

Leicester
City Council

WARDS AFFECTED – City wide

Cabinet

25th February 2002

REVITALISING NEIGHBOURHOODS

Report of the Chief Executive

1. Purpose of Report

To develop final proposals emanating from the Revitalising Neighbourhoods Project following consultation.

2. Summary

In May 2000 the Organisations Working Party agreed a project brief for the Revitalising Neighbourhoods Project (Appendix 1). Over the summer a small project team formed within existing resources investigated and developed options for achieving the objectives set out in the brief and in November published a Project Report including 29 proposals. Over the last three months consultation has taken place with staff, Trade Unions, schools, partner organisations, the Local Strategic Partnership and Community organisations. In addition OPM have been employed to carry out an independent analysis of the consultation results and benchmark the proposals against other authorities undertaking similar initiatives. Copies of their final report are available to Members and a summary of the conclusions is included in Appendix 2. This report provides a summary of the consultation and a response to the key issues raised (Appendix 3) along with revised proposals recommended in the light of the consultation. A complete list of the amended proposals are set out in Appendix 4. The revised Organisational Structure is shown in Appendix 5.

3. Recommendations

Cabinet are recommended to:

1. Note the results of the consultation and the response to the issues raised in Appendix 3.
2. Agree the revised proposals set out in Appendix 4 and in the text of the report.
3. Agree to establish a project team to oversee the implementation phase of the project as set out in the report.

4. Consider whether or not it wishes to make an early appointment of the neighbourhood managers noting the consequential increased financial risk (and what we would need to do to manage it).
5. Seek funding of £860,000 from the Neighbourhood Renewal fund for the items identified in the report requiring 2 year funding.

4. Financial Implications

The financial implications are as set out in the original proposals with the exception of the additional project management costs and possibly, the Senior Management reforms dependant on the option selected. The full financial implications are shown in Table 1.

The appointment of 10 area managers will be dependent upon generating £400,000 of savings through the rationalisation of the client, contractor & consultant arrangements. This figure is set as a target and will be reviewed on a regular basis through the project. Members have an option of making an earlier appointment of the neighbourhood managers, using neighbourhood renewal fund monies (subject to LSP consultation) to bridge the gap between the cost of appointment and achievement of savings. Members are asked to note that this strategy would carry with it the additional risk that such savings are not achieved in full or are achieved later than expected. The review of the client, contractor split will consequently require the full commitment of all departments and very careful management.

A block sum bid of £860,000 will need to be made to the Neighbourhood Renewal Fund to facilitate the changes required over the next two years.

This includes:-

£500,000 pa for the 10 area budgets (with a reduced allocation for 2002/03 which could be used as bridge funding as described above)
£50,000- £75,000 pa for the pilot neighbourhood customer services
£50,000 pa to administer the forums
£235,000 pa for project management costs

Of these NRF funded costs, £235,000 for temporary project management and £500,000 pa for the area budgets will be provided until NRF funding ceases. Over the next 2 years, the council will investigate how mainstream resources can be re-allocated to neighbourhoods at no extra cost to this base budget. £100,000 - £125,000 pa will need to be met from base budgets after 2003/04 in respect of the pilot customer services centre, and administration of the fora.

Should members wish to provide for elections to fora, the additional cost would need to be bid from the NRF for the first cycle, and met from base budgets in later cycles. As an indication citywide elections might cost around £0.1m to £0.2m.

A sum of £70,000 is available from NRF in this financial year which can be made available to support Training & Development, Communications, the Cultural Change Programme, Community Capacity Building and any support required to schools in addition to existing main programme budgets.

The recommended option for senior management reform includes the deletion of a current Director and Secretary posts at a saving of £100,000 pa, the deletion of one permanent Assistant Director post (currently vacant), and the permanent creation of 2 of Service Directors which are currently temporary (but for which budget provision exists). As anticipated, this will ensure the first year costs of the recently determined new pay structures for Senior Managers is fully funded in 2002/03. Other options not recommended in this report create additional costs as follows:

- (a) A new Corporate Director will result in additional costs in excess of £120,000 and potentially more in relation to additional departmental infrastructure.
- (b) A new Service Director post in any of the options will create, additional costs of around £85,000 per post (inclusive of Secretarial support).

5. Legal Implications

There are no specific legal issues to consider at this stage. There will however, be a number of legal implications emanating from the implementation phase of the Project.

6. Report Author/Officer to contact:

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TABLE 1**Revitalising Neighbourhoods****Current Spend/Resource Estimates****Resources**

	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>
NRF - main allocation	100	860	860	
- New Parks CSC	150			
Salary of former D of E & D	70			
Client/Contractor Savings		160	410	410
Capital allocation		100	100	100
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	320	1,120	1,370	510
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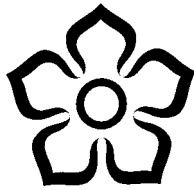
Spend

Area Budgets		200	**500	
Neighbourhood Managers		300	410	410
Training & Capacity Building		70		
Support to area fora		50	50	*50
Customer Services Centre	150	75	75	*75
Project Management	70	235	235	
Subsequent CSCs etc		100	100	100
OPM report	30			
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	250	1,030	1,370	635
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Resource c/f	70	160	300	
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NB

- Spending on a central call centre and extended Customer Services Centre is not shown above (funded partly from IEG monies, partly to be determined)
- *are unfunded spending commitments beyond 2004/05
- **will cease when NRF finishes; NRF sums allocated to the project but uncommitted on 31/3/04 can be used to provide area budgets in 2004/05.



