

WIRRAL COUNCIL

CABINET

29 NOVEMBER 2012

SUBJECT:	<i>WIRRAL IMPROVEMENT PLAN – PROGRESS REPORT</i>
WARD/S AFFECTED:	<i>ALL</i>
REPORT OF:	<i>CHIEF EXECUTIVE</i>
RESPONSIBLE PORTFOLIO HOLDER:	<i>CLLR ANN MCLACHLAN</i>
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on progress delivering the Council's Improvement Plan. There is a summary of the key achievements to date as well as the activities scheduled in the next period. These are set out against the five priority themes around which the plan has been developed.
- 1.2 The report also provides a more general narrative which reflects the observations of the Improvement Board and the feedback from the recent Peer Challenge as well as highlighting some of the issues and challenges in relation to the next stage of delivery.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Improvement Plan was endorsed by the Improvement Board at its meeting on July 20th 2012 and formally approved by Cabinet on 6th September 2012.
- 2.2 The Plan is structured around the five improvement priority themes agreed through the early work of the Improvement Board, specifically:
- Leadership: Political and Managerial
 - Corporate Governance and Decision-Making
 - Corporate Plan
 - Budget and Financial Stability
 - Critical Services Areas: Safeguarding and Developing the Economy
- 2.3 To ensure there are clear lines of accountability for delivering the plan, a governance model has been developed and this was also approved by Cabinet at its meeting on 6th September. There is also an agreed reporting structure to ensure Executive Team regularly reviews the day to day delivery and Cabinet and the Improvement Board have regular oversight to ensure progress is being made.

3.0 PROGRESS AGAINST PRIORITY AREAS

PRIORITY 1 – Leadership: Political and Managerial

Target 1: Design and implement a leadership programme

- 3.1 Work has commenced on the scoping out and design of the new Wirral Council Leadership Programme. The Programme models the North West Collaborative Leadership Programme with specific scope to deliver to a wider range of leaders and managers at Wirral Council.
- 3.2 The approach to Elected Member development includes support for new Elected Members, the Skills for Wirral Councillors Programme and future plans for a dedicated Leadership Programme. There is also a commitment to achieving the North West Employers Organisation Member Development Charter. This activity is steered and championed by the Member Training Steering Group, comprising a representative from each Group and is chaired by Cllr Ann McLachlan, Deputy Leader of the Council and Cabinet Member, Improvement and Governance.
- 3.3 New draft Leadership Behaviours and revised Leadership Expectations have been developed and will be used to inform the Leadership Development Programme in terms of identifying needs around skills and knowledge gaps.

Target 2: Review best practice and put in place an effective model for elected members to work together

- 3.4 Changes have been introduced by the new Chief Executive in the way Elected Members are supported to ensure greater transparency and rigour. This involves a framework of regular briefings being scheduled to ensure there is a consistent and efficient model in place for briefing members.
- 3.5 Changes have also been introduced to move the scrutiny function from within the political groups to be embedded within the strengthened policy function. This will enable support for Executive and Leaders of the opposition parties to be better co-ordinated.
- 3.6 A new system of support for Ward Members is also being implemented via a Member Enquiries System within the Committee and Administrative functions of the Council.

Target 3: Develop a shared vision and purpose for the organisation

- 3.7 An event attended by 80 Members, Officers and Partners was held in September 2012 to begin the process of developing Wirral's vision. The keynote speakers were Carolyn Downes, Chief Executive, LGA and Tony Travers, visiting professor, London School of Economics and Political Science. Both were well received and the session provided useful information in setting out the current context for local government. Evaluation of the event highlighted the benefit of having a mix of Officers, Elected Members and partners together to share and hear the views of others. A further visioning session is being planned for December.
- 3.8 It has been recognised there has been a lack of a strong corporate management function both to drive through the improvement plan priorities and to transform the performance and delivery of Wirral Borough Council. In order to ensure the

organisational structure is fit for purpose, a management restructure has been instigated. The first phase of this restructure is to establish three new Strategic Directors reporting directly to the Chief Executive. Each will have responsibility for the co-ordination of a programme area consisting of a number of the current Departments. The programme areas covered by these Strategic Directors are:

- Families and Wellbeing
- Regeneration and Environment
- Transformation and Resources

This Strategic Management Team will be supported by two further posts, a Director of Policy, Performance and Public Health and a Head of Communications and Community Engagement.

