through the engagement of change and programme management activities e.g. project management administration, change readiness assessments, risk management and management of resistance to change. These activities will be owned by the Council and supported by an external resource where required. 4. Communications and stakeholder management: To engage key stakeholders and impacted audiences throughout the change process. Activities to be included here include: stakeholder analysis and management, Q&A forums, newsletters, town hall meetings and other media of communications 5. Technical HR: To ensure that HR processes and policies support the people elements of the transition process. Activities here would include: Definition and setting up of HR governance arrangements, job evaluation and sizing, definition of HR processes and policies, reward strategies, alignment of performance management processes to the new structure and a training needs analysis 6. Finance: This activity will be owned by the Council and involves developing a cost model for the transition and communicating new financial roles, responsibilities and budgetary accountabilities. This will include the provision of the terms of reference, supervising cost centre migration activities and adjusting budgets and plans to reflect the cost centre changes

Expected Outcomes / Benefits	A transition to the new management structure, supported by robust governance structures and buy-in from key stakeholders to the change.
Key Stakeholders	Corporate Management Team Human resources Change and Programme Management team Council Members Already appointed Project Sponsors, Project Managers & Team Members All Council employees

STRATEGIC PRIORITIES – PROGRAMME OUTLINE

Programme Title	Strategic Priorities
Description	To ensure that the Council has a well-structured process of creating, managing and evaluating a portfolio of projects, ensuring that these are aligned to the Council's 7 strategic priorities. Investment decisions will also be prioritised to ensure maximum benefits are achieved with the Council's limited resources.
Terms of Reference	<p>This project has four key work packages:</p> <ol style="list-style-type: none"> 1. Design: To develop a framework that will be used to assess whether projects are aligned to any of the Council's 7 strategic priorities and determine the criteria that will be used to decide which projects should be terminated 2. Investigation: Gather information on the current projects being undertaken by the Council & identify any new projects that the Council should undertake to contribute towards the achievement of the strategic priorities 3. Align: Use the framework that was defined in the design stage to assess whether the individual projects (identified in the investigation stage) contribute towards the achievement of one or more of the Council's strategic priorities or not 4. Prioritise: Develop detailed business cases for all of the projects that the Council would like to take forwards. The information contained in these business cases will be used to determine a prioritised list of projects so as to inform any investment decisions. Top priority projects will be the first candidates for implementation.
Expected Outcomes / Benefits	A comprehensive list of Council projects fully aligned with the 7 strategic priorities. The list will also be prioritised to ensure that the right investment decisions are made.
Key Stakeholders	<p>Corporate Management Team Council Members Programme Management Office Already appointed Project Sponsors, Project Managers & Team Members</p>

SERVICE TRANSFORMATION – PROJECT OUTLINE

Project Title	Service Transformation
Description	To define a new operational model (Target Operating Model) for the Council that supports the achievement of its objectives. The operating model will put in place “design principles” for the whole organisation which will be used to govern all change that is undertaken.
Terms of Reference	<p>This project has five key work packages:</p> <ol style="list-style-type: none"> 1. Define the current state: To understand how services are delivered now across the different service areas. This ensures that future options being considered are able to build on good practices already in place (these may be from other service areas). With this clarity the Council needs to agree the design principles for all service design activity. 2. Develop operating model options: Considering the internal models and those in use across the wider public and private sector. These need to be consulted with widely through the member and officer group to gain a consensus over the models which will achieve support. 3. Develop departmental model framework: This will define how the directorates will be configured to deliver services. Working within the agreed design principles and preferred model we will develop a high-level picture of the way services will be delivered and the directorate structured. 4. Develop departmental operational layers: For each directorate we will consider the different layers of the target operating model (these layers cover the key structural elements of the organisation e.g. process, technology). We will be drilling down to define how services will be delivered and what the processes will look like. 5. Define Change Programme and Business Case: The new operating models will be consolidated into a business case to justify the changes and enable all parties to agree to the change
Expected Outcomes / Benefits	<p>A clearly defined operating model fully aligned with the 7 strategic priorities. This model will provide clarity over each of the nine layers of the TOM approach, including the operational structures and processes required to deliver services.</p> <p>The operating model design will be supported by a business case and implementation plan.</p>
Key Stakeholders	<p>Corporate Management Team Council Members Programme Management Office Heads of Service</p>

