

# Delivering Excellence

## Summary Report



## Introduction

We are committed to Leicester City Council becoming one of the best councils in the country, achieving more for our citizens and providing rewarding careers for our employees.

To do this we must build on past and present success, while inspiring everyone to 'up their game' further and deliver excellence in everything we do. Achieving this will require a structured programme of work and commitment from the top to the bottom of the organisation.

This document summarises the proposals for ***Delivering Excellence*** – a transformation programme intended to deliver a step change in performance at Leicester City Council, including a proposed new senior management structure to support the council during this transformation whilst ensuring that we maintain high-quality services.

The *Delivering Excellence* transformation programme is underpinned by the values and priorities of One Leicester and sets out how we as a council will respond to and provide leadership for the delivery of One Leicester.

This summary of the proposed *Delivering Excellence* programme is set out in four sections:

1. **Leicester City Council in 2008** – the current reality for LCC, including why we need this programme and the issues and challenges we face.
2. **Where We Want to Get To** – what we are committed to achieving through this programme, including the benefits we expect from it.
3. **What We Need to Do to Get There** – what we will do through the programme to deliver the required outcomes and benefits, including a new structure for the senior officer team which underpins the delivery of the programme.
4. **Governance** – the structures and arrangements required to direct, monitor and control the delivery of the proposed programme of change.

A detailed report on the proposed Delivering Excellence programme is enclosed as an Appendix to the Cabinet report being discussed on the 1 October 2008.

## 1. Leicester City Council in 2008

### Strengths and Challenges

Every senior manager in the organisation, together with Cabinet, all Members and some Union Representatives have had the opportunity to express their views about what works well at LCC, and what doesn't work well, and to make suggestions or recommendations about what we need to do to transform the Council. Combined with the views expressed by the CPA review and views from partners, a very clear picture emerges of both the strengths and challenges of the way LCC currently works.

Firstly it is important to recognise the strengths that the organisation can build on:

- We have visible and effective political leadership and a clear political majority that creates stability and allows the Labour administration to drive the council forward over the medium term.
- We have developed a clear and challenging vision for the city – One Leicester – that should help engender a common goal and purpose for the various public and private sector organisations of Leicester.
- Our overall use of resources is good and we have an adequate focus on value for money.
- We have many hard-working and talented staff who are committed to delivering excellent services for the people of Leicester.
- There are many good relationships between staff in different departments and with staff in other agencies that work for the overall good of the people of Leicester.
- We have strong relationships with external partners and strategic suppliers.
- We manage our budget soundly.
- We already deliver many services to an excellent standard and have many examples of good practice to call upon.

However, there are also many challenges which the organisation faces and which we must address through the delivering excellence programme:

- We have a risk averse and bureaucratic culture that is focused on following paper trails which stifles creativity, slows down decision-making, fosters a culture of blame, and takes the focus away from meeting the needs of our customers.
- The absence of a strong corporate culture means we have instead a departmental culture that stops us working seamlessly together as a single, integrated organisation.
- We have been slow to address recommendations of previous reviews and develop services that are more customer focused.
- There is a lack of clear and consistent priorities, and a lack of alignment between financial planning and strategy setting. Consequently, our resources are often not focused on our strategic priorities.
- Our relationships with external partners and strategic suppliers are strong, but the Leicester Partnership's ability to deliver is hindered by the current support it gets.
- Our performance management system focuses on monitoring activity, rather than managing outcomes or service improvements.
- There is low morale amongst some staff, due partly to the impact of Job Evaluation.
- We find it difficult to manage the poor performance of a minority of staff, partly due to cumbersome HR policies.
- Weak workforce development strategy does not promote staff recruitment, retention, talent management and skills for leadership.

- We hold too many meetings that do not add value and that do not have a clear purpose, but which take up a lot of our time.
- We have an unrepresentative workforce, particularly at senior management levels and there is a perceived 'glass ceiling' for women and people from a BME background.
- Information is continually gathered by the organisation, but in a way that is not easily accessible, meaning it often remains unanalysed.
- There is a lack of clear alignment between the political and officer structures, which leads to unclear roles, responsibilities and expectations.
- The culture amongst senior officers is perceived as conflict avoidant, which means that some of the most difficult organisational challenges are not discussed and have remained unaddressed for long periods.
- There is a lack of clarity about the role of Members and how Members influence the workings of the Authority to get things done for their constituents.
- There is dissatisfaction amongst union representatives at the level and timing of engagement of unions in decisions affecting the workforce.
- Poor internal communication about significant events affecting various groups undermines trust. This applies to communication between officers, between officers and members and between officers and unions.
- The current organisation is light on management capability and capacity and focuses on operational management, whereas the delivery of One Leicester requires a well-staffed management tier that is focused on strategy development and direction setting.
- Current activities are based largely on resource availability, inputs or outputs, and emphasise the delivery of services. To maximise the resources of the city, we need to base our future activities on targeted and improved outcomes and therefore we need to develop a way of working that makes better use of partnerships.
- Both revenue and capital resource planning 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 strategic outcomes.
- Service performance is largely driven by the need to monitor what we are doing, rather than manage improvement. It lacks sufficient rigour, as it links to operational imperatives as opposed to strategic delivery.
- We need to make £30m of efficiency savings to meet national performance requirements by 2010/11.