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All Wards

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REVITALISING NEIGHBOURHOODS

SUPPORTING INFORMATION

Report

1. RATIONALE FOR THE PROJECT AND ANTICIPATED OUTCOMES

- 1.1 This report restates the vision and rationale behind Revitalising Neighbourhoods, gives responses to a wide range of views emphasised in the consultations so far and makes recommendations in the light of these views.
- 1.2 Whilst there is much to be proud of in the City, there are major challenges that have to be faced. Not least of these being increasing 'democratic deficit' which is demonstrated by:
- A lack of engagement in the process of government (e.g. low voter turnout)
 - An 'us and them' attitude between citizens and (particularly local) government.
 - A lack of ownership and a culture of dependency and blame.

The City Council has achieved a great deal in recent years, particularly since Local Government Re-organisation in 1997. However, the presence of these factors creates a significant barrier to the Council's desire to deliver continuous service improvement and stop changes in the future.

1.3 It is believed that:

- People do know what they want, in simple terms, a better life for themselves their children and their communities.

- The City Council has a critical role to play in creating the conditions in which these aspirations can be met.
- But, without the active participation of citizens there is little chance of bringing about the renewal of our communities.

1.4 Through the Revitalising Neighbourhoods project it will be possible to:

- Promote and support independence and self-determination in our communities.
- Address the growing perception that ‘government’ is too remote from those it serves. There is a need to instil a sense of ownership.
- Encourage individual and collective responsibility.
- Provide more responsive Council Services, informed by local needs and aspirations.

1.5 These actions will be enhanced by major changes within the Council, both in the way we are organised and in the way we act. These changes will lead to the Council having a structure and culture that is geared to meeting the needs and aspirations of the individual citizens and communities that make our city what it is and can in turn realise the vision (as set out in the Community plan) of Leicester being “a premier city in Europe with a thriving and diverse society in which everyone is involved and in which everyone can have a decent, happy and fulfilling life - a city with a strong economy, a healthy, caring and educated society, a safe and attractive environment and an improving quality of life - a sustainable city”.

1.6 Implementation of the project will take place over a number of years and the full impact of the project may take even longer to materialise.

1.7 As the implementation of the project gets under way we will see:

By the spring of 2003:

- A new senior management structure in the City Council designed to support the rollout of the Revitalising Neighbourhoods project.
- Improved service co-ordination in a number of key services.
- Ten ‘Neighbourhood managers’ who will ensure that local services are co-ordinated and the forums are supported.
- Neighbourhood forums established commencing drawing up local plans for their areas
- The forums taking decisions on local improvements funded by the Top Up budgets.
- A pilot Customer Service Centre in New Parks and other service access points being planned.

- Better co-ordinated environmental services.
- Client, contractor and consultant structures rationalised to speed and improve service delivery.
- An emerging new organisational culture that places a priority on customer service.

And by 2005:

- A network of Customer Service points and Neighbourhood Information services.
- Improved co-ordination between the Council and other agencies e.g. Health and Social Care Centres, and better working with local policing.
- Increased levels of customer satisfaction with Council and other services.
- Increased community involvement in neighbourhood forums.
- Well established forums participating in and making decisions about services and their own communities.
- New community leaders emerging from a wide and representative cross-section of Leicester people who will have the capacity to shape further change and progress in the light of new challenges.

1.8 In the longer term, ultimately we shall see:

Democratic renewal -

- More people and a greater diversity of people are involved in their local communities.
- More people having a real opportunity to influence decision-making.
- More people wanting to be councillors or otherwise represent their community.
- More people voting at local elections.
- Better two-way communication between the Council and the public.
- Better understanding about why difficult decisions have been made.

Improved services -

- Local people being given credit for improving their local area.
- People getting their problems solved or solved more quickly.
- Better accessibility and responsiveness from service providers locally especially for minority or hard to reach groups.
- More flexibility in how services are delivered locally.
- Council departments working together better at the local level.
- The Council and other agencies working together better at the local level.

Better neighbourhoods -

- Defined neighbourhoods becoming more popular to live in.
- More people wanting to send their children to city schools.

- The Council is more popular and people are more satisfied with its performance.
- More equality in terms of quality of life across all neighbourhoods.
- Improved equality of opportunities for minority groups to contribute to and enjoy their neighbourhoods.

2. RESULTS OF THE CONSULTATION

2.1 In November the City Council released for consultation proposals to Revitalise Neighbourhoods. The 29 proposals included in the report related to five main themes.