Programme Title	Customer Service Improvement
Description	To ensure that the Council is providing services that meet the needs of its customers and that the design of services is informed by their needs/desires. Aligned to this will be the improvement of contact arrangements to ensure the council provides a joined up service to all contacts.
Terms of Reference	<p>This project has four key work packages:</p> <ol style="list-style-type: none"> 1. Improving Communications: this will consider how the Council needs to communicate better with customers to ensure they clearly understand the available services. It will identify and implement changes in branding and media to reach all customer groups 2. Increasing Accessibility – this will build on work already undertaken and consider the channels/routes into services. This will include both physical and electronic channels and may include a review of existing and development of new channels. 3. Improving Responsiveness – this will consider what customers are going to expect, and what standards the Council will uphold. 4. Consulting Customers – this will consider what services customers want and how. This insight can be used to drive continuous improvement. Focus will not only be on seeking feedback from customers, but also how services can be encouraged to continuously improve/adapt to meet changing needs.
Expected Outcomes / Benefits	<p>Increased awareness and understanding of Council services Improved customer service standards and contact routes</p>
Key Stakeholders	<p>Corporate Management Team Council Members Programme Management Office Heads of Service Customers and customer groups</p>

PARTNERSHIP DEVELOPMENT – PROGRAMME OUTLINE

Programme Title	Partnership Development
Description	To be defined depending on outcome of current review activity by Deloitte
Terms of Reference	To be defined depending on outcome of current review activity by Deloitte
Expected Outcomes / Benefits	To be defined depending on outcome of current review activity by Deloitte
Key Stakeholders	To be defined depending on outcome of current review activity by Deloitte
Indicative Resource Profile	To be defined depending on outcome of current review activity by Deloitte

Project Title	People Programme
Description	To provide an approach and support to the Council to deliver its vision through the roll out of a People Programme focused on supporting the transition, building capability and embedding a culture of collaborative working
Terms of Reference	<p>This project has six key work packages:</p> <ol style="list-style-type: none"> 1. Engagement and participation: This activity is about the engagement of key stakeholders and impacted audiences. It is also about translating and articulating the vision in a meaningful manner to employees. Activities to be included here are: impact assessment, stakeholder analysis and management, ongoing communication, temperature checks, Union engagement and change management training for trainers. 2. Human resources infrastructure: This activity is about ensuring that the Council’s HR infrastructure is fit for purpose. Activities here would include: engaging in an as-is analysis of the current HR function, engaging in process re-engineering and activity analysis, alignment of HR function to business strategies, capability creation. 3. Performance management: To ensure that the Council’s current performance management systems and processes are aligned to the new structure. Activities here include: mapping of performance management processes to the new structure, establishment of more robust appraisal processes, alignment of performance to customer expectations and outcomes, line manager refresher training regarding performance management and alignment of reward and performance management processes. 4. Workforce planning: To identify, develop and sustain the workforce skills required to help the Council achieve its strategic intent. Activities here include: development of a sourcing strategy, conducting a training needs analysis, put in place measures to retain the right people regardless of their background (diversity management), develop commissioning and stakeholder management skills and improve knowledge management structures. 5. Leadership development: To ensure that the Council’s leadership team have well established leadership capabilities and are able to lead the organisation through the transition phase and beyond. Activities include: reviewing the current leadership capability and conducting a gap analysis, identifying leadership styles and their impact on the team and on the organisation, establish and record clear individual and team accountabilities, develop collaborative ways of working through the identification of desirable behaviours and assessing leaders against these behaviours, extending leadership development beyond the top team to include the rest of the organisation. 6. Talent and succession management: This activity will help the Council define their talent and succession management agenda and build their capability for the future. Activities here include: review the Council’s current approach to talent and succession management, use workforce planning tools to evaluate capability requirements for the future, set up a

	mentoring and/or coaching programme, provide opportunities for staff to engage with the leadership on a regular basis, accelerate skills development when and where required and measure the effectiveness of the talent and succession management approach using a benefits tracker and/or employee surveys.
Expected Outcomes / Benefits	Alignment of people activities with strategy delivery and addressing key people issues regarding ways of working, talent, diversity and leadership
Key Stakeholders	Human resources Change and Programme Management team Council Members Already appointed Project Sponsors, Project Managers & Team Members All Council employees
Resources	Programme Management Director Project Sponsors Project Managers Human resources Change and programme management Greengage