We clearly cannot continue to ignore these issues if we are to deliver One Leicester. We have a clear role to lead the Leicester Partnership in the delivery of One Leicester and our partners expect us to fulfil that role. To do this we must demonstrate excellence in our approach to service delivery and we must embed excellence through all our services. Hence we must transform the way in which Leicester City Council works.

## 2. Where We Want to Get To

### Vision

The overall vision for Leicester City Council is to be one of the best councils in the country, achieving more for our citizens and providing rewarding careers for our employees. We are committed to creating an efficient, effective and financially sound organisation characterised by:

- ...listening to and respond to the needs of our customers
- ...delivering agreed priorities and outcomes for the customer, rather than simply carrying out activities
- ...a can-do attitude that is risk aware, but not risk averse
- ...an ability to talk openly about challenging issues and the resolve to find solutions to difficult problems
- ...trust in staff and managers to make decisions and take responsibility for the good of the people of Leicester
- ...a collaborative approach to service delivery and service improvement.
- ...officers, Members, unions, partners and citizens working together for the common good of the people of Leicester

### Benefits

Over the next three years we expect the following benefits from the programme:

- Improvement in service performance, as measured by customer outcomes
- Management aligned to organisational priorities
- Clearer political and management interface
- Greater focus of activities and resources on One Leicester priorities
- Improved organisational culture
- Less bureaucracy - especially around key processes such as HR and procurement
- Greater responsiveness to customers and to communities
- Greater Member involvement
- Maximised opportunities for the city
- A more holistic approach to workforce development
- Greater development of talent and diversity within the Council
- Delivery of cost efficiencies

### 3. What We Need to Do to Get There

#### Overview

The challenges outlined earlier suggest that the Council needs to consider 5 key areas for development and improvement:

- leadership effectiveness;
- the execution of strategy;
- the organisation of its functions and services;
- partnership working; and
- people and culture.

One way of responding to these challenges 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. We are proposing to do this through the *Delivering Excellence* programme. Delivering Excellence covers:

1. the design and implementation of a strategic transformation programme; and
2. the implementation of a new corporate structure to strengthen the management of the Council and provide clear leadership to the changes required.

The graphic in **Figure 1** outlines the eight key strands of activity that define the Delivering Excellence programme. Four of these (identified by the chevrons running down in Figure 1) directly impact on service delivery, while the other four (identified by the four chevrons running across Figure 1) focus on removing the barriers to change and changing the ‘DNA’ of the organisation to make the outcomes of the change programme stick. These are explained in some more detail overleaf.

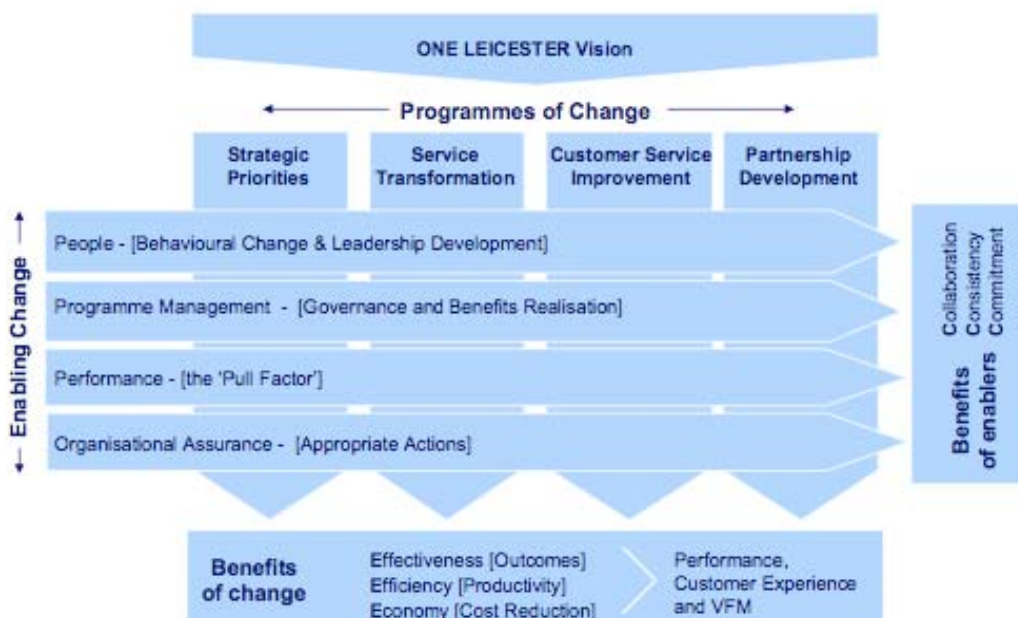


Figure 1– Delivering Excellence Programme

## The Programmes of Change

The four change programmes are:

1. Strategic Priorities – this strand of activity focuses on the identification, development and implementation of projects and initiatives in support of the seven strategic priorities defined in One Leicester. It also considers the alignment of existing resources with our priorities, including identifying those activities which are no longer a priority. 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. Service Transformation – this stream of activity is geared first towards defining our future role as commissioner and provider of services, and then at implementing the organisational and operational changes required to improve service performance. The emphasis of this programme is on service improvement rather than cost-savings. This will include immediate work to improve some high leverage services such as HR, procurement, internal communications and member services. It is important to clarify that 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.
3. Customer Service Improvement – this focuses on improving our responsiveness to our customers and the customer's experience of interacting with the council, including customer relationship management and customer access.
4. Partnership Development – this strand aims at delivering clarity on the role of the Leicester Partnership 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.

## The Enablers of Change

The additional four 'enabling' programmes of change are:

1. People – this workstream is aimed at developing our people and creating a 'can-do and customer focussed' culture, building internal skill and capacity through both workforce and Member development programmes.
2. Programme Management – this workstream will look at the policies, procedures and systems required to manage the changes and track the benefits of change through appropriate programme and project management techniques.
3. Performance – this strand will look at improving performance management through better use of information. It will focus on driving up performance across the council, allowing us to improve outcomes and release resources for re-investment.
4. Organisational Assurance – this will involve re-visiting the organisation's protocols and policies, assuring they are match-fit for the new organisation and that we retain appropriate checks and balances whilst transforming the organisation from one that is risk averse to risk aware.

Some of the initiatives that are included in the enabling programmes are shown in Figure 2.



Figure 2 - The Enablers of Change

#### Timescales for the Delivering Excellence Programme

The programme is ambitious and is likely to run within the Council for at least two years. To manage the change effectively, it is proposed that the programme is delivered through three key stages:

1. *Mobilisation* – this stage focuses on taking stock of everything Leicester City Council has been doing, and training an internal team to support the delivery of the change programme. This 20 strong team will be responsible for facilitating the delivery of the change projects, ensuring that we build internal capacity, retain ownership of the programme and minimise external consultancy costs to those where specialist expertise is required.
2. *The First 90 Days (October 2008 to January 2009)* – a number of planning activities and quick wins will be 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. 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 successive ‘Waves’ of Implementation.
3. *Wave 1 Implementation (January to June 2009)* - will run for approximately a 6 month period and will focus on the delivery of the first ‘batch’ of initiatives for performance improvement defined and prioritised during The First 90 Days. To deliver this programme of change, we will need to work effectively with our partners across the city. Subsequent waves of implementation will be defined depending on progress made during wave 1.

#### Senior Corporate Management Structure

A major and immediate challenge that we face is the lack of capacity at a senior level. We have only one permanent corporate director and have several posts at service director level that are either vacant or filled by interim appointments. An immediate priority must be the permanent appointment of corporate directors and service directors. In addition, whilst we have enough technical/professional management skills among our middle and supervisory



management tiers focussed on managing operational service delivery, we do not have enough strategic leadership skills focused on developing and executing our vision and priorities.

Figure 3 overleaf illustrates a new proposed corporate management structure that is intended to develop and/or address improvements to some key organisational capabilities that are considered vital to support improved performance in the future delivery of services:

1. the decoupling of Strategic Leadership from Operational Management, to allow the strategic leadership of the Council to pursue corporate wide strategic priorities, rather than departmental operational needs;
2. the creation of a Strategic Change and Programme Management capability to support the Strategic Leadership in the configuration and execution of programmes of activity that 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;
3. the creation of a Chief Operating Officer role to join up line departmental and corporate support functions in the delivery of services to our customers; and
4. the re-alignment of Cabinet responsibilities to the 7 strategic priorities of the Council and a more participative role for front line members in the delivery of the strategic priorities – although 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.