Neighbourhood Co-ordination & Service Delivery
 Local Forums & Decision Making
 Client, Consultant & Contractor Issues
 Senior Management Reforms
 Resources

2.2 The consultation over the period of November, December and January was seeking to obtain views on the main direction of the proposals based on the research carried out over the summer and the options set out in the project report. These options are in turn based on the project brief agreed in May.

2.3 The consultation has confirmed widespread support for the objectives of the project and support for many of the proposals. However, the consultation has raised significant issues which need further consideration and debate mainly relating the ongoing process for engaging the community, staff and Trade Unions in the implementation phase of the project and more particularly the Senior Management Reforms which elicited widely divergent responses.

2.4 Initial responses received from the joint Trade unions whilst again supporting the objectives of the project identified a lack of confidence that the current proposals would support the goals of increasing the involvement of local people and the delivery of better services to local communities. The Trade Unions feel they should have been involved from the start of the project, and given an opportunity to shape the options. They have also expressed concerns about the lack of detail at this stage and many of the same concerns about neighbourhood managers and the forums expressed by staff. Subsequent discussions have clarified their concerns and resulted in changes to some of the proposals. Their final views will be reported to your meeting.

2.5 A significant response has also been received from the Education sector including Headteachers, Governors and Teaching Associations. Whilst there is a desire to ensure Schools and lifelong learning services continue to play a strong role in neighbourhood renewal the responses raised a number of common concerns about the proposals. Many reflect the concerns expressed elsewhere in the consultation but specifically five main concerns were raised.

1. That the project to revitalise neighbourhoods will dilute the strategic focus and current priority afforded to Education in the city.
2. That the Strategic Director proposals will reduce the capacity of the Director of Education to focus on the Education Improvement agenda if given an area role.
3. That the possible boundaries of the proposed forums will not be consistent with the school development boundaries and the Lifelong Learning clusters creating overlaps and duplication.
4. That Headteachers and schools will lack the capacity to participate in the forums without additional resources.
5. That the joining together of the Education and Arts & Leisure resource functions and the perceived possibility of recentralising the Education resource functions will weaken the support available to schools.

Whilst these concerns are recognised it should be emphasised that the focus of the Director of Education will remain on Education and the proposals to revitalise neighbourhoods will help deliver higher standards through the fundamental recognition that what happens in the home and the wider community impacts on children's ability to learn. It is believed that the impact will be positive and renewing communities in which schools play a central part will help achieve the goal of improving educational standards.

- 2.6 Despite extensive efforts to engage Members, managers, partners and community organisations in the shaping of the project from day one it is clear from the OPM report that more needs to be done if this major change programme is to be delivered effectively. The OPM report comments on the development of the proposals to date and raises issues relating to the quality of communication and consultation including the tight timescales set for both consultation and implementation.
- 2.7 The report also raises a number of issues about the organisation and its capacity to manage effectively the change processes required, particularly the changes in culture required to deliver the objectives of the project. The report makes a number of recommendations to resolve this including:
 1. Sending out strong signals about the rationale for change
 2. Establishing the links between the proposals in the middle ground between top management and local level changes.
 3. Making local changes manageable.
- 2.8 As a result of the consultation Cabinet are asked to reconsider the proposals and come to a view about:
 - a) Which proposals should now be confirmed or amended as the basis for implementation and

- b) How the next phase of the project should be resourced and implemented in the light of the OPM recommendations.

3. RESPONSES TO THE CONSULTATION

In a complex and wide ranging reform programme the desire for more consultation is both inevitable and constructive and will need to be sustained throughout the implementation and beyond as a key means of generating engagement. Appendix 2 sets out a response to the key issues arising from the consultation process that either reflect significant areas of concerns or reflect areas where there are alternative views about the proposals. In broad terms these are summarised below specifically setting out those areas where alternative proposals are recommended in the light of the consultation or where options exist on which decisions are required. The paragraph numbers in brackets relate to the proposals in the original report.

3.1 Neighbourhood Coordination & Service Improvement

- 3.1.1 There is broad agreement to the priority services for local management arrangements subject to further clarification and endorsing minimum service standards across the city. (1.7.1)

The consultation identified other services which could be included. **It is recommended that ultimately all services including health, police and voluntary sector should be examined with a view to providing:**

- a) **Local information advice & access and/or**
- b) **Local Management & Co-ordination in the area and/or**
- c) **Local consultation on city wide management policy through the forums including responding to local views or developing local flavour.**

- 3.1.2 There is general support for the concept of neighbourhood managers, subject to ensuring appropriate status and credibility to achieve the expected outcomes and the ability to attract the right calibre of person for the role. The neighbourhood manager will support area plans, build capacity, review the needs of the area forums and co-ordinate local service delivery to achieve greater responsiveness to neighbourhood priorities. It was also suggested that they should be located within the areas for which they are responsible. There is, however, concern about locating them within the Housing Department. It is suggested that four principle options can be considered as set out in the section on senior management reforms. (1.7.2)

The role of neighbourhood managers is confirmed as:

- Improving local service access and information
- Co-ordinating locally city council and other services
- Supporting the development and operation of the forums
- Developing and managing the implementation of the area plans

- 3.1.3 There was overall agreement to the concept of area plans, recognising the need to link to city-wide and statutory plans. (1.7.3) A copy of the Balsall Heath Neighbourhood Development plan is attached as an example.
- 3.1.4 There was overall agreement to the rationalisation of service boundaries over time to bring them in line with the forum boundaries. (1.7.4)

3.2 Local Forums & Decision Making

- 3.2.1 Whilst there was overall support for the concept of forums this is subject to addressing concerns about representation, advocacy democracy, access by hard to reach groups, use of elections, transparency of decision making, uneven development of forums across the city and defining the links to other decision making processes. (1.7.5) Whilst the forums represent the key development for improving community engagement the consultation has clearly identified a wide range of issues on which further Member discussion will be required. **It is recommended that a set of guidelines should be prepared that further defines the operation of the forums including resourcing, role of neighbourhood managers, capacity building, links to the LSP and the NRF. These guidelines will be subject to further consultation with Members and Community representatives through the LSP prior to broader consultation within the forum areas themselves. This is believed to be critical in terms of developing the ownership as outlined in the OPM report.** The guidelines will need to be revisited as part of ongoing consultations designed to establish fair and robust arrangements. There are always risks involved in unrepresentative activism and the best safeguard is continuing dialogue and sensitivity to broad local opinion.

It is likely that further discussion will also be required on the issue of elections, therefore a small element of funding has been incorporated in the NRF bid to facilitate some elections, the full cost of which could be in the order of £75,000 - £200,000.

- 3.2.2 The consultation identified the need for a major commitment to Community Capacity building and training. It is proposed that this should be done within the context of clarifying across the Council the various community development functions that currently exist. **It is recommended therefore that community development/community cohesion and community capacity building be examined as a further service synergy needing to be improved and that this work be completed by the end of April. This will subsequently support the development of forums across the city at a consistent pace.**
- 3.2.3 There are differing views about how far all existing consultative arrangements in areas should relate to the forums. It is possible that whilst subsidiarity may be an overall aim it will be impossible to come to a clear view until the forums themselves are developed and it is anticipated that different approaches may result in each area. For example the concern about the size of area covered

as a result of having ten forums may need to be addressed by having neighbourhood based consultative arrangements as well. (1.7.6)

It may also be good practice to recognise from the start that not all consultation can be dealt with through the forums and retaining elements of diversity will be beneficial in some instances.

It is recommended that a flexible approach is adopted building on existing good practice where it is operating well and developing consultative arrangements that are appropriate in each area within the broad principles set out in the guidelines. These guidelines will be developed in consultation with elected members, the community and other partners.

3.2.4 The retention of consultation arrangements for city wide communities of interest is generally supported. (1.7.7)

3.2.5 There is widespread support for the concept of devolved budgets for local determination although concerns about how they may operate. The major issue related to whether each forum should have the same 'top up' budget or whether the size of budget should reflect local need. **It is recommended that since the sums are small and existing service budgets and regional/national funding are generally needs based the 'top up' budget should be the same for each area. (1.7.8) In the first year the allocation will be a part-year sum available once the new arrangement is functioning.**

3.2.6 Although there was general support for ten areas there is concern that they would not reflect specific local communities or neighbourhoods and therefore would lack identity. Whilst the proposal to define the boundaries after Ward boundaries had been reviewed by the Boundary Commission was generally acknowledged as sensible, there are underlying concerns in the OPM report about the Council dominating and controlling forums and concern over "politicisation" of the process. There is also concern that the lack of co-terminosity with the seven Education Development groups will generate duplication and inhibit the involvement of schools in the Forums unless additional support can be provided to schools. Although utilising seven areas would be cheaper it would still require a separate arrangement for the city centre making eight in total. (1.7.9)

3.2.5 There is general support for the City Centre being viewed as a separate area providing business and resident interests are recognised as distinct and separate. (1.7.10)

3.2.6 The Boundary Commission proposals have now been published for consultation. **It is recommended that further discussion takes place with both the Community and Education sectors to produce Forum Boundary proposals based on the principle that about 10 forums should be created in the city.**

3.3. Client, Consultant & Contractor Issues (1.7.12 – 16)

There is overwhelming support for rationalising the Client, Contractor and Consultant arrangements but a need to clarify the relationship between process mapping and other initiatives, specifically Best Value. This has already commenced by redefining some of the Year 3 reviews as the means of implementing the outcomes of Revitalising Neighbourhoods, specifically Environmental Services, Transportation and Highways and IT and e-Government. In the future it will be important to demonstrate that Best Value reviews are the means of delivering the step changes required to achieve the objectives set out in Revitalising Neighbourhoods. There was also concern about the reviews of the current arrangements being lead independently. Given that there is already strong independent scrutiny built into the Best Value review process and Revitalising Neighbourhoods through Directors' Board it is believed that there is adequate independence already in the process. The main concern however, in this area related to the scale and use of the savings to be generated from this process which are considered in the resourcing section. **It is recommended that progress be made immediately to implement these changes.**