PROGRAMME MANAGEMENT – PROGRAMME OUTLINE

Programme Title	Programme Management
Description	To ensure that the Council has a well defined and effective centralised governance framework for the management of the Council's projects and programmes.
Terms of Reference	<p>This project has three key work packages:</p> <ol style="list-style-type: none"> 1. Plan: To define the new programme management structure. This will include the delineation of individual roles and responsibilities; establish standards, tools and processes; prepare a working charter; develop a communications plan and, in conjunction with the 'People' workstream, develop and conduct training 2. Execute: To implement the structure defined in the first work package. This will include aligning each programme management resource to one or more of the programmes of change to enable full and clear accountability and leadership for all programme and project office activity arising from each programme 3. Monitor: To evaluate the workings and effectiveness of the approaches adopted by the programme management function, and assess whether the intended benefits of individual projects are being achieved
Expected Outcomes / Benefits	A well structured change and programme management function, with a robust governance structure and clearly outlined role delineations.
Key Stakeholders	<p>Corporate Management Team Council Members Already appointed Project Sponsors, Project Managers & Team Members All Council employees</p>

PERFORMANCE MANAGEMENT – PROGRAMME OUTLINE

Programme Title	Performance Management
Description	To identify a number of perceived areas of inefficiency, including a number of quick wins. This will deliver improvements in the operational performance, and realise a reduction in service costs to re-invest in priority areas and the wider transformation activities. This programme will build on the value for money (VFM) analysis work already undertaken.
Terms of Reference	<p>This programme has seven of key work packages:</p> <ol style="list-style-type: none"> 1. Confirming assumptions: undertake an exercise of data collection to understand the detail behind the quick win opportunities already identified, and confirm whether there are any other quick win opportunities that can be explored further. 2. Establish baseline & benefit magnitude: Identify the benefits that are expected to be delivered by the quick win projects so that progress can be tracked and ensure the realisation of expected benefits. 3. Development of efficiency plan: Develop a plan of efficiency activities which can be used in support of the statutory responsibilities of the authority 4. Implement quick win opportunities: focusing on four key areas of asset utilisation, procurement, business processes and working capital. 5. Scoping further performance improvement opportunities: This project will include the review of service performance, focussing on identifying further areas of high spend/poor performance. These will be addressed as part of the Wave 1 activities, closely aligned to the service transformation activity. Some initial candidates for these reviews could include: community centres; provision of special educational needs; housing repairs and maintenance; potential for shared services; cultural services; homelessness; and benefits. These will then be prioritised for implementation resource planning 6. Implement performance improvement opportunities: Implement any additional quick wins initiatives that might have been identified 7. Priority Based Budgeting: This is a forward-looking budgeting technique that can be used to establish the financial and resource requirements of services, based on an assessment of their future merits and objectives, rather than their past successes and failures, or the amount of money that was traditionally budgeted and allocated to them in previous periods.

Expected Outcomes Benefits /	A series of quick wins generating savings that can be re-invested in the wider transformation programme or other priority areas.
Key Stakeholders	Corporate Management Team Council Members Heads of Departments for Asset Management, Procurement, Working Capital, and other business areas involved in the quick wins initiatives Council employees working within the business areas involved in the quick wins initiatives

ORANISATIONAL ASSURANCE – PROGRAMME OUTLINE

Programme Title	Organisational Assurance
Description	To ensure that an appropriate risk management approach is adopted across different services, using a consistent and co-ordinated approach which will cover the different aspects of risk, including: financial risk; political risk; brand risk and service risk.
Terms of Reference	<p>This programme has four key work packages:</p> <ol style="list-style-type: none"> 1. Ensure appropriate controls: in light of the proposed changes there is a need to review decision making process: and approval levels to ensure they reflect the necessary level of authority and identify opportunities for delegating more decisions to individuals. 2. Update the constitution: reviewing and updating policies and procedures to reflect how the Council is going to operate going forward and what if anything has changed. 3. Adapt audit regime to meet organisational needs: To review and adapt the audit processes, ensuring that this function is focusing on the right things to safeguard public value and is used in a constructive manner. 4. Review expenditure approval levels: Ensure that the expenditure approval levels are aligned to the new structures and processes developed under the other projects.
Expected Outcomes / Benefits	<p>Updated procedures that are fully aligned with the new structures and processes for the Council's:</p> <ul style="list-style-type: none"> - Service Charter - Expenditure Approval Levels - Decision Making - Audit Regime
Key Stakeholders	<p>Corporate Management Team Council Members All Council employees</p>