The proposed structure is expected to deliver the following benefits:

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

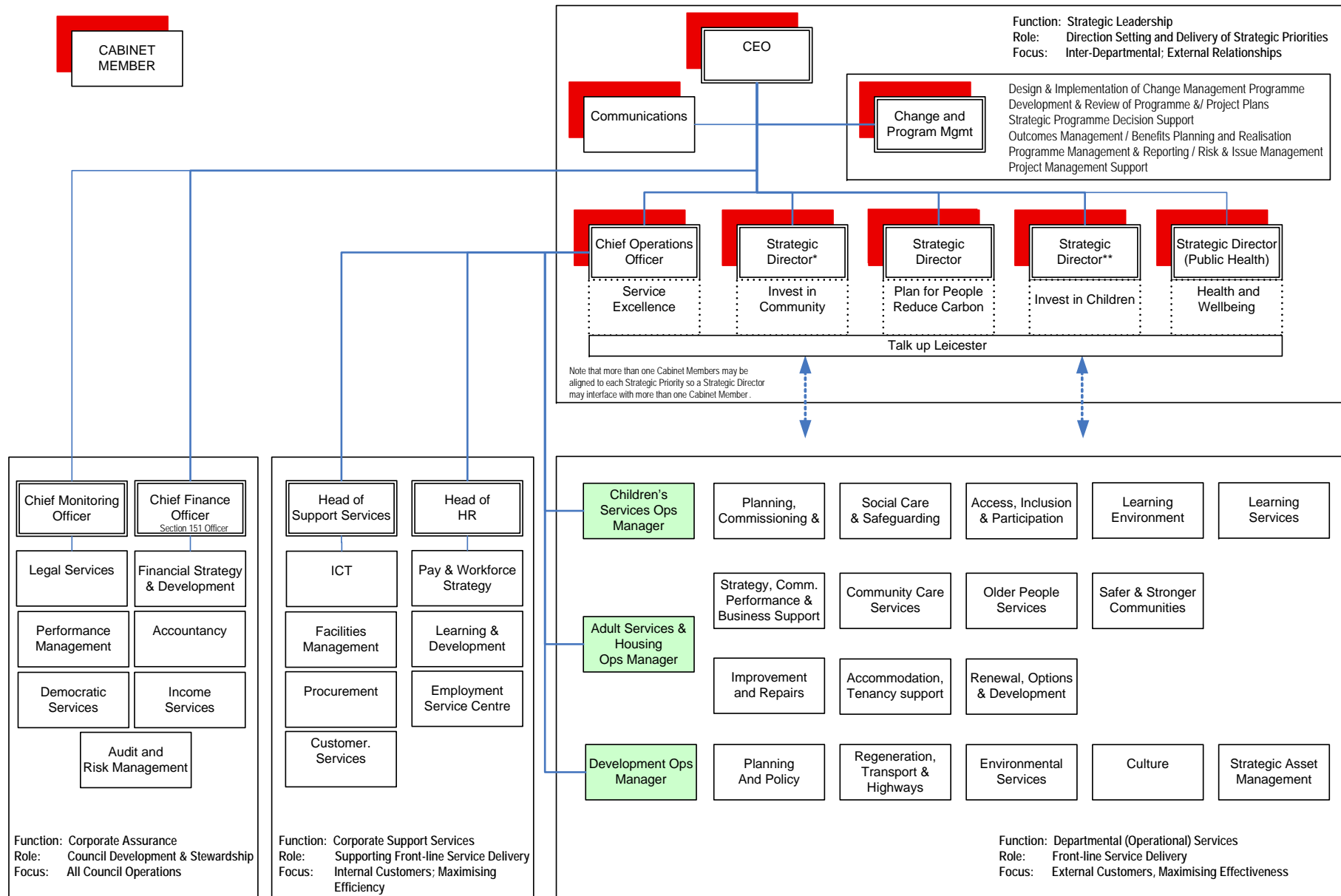


Figure 3 - Proposed Corporate Management Structure

The recommended Delivering Excellence programme will give rise to an increase in the costs of the Authority’s strategic management, together with additional cost to deliver the ongoing change. Some one-off resource is also required to embed the programme of change. However, the transformation and efficiencies that form part of the programme are expected to deliver savings that will be cost neutral in the long-term.

**4. Governance**

The programme will be overseen and supervised by a Programme Board chaired by the Leader of the Council and consisting of 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. The role of the Programme Board will be to sponsor and hold to account the Delivering Excellence programme. It will provide strategic direction and vision, ensuring that the programme and its projects are clearly linked and ‘dove-tailed’ to the Council’s overall strategy.

Supporting the Programme Board will also be 3 reference groups acting as Advisory Panels to the Programme. 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 who will provide executive leadership to Delivering Excellence. The role of Programme Director will be delivered by the new Head of Change and Programme Management. He/she will be supported by a Delivering Excellence team comprising 20 officers, supported in the initial stages of the programme by our advisors Deloitte.