3.4. Senior Management Reforms (1.7.17 – 23)

3.4.1 Inevitably the proposals for reforming the Senior Management Structures have generated the major responses in the consultation and unlike the first three themes, there is little consensus about either the need for such proposals in relation to revitalising neighbourhoods, the proposals themselves, or the possible alternatives. Many of the concerns are summarised in Appendix 3 and in the OPM Summary & Recommendations (Appendix 2). In broad terms the concerns can be summarised as:

1. The proposed portfolios not achieving the objectives of the project.
2. Not enough change or too much change.
3. The motivation and drive behind the proposals.
4. The culture of the organisation and its ability to change in a way that will enable the objectives of the project to be achieved.
5. The proposed changes to the roles of Directors and Assistant Directors.

3.4.2 These concerns were predicted in the project report which identified three main reasons for failure in decentralisation strategies in other authorities.

1. Not enough change in the Council as a whole.
2. Not enough clarity about the purpose of change.
3. An over emphasis on structure and not enough attention to 'soft' systems. (culture change).

It is clear from the consultation that all of these three issues are being reflected in Leicester consultations and it is equally clear more must be done to communicate both the purpose of the change and build into the project, proposals for changing the culture of the organisation. This project was

always by its very nature complex and extensive with implementation timescales extending over a number of years.

3.4.3 Although it is important to recognise and respond to the concerns, it is equally important that there is clear ownership and leadership for the changes from the very top of the organisation. No change is unlikely to generate the necessary “whole system” change required to achieve the project objectives. There is also a danger that further delay in clarifying the Senior Management Structure will create unacceptable levels of uncertainty which will inhibit the Council’s ability to both retain and recruit key staff. With major projects outstanding and the performance of the Council coming under increasing scrutiny further delay is not advisable.

3.4.4. It is believed that the original principles of the Strategic Management reforms building on the shift to Corporate Directors and Service Directors as set out in the original proposals should be maintained. However, consultation has revealed disquiet over a possible over-reaction which would disconnect Corporate Directors too far from their portfolio operations. The aim is to give Directors more Council-wide responsibilities for new Policy Portfolios with greater delegation of operational responsibilities to Service Directors. There are also genuine concerns about Corporate Directors becoming too engaged in the operational detail of an area through regular attendance at area forums and public perceptions that they may demonstrate a bias towards their service portfolios in their area roles. In the light of these views it is envisaged that Corporate Directors will :

- contribute to area plans particularly from their portfolio perspective
- support neighbourhood managers in coordinating local services
- engage directly with local activities and people where practicable
- support Service Directors’ operational role
- work corporately across the council as a single organisation, and alongside partner agencies

It is recommended therefore that the area role be carefully defined for all Corporate Directors with the area focus resting with the respective Corporate Director for neighbourhood renewal, the relevant Service Director and the 10 area managers.

Likewise the suggestion to give an area responsibility to Cabinet members should be resisted if the role of Ward Members is to be developed effectively within the new political structures and if the Cabinet is to retain a focus on strategy and policy.

It is recommended that the proposals to establish Corporate Directors and Service Directors be confirmed.

3.4.5 As a result of the consultation, however, it is recommended to amend the proposed management structure and portfolios as set out in the original proposals.

It is recommended that:-

- a) **The Corporate Director of Education & Lifelong Learning be identified as the Strategic Lead for Children with further work on the management synergies being carried out through the Best Value Review.**
- b) **The Assistant Chief Executive and Chief Finance Officer be added to the Directors' Board.**
- c) **A major strategic focus be given to Customer care by incorporating it into one of the Corporate Director portfolios.**
- d) **Further improvements to services synergies and possible further management changes be investigated urgently in relation to:**

**Adults with Community Care and housing needs including supporting people
Housing Benefit & Council Tax
Policy & Performance
Community Development, Community Cohesion & Community Capacity Building
Regeneration and Neighbourhood Renewal.**

The above are in addition to improving services synergies through the service reviews already taking place of:

**Crime & Disorder (Best Value Y3)
Environmental Services (Best Value Y3)
Front of House. Customer Service & Advice (Best Value Y2)
Communications LPL Marketing & Tourism (Best Value Y2)
City Centre
Community Transport Services**

- d) **In addition there are a number of options relating to the specific portfolios for Neighbourhood Renewal and Cultural Services.**

Neighbourhood Renewal Options

OPTION 1 – New Corporate Director for Neighbourhood Renewal

3.4.6 Create a new post of Corporate Director (Neighbourhood Renewal) either permanently or on a fixed term contract of 3/4 years to project manage the implementation of the project including:

- Establishing and managing the Neighbourhood managers
- Establishing the new area forums
- Overseeing a programme of culture change
- Overseeing the development of Community Capacity
- Overseeing the realignment of service synergies

- Overseeing the City Centre
- Managing the Markets
- Managing Welfare advice
- Managing the Community Safety Team
- Co-ordinating Neighbourhood Renewal
- Supporting the Braunstone New Deal-

3.4.7 This will have the advantage of :-

- A board level identity
- A corporate not departmental focus
- Addressing the capacity issues highlighted by OPM, needed to oversee major change.