3.9 A wider management restructure at the levels below Strategic Director is now under way with the aim of realising 33% reduction in management costs.

Target 4: Design & Implement a cultural change programme

3.10 Since January 2012 a wide selection of feedback and information has been gathered from across the organisation including the Corporate Governance Survey, the full Employee Engagement Survey, the confidential staff disclosure line, Destination Excellence Events and the sessions held by Michael Frater to inform the development of a cultural change programme. A summary of all this data has been created, outlining the values that stand out as being those that are most important for the future of the organisation. The values will be short, clear and easy to relate to and will reflect current good practice and provide Wirral with a contemporary framework within which to take the Improvement Plan forward. The values will underpin all future training and development across the organisation and will be vital in the roll out of Performance Appraisal and Development.

3.11 Summary of achievements for this reporting period:

- Management restructure underway with recruitment process commenced
- Leadership Programme scoped and initial design shared with Executive Team
- Member decision-making process revised
- Initial Visioning event undertaken
- Elected Members starting to complete Personal Development Plans
- Feedback to inform organisational values and behaviours collated

3.12 Summary of activities planned for next reporting period:

- Second visioning exercise to be undertaken
- Next stage of management restructure undertaken
- All Elected Member personal development requests collated, reviewed and where appropriate training commissioned.
- Leadership Programme design completed, target audience agreed and timeframe agreed for the 1st cohort
- NWEO Briefing to Member Training Steering Group on Member Charter and Self Assessment Undertaken
- Skills for Wirral Councillors Programme finalised and published
- Elected Member Accreditation Model launched
- Develop strategies for risk, IT, procurement

PRIORITY 2 – Corporate Governance and Decision-Making

- 3.13 There has been detailed work undertaken to ensure that the actions within the HESPE action plan (Cabinet, 18 October 2012) are embedded within the appropriate Improvement Plan targets and the recommendations are cross-referenced in the programme management system to enable clear tracking and reporting.

Target 1: Ensure that the Code of Corporate Governance and supporting policies are consistently understood and followed

- 3.14 The project team has undertaken an initial meeting to scope the key activities to deliver this target and these have been developed into a project initiation document. A session has been held with IT colleagues to ascertain the most appropriate method for developing, record managing and publishing the constituent policies of the code of corporate governance. A framework for review against the CIPFA / SOLACE framework has been developed with the next stage to examine existing Wirral policies against this and develop a timetable for review based on assessed priority.
- 3.15 Progress has been made on implementing the improvement measures proposed following the review undertaken in relation to Committee Services, agreed by Cabinet on 21 June 2012. New arrangements are in place to ensure reports included on the Cabinet Agenda are more effectively managed. This has resulted in the number of Cabinets reports being reduced considerably. A new workflow for the production and management of committee reports (through the Mod.Gov System) has been prepared and arrangements are in hand to amend the Mod.Gov System.

Target 2: Review and update Schemes of Delegation and support systems for decision making and provide appropriate training

- 3.16 The Council has appointed additional capacity in the form of an Interim Head of Legal and Member Services. The post holder took up his position on the 1 October 2012 and has undertaken a brief review of current arrangements and progress. The Interim Head of Legal and Member Services concluded that to deliver and implement an effective Officer Scheme of Delegation, it is vitally important that Senior Political Leaders, Senior Officers and other stake holders are engaged. The relationship between these parties will have a significant bearing on the nature, scope and effectiveness of any revised Officer Scheme of Delegation. The necessary arrangements needed to ensure engagement are being put in place.

Target 3: Strengthen contract procedure rules and management whilst ensuring that appropriate information is in place to enable informed decision making

- 3.17 A Procurement toolkit has been developed to provide support and guidance for the delivery of the procurement function throughout the Council. The Toolkit is designed to support the acquisition of goods, services, and works in the context of the Procurement Strategy and the Contracts Procedure Rules. This has been underpinned by a workshop programme delivered to departments on problematic areas such as tenders, European directives, the “Chest” system etc. The next phase will include shaping the toolkit into a more interactive, user friendly format.