Over the past five years individual Directors have led from time to time on specific corporate priorities, eg. sustainability, diversity and crime & disorder. In view of the particular importance of customer care in the new arrangements it is suggested that the new Corporate Director should take a lead role across the authority. This will involve overseeing improvements in customer access, service standards, information and advice, the development of new technology and staff training and development.

3.4.8 The wider role of leading corporately on Regeneration Policy which affects most aspects of the City Council's functions will remain with the Corporate Director for Environment, Development and Regeneration. This will maintain the size of the Board at seven. It will also retain a post of Service Director (Neighbourhood Renewal) to manage the 10 area managers and the project implementation team.

OPTION 2- New Corporate Director for Culture & Neighbourhood Renewal

3.4.9 Create a new post of Corporate Director (Culture and Neighbourhood Renewal) to oversee a portfolio including integrated Cultural Services and the project management of the Revitalising Neighbourhoods project as set out in Option 1 (para 2.4.6).

There are a range of options relating to Libraries and Parks which can either be retained within the broad cultural portfolio or linked to other service areas. Libraries could effectively be linked to Lifelong Learning and Parks to Environmental services. Parks itself could be split further linking Parks management to the wider culture and sport activities where the focus would be on use and activity, and grounds maintenance linked to other street environmental services with a focus on local service integration. In the case of Parks the arguments are equally balanced.

Members views are sought on the proposals to:-

- Retain Parks management in this portfolio with clear links to Sports, Festivals and Neighbourhood Management.

- Incorporate all Grounds Maintenance including Parks in Environment Development & Regeneration where 80% of Grounds Maintenance is currently managed
- Locate Libraries within the Education portfolio at the heart of the standards agenda (excluding the Records Office which will be managed within the Museums Services)

This would have the advantage of:-

- Making a new appointment with new skills
- Attracting a national candidate to oversee both neighbourhood renewal and the major cultural and sport developments
- Rebalancing the six portfolios in response to concerns over the lightness of the proposed Cultural portfolio.

Depending on the range of functions, this would result in one Service Director covering Arts, Museums, Sport and Parks Management, a Service Director for Neighbourhood Renewal and a Resources Director (Culture & Neighbourhood Renewal).

OPTION 3- Lead Corporate role for Neighbourhood Renewal in Housing portfolio

3.4.10 As originally proposed to incorporate Neighbourhood Renewal within the Housing portfolio. This has the advantage of:-

- Building on existing management responsibilities
- Building on the existing synergies with local communities
- Minimising additional costs.

3.4.11 As originally proposed it will involve the post of Service Director (Neighbourhood renewal) to oversee the 10 area managers but leave the Revitalising Neighbourhoods project management arrangements within the Chief Executive's Office.

OPTION 4- Lead Corporate role for Neighbourhood Renewal by lead Corporate Director or Assistant Chief Executive

3.4.12 Locate Neighbourhood Renewal along with the Revitalising Neighbourhoods project team within the Chief Executives Office either reporting to the Assistant Chief Executive or to a separate Corporate Director. This has the advantage of:-

- Demonstrating a visible corporate identity to the function
- Minimising additional cost.

3.4.13 This would still retain a post of Service Director (Neighbourhood Renewal) to oversee the management of the 10 area managers and the project team. It would raise questions of capacity and the effectiveness of placing a front line operations team in a policy office.

Cultural Services Options

OPTION 1 – Revert to current arrangements for Arts & Leisure

- 3.4.14 Retain an integrated Cultural Services portfolio (including Libraries & Parks) with two Service Directors covering Arts, Libraries & Museums and Sports and Parks with a Resources Director. This has the advantage of:
- Minimising the current uncertainty
 - Attracting a new high calibre national appointment to the current vacancy
 - Providing a board level focus on the two major schemes.

Members' views are sought on extending this portfolio to also include:

- All Environmental Services
- Markets
- The City Centre

OPTION 2- New Corporate Director for Culture & Neighbourhood Renewal

- 3.4.15 Create a new post of Corporate Director (Culture and Neighbourhood Renewal) to oversee a portfolio including integrated Cultural Services and the project management of the Revitalising Neighbourhoods project. This is the same option as set out in Paras 2.4. 6-8.

OPTION 3- Reduced Cultural portfolio

- 3.4.16 Retain the current proposal of a reduced cultural portfolio with two Service Directors for Arts, Sports & Heritage services and Special projects with Resources Director provided from the Education portfolio. This has the advantage of:
- Providing a specific focus on the special projects
 - Integrating Parks & open space management with Environmental services
 - Integrating Libraries with Education standards

- 3.4.17 Should none of the options for Neighbourhood Renewal and Cultural Services be considered appropriate it is recommended that external consultants be appointed to advise members on more radical structural options. This recommendation reflects the lack of consensus in the consultation, the lack of specialised skill and capacity in the organisation to deliver more radical options in the current climate and avoids vested influence in shaping revised proposals.