- 3.18 Improvements on contract management will be made as many of the activities in the HESPE action plan are delivered through the revised risk management arrangements, improved procurement procedures, revised performance management arrangements and more effective internal audit. However, further work is required on contract procedure rules and the management of contracts following the let of a contract; this is currently being explored by the procurement and legal functions.
- 3.19 An action plan has been developed setting out the steps necessary to improve the Council's corporate risk management arrangements. This is now under way and a number of initial meetings have been held with Members and senior officers. Scoping work has also been undertaken to prepare for the implementation of the Risk Management functionality of the Council's Concerto business and project planning IT to support a consistent corporate approach to risk management.
- 3.20 A review of Internal Audit has been undertaken with key milestones for improvement developed into an action plan. This action plan has been cross-referenced to the HESPE action plan to ensure all recommendations are included. The existing Chief Internal Auditor has taken early retirement and a shared service with Liverpool is being developed. An overview of the improvements made to the internal Audit function will be reported to Audit & Risk Management Committee in January and to the Improvement Board in February, as per the HESPE action plan.

Target 4: Establish an effective and coordinated approach to shaping and implementing policy

- 3.21 The transfer of staff to the newly established Director of Policy, Performance and Public Health has been completed. A policy network has been established and Policy Briefings are being provided on a frequent basis.
- 3.22 Partners have been invited to a pre-meeting to discuss the establishment of a Local Public Service Board. The Public Service Board will allow for a more community oriented approach to transforming public services through working together at a neighbourhood level and focus on integrated planning and delivery, responsive and proactive provision, shared resources and more effective partnership structures.
- 3.23 **Summary of achievements for this reporting period:**
- Policy unit establish.
 - Policy network created.
 - Policy briefings disseminated.
 - The introduction of revised leadership arrangements in Audit, including a shared service approach with Liverpool.
 - Procurement toolkit developed and road shows with Departments undertaken.
- 3.24 **Summary of activities planned for next reporting period:**
- First meeting of Local Public Service Board to take place.
 - A revised Officer Scheme of Delegation will be drafted.
 - Amendments to the Mod Gov system will be completed.
 - Evidence base for the development of the Corporate Plan developed.
 - Strategies for risk and procurement will be drafted to reflect the outcomes of the reviews of these functions.
 - Further work is required to plan the key activities to deliver the targets on:

- Strengthening Contract Procedure rules and management whilst ensuring appropriate information is in place to enable informed decision making
- Engaging with local and sub-regional partners to shape and respond to policy developments and implement decisions.

PRIORITY 3 – Corporate Plan

Target 1: A clear set of priorities based on understanding our customers' needs and expectations

- 3.25 The Corporate Plan 2012-15 was refreshed and agreed by Cabinet on 10 July 2012. This will provide a framework for delivery during 2012-13 whilst a revised Corporate Plan aligned to the medium term financial plan is developed.
- 3.26 Phase one of the “What Really Matters” consultation was undertaken with the views of more than 7,000 people considered by Cabinet as they deliberated the results. During the course of the consultation the views of more than 13,000 people were sought at over 150 events. Locations such as shopping centres, supermarkets, community centres, cinemas and bingo halls were visited to make sure that as many people as possible had the opportunity to have their say. The findings have provided good insight into the priorities of our communities which will inform the service reviews undertaken to develop budget saving options.

Target 2: Develop a Corporate Performance Management Framework

- 3.27 The Executive Team considered a proposal for the development of a new corporate performance management framework based on the key principles of centralising resources and adopting a business partnering approach to delivering intelligence and analysis. The proposals also include the development of a number of performance dashboards to advise officers and members of key information on the council's performance on a regular basis. This will include a Cabinet dashboard as well as dashboards for scrutiny.