- 3.4.18 **It is recommended that the senior management structure shown in appendix 5 be adopted and specifically:**

1. **The number of Directors be reduced to six with a new post of Corporate Director Culture & Neighbourhood Renewal being**

created with responsibility for:--

- **Establishing and managing the Neighbourhood managers**
- **Establishing the new area forums**
- **Overseeing a programme of culture change**
- **Leading corporately on Customer Care.**
- **Overseeing the development of Community Capacity**
- **Overseeing the realignment of service synergies**
- **Overseeing the City Centre**
- **Managing the Markets**
- **Managing Welfare advice**
- **Managing the Community Safety Team**
- **Co-ordinating Neighbourhood Renewal**
- **Supporting the Braunstone New Deal-**

The portfolio will be supported by two Service Directors, one for Culture covering Arts, Museums, Sports and Parks Management including the two major schemes and one for Neighbourhood Renewal including the 10 area managers. The portfolio to also have its own Resources Director.

2. **The management of Libraries be transferred to the Corporate Director Education and Lifelong Learning but also retain a policy synergy to the culture portfolio. The Records Office will be managed within the Museums Service.**
3. **Parks and Open Space Maintenance be located within the Environment Development and Regeneration portfolio alongside other Environmental Maintenance services. (see para 3.4.9)**

3.5 Resource Issues (Finance & Human Resources)

- 3.5.1 **The major financial issue identified in the consultation related to the savings to be generated from the rationalisation of Client, Consultant and Contractor arrangements. There is concern that process mapping will not generate savings of £400,000 across the Council and there are some views that these savings should be put into directly improving existing frontline services or responding to the new demands from local forums and not into the neighbourhood manager posts.**

It should be emphasised that the appointment of Neighbourhood Managers will create improvements in services and greater community involvement. (1.7.24 – 25)

It is recommended that the £400,000 be retained as the target to be achieved before 31st March 2003, and options to achieve this be identified in the process mapping exercise and Best Value Reviews. It is proposed that additional resources be made available from the NRF in 2002/03 to enable all ten neighbourhood manager posts to be appointed in the Autumn.

3.5.2 There have been a number of concerns about the quality and speed of the consultation process and it is clear from the OPM report that the next stages of the project will need to improve both communication and consultation if greater ownership is to be achieved.

The proposals contained within the Revitalising Neighbourhoods Report will result in a significant change to the operational structure of the Council and to the philosophy of how it conducts its business. Staff from the top to the bottom are potentially affected even though the majority will probably experience little direct change in their own jobs. On this basis, it is important that consultation and implementation are applied consistently and fairly. Accordingly, the representatives of all levels of staff should have equal access to the consultation process.

The provisions of Appendix R of the local scheme of conditions of service will apply throughout and be augmented when necessary. For the Appendix to operate successfully, and have the confidence of staff, it is important that all parties pay due regard to its provisions and contribute to the process. To facilitate this a guidance protocol will be produced in consultation with the Joint Trade Unions setting out how existing council procedures may be utilised to assist and promote the process in the particular circumstances of the Revitalising Neighbourhoods Review.

3.5.3 In principle all staff will be treated on same basis:-

- slotting in will occur where the post in the new structure is most similar to the one previously occupied.
- If the grade of the job goes up then slotting in will be subject to a competency interview.
- if there is more than one person slotted to a post then competitive interviews will be held between them.
- Posts that are not allocated as part of the slotting in process, will be advertised using the full recruitment and selection procedure.
- All interviews will be conducted utilising the recruitment and selection procedure.

Members will be involved in the top two tiers in the normal way.

3.5.4 The consultation with the Education sector has identified the lack of capacity in Education institutions to participate fully in the forums. This will be made even more difficult if the forum boundaries are different to the school development groups. Whilst the concerns are fully recognised whatever boundaries are chosen for the forums some services will have difficulty managing initially the overlaps. **It is recommended that discussions take place with all partners to investigate imaginative ways in which they can engage with the forums in the most effective and efficient way to the mutual benefit of schools and their communities.**

3.5.5 Training and development has been identified as a major issue both in terms of City Council staff, Members and the community itself. In the next phase of the project it is critical that far greater attention is given to changing the culture of the organisation and supporting Members, managers, front line staff and the community if the project is to succeed. **It is recommended therefore that the next phase of the project will be resourced and managed in a way that improves communication and consultation, creates a major focus on changing the culture of the organisation, (including issues of Corporate Governance and officer member relationships) improves the training and development of staff and supports community capacity building. (1.7.26 – 29) Whilst some additional resources will be made available through the Neighbourhood Renewal fund it is recommended that existing budgets be investigated with a view to identifying opportunities to redirect resources to achieve this corporate programme of Culture change.**

3.6 Project Implementation & Project Management

3.6.1 The next phase of the project will involve much more detailed work require intensive consultation with staff and community organisations to generate the necessary ownership to the changes. The complexity of the project means that extensive project management arrangements will be required to ensure various elements of the project are delivered on time and the inter-relationships between the different elements are properly planned and co-ordinated.