Target 3: Objectives aligned to individual performance appraisal and development

- 3.28 The new Performance Appraisal & Development process has been agreed for Senior Managers and above in the first instance. Performance Appraisal & Development discussions commenced in October 2012, with the Chief Executive being the first to take part. All Directors and Heads of Service will have been appraised before December 2012. Development needs identified during these discussions will feed into the options around leadership development.
- 3.29 The newly developed Leadership Behaviours and revised Leadership Expectations will underpin the Performance Appraisal and Development process and will inform the Leadership Development Programme in terms of identifying needs around skills and knowledge gaps. The roll out of 360 degree feedback against the new Leadership Behaviours will commence from April 2013 as part of the six monthly Performance Appraisal & Development reviews.
- 3.30 **Summary of achievements for this reporting period:**
- Revised Corporate Plan (2012-15) agreed.
 - Phase one of the “What Really Matters” consultation undertaken.

- Proposals for new corporate performance framework agreed by Executive Team.
- Corporate Performance moved under the newly established post of Director of Policy Performance and Public Health.

3.31 **Summary of activities planned for next reporting period:**

- Development of a Corporate Plan 2013-16.
- Phase two of the “What Really Matters” consultation to be undertaken.
- Consult elected members on an on-going basis to establish and refine performance requirements and products (e.g. monthly balanced scorecards, annual performance statement etc).
- Development of a performance dashboard
- All Directors and members of The Executive Team completed Performance Appraisal & Development Review
- All Heads of Service completed Performance Appraisal & Development Review
- Preparation and training delivered for Senior Managers (anyone reporting to a Head of Service)

PRIORITY 4 – Budget and Financial Stability

Target 1: Ensure that the service review and consultation programme reflects the impact of reducing levels of resources

3.32 Since mid-August, there has been a dual focus of dealing with the in-year financial challenges and budgetary overspend, as well as developing a transparent budget process for 2013-16.

3.33 In order to deal with the immediate financial challenge and overspend the following measures were introduced:

- Monthly risk-based monitoring introduced, rather than quarterly
- The implementation of a spending freeze
- A reduction in the projected revenue overspend from £17m (at Month 3) to £13.2m (at Month 6)
- A Zero Based Budget (ZBB) exercise undertaken to identify and eliminate bad budgets, and so provide a sound basis for the following years budgets
- A revised approach developed for spend to save investment, saving £2m in-year
- A risk based approach devised for managing Balances
- An elimination of £20m of legacy capital schemes

3.34 The following activities have been undertaken to ensure a transparent process is undertaken for the budget 2013-16:

- Revised budget targets – with 2013-14 up from £25m to £39m
- A challenge process introduced for examining savings, growth and assumptions
- Frameworks, to judge progress financially and politically, for:
 - Savings – over 10 lines of enquiry
 - Growth – over 5 areas
- A revised budget timetable resulting in a plan for savings £40m/£40m/£20m over the next three years
- A transparent savings list, released on November 9th to the public, showing all the options for consideration.

Target 2: Review governance and scope of Strategic Change Programme

3.35 The current Strategic Change Programme was agreed by Cabinet (21 February 2012). However, the delivery of savings through this programme has primarily been monitored through the revenue budget monitoring process. The existing Change Team have been focussed on developing and reviewing savings options and planning for their implementation with Departments. A longer term strategy for the programme and the role of the team will be developed following the appointment of the Strategic Director for Transformation and Resources.

3.36 Summary of achievements for this reporting period:

- Budget savings options developed by officers
- Revenue spending freeze implemented
- Capital spending freeze implemented
- Recruitment freeze implemented
- Monthly budget monitoring implemented for revenue & capital spending

3.37 Summary of activities planned for next reporting period:

- Further work is required to develop an evidenced based commissioning strategy informed by clearly identified needs. This is linked to recommendation 4 of the HESPE action plan which is to “Resolve the relationship of Procurement and Commissioning”.
- Further roll out of the Concerto system to coordinate corporate risk management arrangements.
- There is further work required on reviewing the governance and scope of the Strategic Change Programme, which will take shape following decisions made at special Cabinet on 20 December 2012.

PRIORITY 5 – Critical Services Areas: Safeguarding and Developing the Economy

Target 1: Deliver improvements in safeguarding, through implementation of the action plan arising from the safeguarding peer review

3.38 The peer review draft improvement plan was reported to Health and Well Being Overview & Scrutiny committee on 10 September. Discussions are ongoing to ensure there is a single reporting mechanism on the delivery of this action plan to avoid duplication.

Target 2: Develop approach to enhancing and adding value to the local economy through 'your Economy' goals and focuses

3.39 The Improvement Board (19/10/2012) received a presentation from the Director of Regeneration, Housing & Planning on the LGC award for Sustainable Economic Development. The Board agreed the work ongoing in this area was admirable, and that whilst the Economy remains a clear priority for the Council, the Board agreed that the Investment Strategy Board was the most appropriate forum for overseeing this important work.

4.0 OVERALL SUMMARY OF PROGRESS

- 4.1 Alongside progress against the specific priorities and targets detailed above, additional work has been undertaken to support the Council's improvement journey more generally. A high level communications plan has been developed to promote the work of the Improvement Board and a wider, more general communications strategy has been created to support delivery of the plan itself.
- 4.2 A key measure of the Improvement Plan's success will be that change is delivered across all parts of the organisation and at all levels. An essential component in support of this will be the development of a Change Management Strategy that sets out *how* the change process will be managed. A Change Management Framework (based on the Kotter 8-step model) has been developed that addresses the immediate challenges and priorities. However, it is recognised there will be a need to develop a more comprehensive Change Management Strategy for the long term once some of the fundamental decisions have been taken about the vision and future shape of the organisation.
- 4.3 As an independent and neutral observer of the Council's improvement process, the Improvement Board has acknowledged the real progress being made by the Council since endorsing the Improvement Plan in July. The Board has specifically noted the new culture at the top of the organisation and the successful collaboration between the new Chief Executive and the three party leaders. The recent decision to move to a bi-monthly meeting schedule is clear evidence the Improvement Board is confident that the momentum for change has been established and the Plan has now moved into the implementation phase. However, the Board has also highlighted the need for the Council to develop a narrative to provide a better sense of direction and a clearer picture of the outcomes and impact we are working towards.
- 4.4 There has been further independent endorsement of the progress being made through the recent Peer Challenge process. Whilst it is recognised the Council still has much to do and improve upon, the initial feedback provided includes the following statements:
- The Council has a good grasp on the scale and urgency of the challenges faced
 - The overall strategy we are working to is appropriate
 - The approach, pace and sequencing of change makes sense. There are significant risks but no alternatives.
 - There is clear and visible leadership and an organisation that is up for the change
 - There are underlying strengths in the organisation
 - Keep sharpening your strategic planning, risk management and thinking ahead
 - Some key decisions need to be made over the next few weeks – an important phase of improvement – maintain your resolve
 - The Improvement Board is right to reflect the progress being made by the council by evolving to a monitoring and challenge role and reducing the frequency of meetings

5.0 NEXT STEPS

- 5.1 A key theme running through the feedback received from the Improvement Board and the Peer Assessment is the need for the Council to maintain momentum. This message is clearly understood and forms a key element of the emerging Change Management Framework. However, it should be recognised the organisational restructure and

budget reductions that are the immediate priorities and challenge for the organisation could have a delaying impact on other areas of the Improvement Plan in the short term.

5.2 The next steps under each priority area within the plan have been set out above. A key focus for the Improvement Team will be to ensure these activities are being progressed. However, given the potential impact of the management restructure on both the timetable and capacity to deliver the Improvement Plan, another key focus for the team will involve re-scheduling activity where necessary and undertaking a gap analysis to ensure the impact of any reduction in management capacity is identified and addressed in relation to progressing the delivery of the Improvement Plan.

6.0 RELEVANT RISKS

6.1 A Programme Risk Register has been developed by the Executive Team and the latest version is included in Appendix 1.

7.0 OTHER OPTIONS CONSIDERED

7.1 The Improvement Plan is considered to be the only option for the Council and as such, no other options have been considered.

8.0 CONSULTATION

8.1 The development of the Improvement Plan has been undertaken in consultation with the Improvement Board and elected members. Activity within the plan has been informed by consultation with staff through the staff surveys undertaken this year.

9.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

9.1 There are none arising directly from this report.

10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

10.1 The initial resource requirements for delivering the Improvement Plan were assessed and reported to Cabinet 06 September 2012. No further resource requirements have been identified at this stage.