The Project Plan has the following key milestones:

1. Proposals to improve customer access, advice and information across the city (service access points) being developed from September following the opening of the New Parks Pilot Centre in July.
2. Proposals to improve the synergy between community development activities across the Council developed by April as the basis for improved community capacity building prior to the forums being established.
3. Proposals to improve street environmental services being developed by September following the Eyres Monsell & City Centre pilots and the completion of the Environmental Services Best Value Review.
4. Proposals for improving Health & Social Care starting with Mental Health Services in April 2002 and the work on the Braunstone Health and Social Care Centre and within the context of the NHS Lift timetable between now and 2004.
5. The completion of process mapping in priority services by September 2002.

6. The appointment of 10 Neighbourhood Managers by September subject to the resources being identified through process mapping or temporary funding being identified in the NRF.
7. The establishment of up to four shadow forums by September and a further six by April 2003 following the preparation of guidelines and protocols by May and consultation over the summer period. Although the shadow forums will not be fully developed by these dates it is anticipated that the ground work will be complete and initial meetings of initial members held.

3.6.2 The project management of the project to date has been carried out by a project team managed by the Assistant Chief Executive. Despite planning assumptions about creating a separate team as with Unitary Status the development of the proposals to date has been done by lead officers as part of their normal duties with two additional policy officers funded for a period up to May 2002. The OPM report clearly demonstrates the need to manage the next phase of the project sensitively enabling more time and opportunity to communicate and consult in order to build greater ownership. The need to provide greater emphasis on changing the culture of the organisation will also create additional resource demands on the project team.

3.6.3 It is proposed that the next phase of the project is project managed by a stand alone team. Unless a new post of Corporate Director Neighbourhood Renewal is created it will be essential to provide an additional temporary post of Project director to overcome the capacity problems identified in the OPM report. At present the two policy officer posts are in place to May 2002. As no new funds were made available to develop the project they were funded from savings achieved by the vacant post of Director of Environment & Development. In addition the two posts currently allocated to the Resources in Communities project are planned to cease in April 2002 and the temporary post of Assistant Director Neighbourhood Renewal is planned to cease in June 2002. Decisions on these posts are therefore required. In terms of possible funding a sum of £100,000 (possibly £120,000) was allocated from the Neighbourhood Renewal fund in 2001/02 to support project management of which £30,000 has been utilised for the OPM consultancy. A further bid has so far been made the NRF over the next two years for £750,000pa to support the Revitalising Neighbourhoods project which will need to be amended in the light of the proposals below.

3.6.4 It is recommended, that a temporary revitalising neighbourhoods project team be established for two years based initially in the Chief Executive's Office as follows:

- 1. A post of Project Director funded from the Neighbourhood Renewal Fund at a cost of approximately £45,000 pa.**

- 2. Extend the current secondment arrangements for the two posts of policy officers to March 2004 funded from the Neighbourhood Renewal Fund at a cost of £65,000 pa.**
- 3. Identify half a post within the Policy & Performance team for a period of two years to lead on the development of the forums funded from the Neighbourhood Renewal Fund at a cost of £15,000 pa.**
- 4. Create an additional half post within the Communications unit to manage the internal and external communications process funded from the Neighbourhood Renewal Fund at a cost of £15,000pa.**
- 5. Extend the two post supporting Resources for communities and integrate them into the project team up to March 2004 at a cost of £70,000 funded from the Neighbourhood Renewal Fund.**

3.6.5 These proposals will require up to a total of £210,00 pa plus £25,000 pa running costs for two years from the Neighbourhood Renewal fund in addition to the £70,000 residual sum from 2001/2 to meet the costs of developing the project.

4. CONCLUSIONS

The consultation phase has confirmed overwhelming support for the aims and objectives of the project. The OPM report, however, has identified weaknesses in the process to date in terms of preparing effectively for the scale of cultural change required across the organisation particularly to achieve ownership of the proposals through effective communication and consultation which will be key to creating growing confidence in the project. Most of the concerns identified relate to the lack of detail at this stage and many of these concerns should properly be alleviated in the next phase of the project. The implementation phase has now been planned and the key milestones identified over the next twelve months. This process of implementation however will need to be supported by a full time project team if the weaknesses identified in the consultation are to be effectively addressed. As a result of the consultation the revised proposals are set out in Appendix 4.

5. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities Policy	yes	Revitalising Neighbourhoods	
Sustainable and Environmental	yes	affects all aspects of the council's policies	
Crime and Disorder	yes	and operations	
Human Rights Act	no		

6. **Background Papers – Local Government Act 1972**

Report to Organisations Working Party – May 22nd 2000

Report to Organisations Working Party – November 13th 2000

7. **Consultations**

Details of the consultation are set out in the OPM report.

8. **Report Author**

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CX/RG/MA
28 January 2002