11.0 LEGAL IMPLICATIONS

11.1 Delivery of the Improvement Plan involves reviewing and refreshing a number of core documents including the Council's constitution, the Scheme of Delegation and the Member / Office protocol. Where necessary i.e. when a key decision is required, these will be reported to Cabinet separately.

12.0 EQUALITIES IMPLICATIONS

12.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) Yes – an initial EIA was undertaken but as this is an update report and not a proposal for consideration this did not progress beyond the initial EIA.

13.0 CARBON REDUCTION IMPLICATIONS

13.1 There are none arising directly from this report.

14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

14.1 There are none arising directly from this report.

15.0 RECOMMENDATION/S

15.1 Members are requested to note progress against the Improvement Plan

16.0 REASON/S FOR RECOMMENDATION/S

16.1 The people who live, work and enjoy leisure on the Wirral deserve excellence from their Council. Recent external assessments show that in some areas, particularly corporate governance, we have fallen short of that standard.

REPORT AUTHOR: *Fiona Johnstone*
Director of Policy, Performance & Public Health
0151 651 3914
email: Fiona.Johnstone@wirral.nhs.uk

APPENDICES

Appendix 1 – Risk Register
SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	6 th September 2012

Appendix 1: Improvement Plan Risk Register

Risk Description	Existing Controls	Net Likelihood Score	Net Impact Score	Net Total Risk score	Planned Additional Controls
GOVERNANCE					
Officers and Elected Members do not adhere to the roles and responsibilities set out in the governance arrangements of the improvement plan	<ul style="list-style-type: none"> Member and officer protocol Improvement Board endorsement of programme management arrangements 	2	3	6	<ul style="list-style-type: none"> Revised member officer protocol and training Cabinet approval of programme management arrangements
The roles and responsibilities relating to programme governance are not understood	<ul style="list-style-type: none"> Member briefings Regular reporting on progress / issues / risks 	3	4	12	<ul style="list-style-type: none"> Member engagement through scrutiny Review effectiveness of governance model / identify weaknesses and areas of improvement
Unrealistic stakeholder expectations of the ability to deliver the plan whilst also delivering against other Council priorities	<ul style="list-style-type: none"> Member briefings Regular reporting on progress / issues / risks 	2	4	8	<ul style="list-style-type: none"> Clear prioritisation from 'what really matters'
CAPACITY					
Failure to create sufficient capacity within the key group of officers responsible for delivering the Plan	<ul style="list-style-type: none"> Initial resource plan endorsed by Improvement Board 	3	5	15	<ul style="list-style-type: none"> Detailed resource planning Cabinet approval for additional resources Robust business planning Ensure resource requirements to deliver the plan are included in the budget setting process
Insufficient capacity in the wider workforce	<ul style="list-style-type: none"> Workforce planning Performance management arrangements 	3	5	15	
Executive Team focus on what is urgent rather than what is important.	<ul style="list-style-type: none"> Improved working arrangements for Executive Team Appointment of interim senior officers 	3	3	9	<ul style="list-style-type: none"> Appointment of Strategic Directors Transparent Council HoS Project Empowerment Project Review Business Systems Project Implementation of HR Self Serve Project
Failure to allocate sufficient resources (financial IT etc) to support the delivery of the Plan	<ul style="list-style-type: none"> Delivery of the Improvement plan has been deemed critical by Executive Team Initial resource plan in place 	2	5	10	<ul style="list-style-type: none"> Detailed resource planning Ensure resource requirements to deliver the plan are included in the budget setting process
ENGAGEMENT & COMMUNICATION					
Executive Team does not connect strongly and overtly with the key group of officers responsible for delivering the Plan	<ul style="list-style-type: none"> Senior management briefings 1 2 1 / appraisal process Head of Service Group and Project Teams 	2	3	6	
Staff are not effectively and universally engaged in the Improvement Plan and progress is not communicated clearly.	<ul style="list-style-type: none"> Key messages disseminated in Senior management briefings Key messages disseminated in One brief Key messages disseminated in Authority wide broadcasts Key messages from Improvement Board available on the Council's intranet 	2	5	10	<ul style="list-style-type: none"> Improvement plan will be available on the Council's intranet Communication strategy