



## **CABINET – 14TH FEBRUARY 2018**

**SUBJECT: BUSINESS IMPROVEMENT PORTFOLIO PROGRAMME**

**REPORT BY: INTERIM CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 To provide Members with an update on the work of the Business Improvement Portfolio (BIP) Programme; its aims and objectives; programme structure; timelines for delivery, and governance and programme management arrangements moving forward.

### **2. SUMMARY**

- 2.1 The BIP Programme was launched in March 2016. However, since then the programme has been the subject of a review which identified the need for the programme to be refined to take account of the challenges which have faced the organisation over the past year and the challenges which lay ahead. The following report provides members with an update on the programmes progress to date and sets out how the BIP Board intends to deliver a programme of change that will address some of the organisational pressures moving forward.

### **3. LINKS TO STRATEGY**

- 3.1 The Authority has already made considerable savings totalling £82.17m, however it has been estimated in a recent Cabinet report (15.11.17) that further savings requirements of circa £34m will be needed over the next 3 years (19/20, 20/21 and 21/22) in order to deliver a balanced budget.
- 3.2 Accordingly, the BIP programme will seek to not only assist with the process of delivering a balanced budget by seeking to ensure that services are delivered as efficiently and effectively as possible but also to ensure that services are redesigned, where necessary, and 'future proofed' to meet the demands and expectations of our communities.
- 3.3 Taking account of the financial pressures and service demands outlined in 3.1 and 3.2 above, the BIP programme will contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:
- A prosperous Wales
  - A resilient Wales
  - A healthier Wales
  - A more equal Wales
  - A Wales of cohesive communities
  - A Wales of vibrant culture and thriving Welsh language
  - A globally responsible Wales

## 4. THE REPORT

4.1 Caerphilly has a proud performance record and maintaining this record is something we want to preserve.

4.2 However, there is no doubt that local government is at a crossroads and moving forward as a Council we will have to fundamentally redefine what we do; what services we provide and how we provide them. It will require a new relationship and understanding with our communities as to what we do, why we exist and what our residents can expect.

4.3 Over the next few years some things are certain:

- We will have less money to spend on services than we do now;
- We will have a growing proportion of older people;
- The shape of local government will change as a result of Local Government Reform;
- There will be an expectation for more cooperation between public services and collaboration between local authorities;
- We are operating against a backdrop of a relatively weak local economy and high levels of deprivation, and finally
- Public expectations will continue to change and the demand for high quality, responsive services will continue to grow.

4.4 As an authority the impact of these pressures will mean that it is likely that:

- We will need to have a greater sense of focus on our 'core' purpose, and a better sense of priority in what matters most.
- Some services will contract and some may cease or have to be commissioned and delivered in a different way
- Back office services and administration will need to be highly efficient so as to protect as much money as possible for front-line services.
- We will be working more closely with communities in designing, delivering and commissioning services.
- We will have less staff and more flexibility as to roles and responsibilities.
- We will have less buildings and a different workplace environment.
- We will have a far greater use of digital and IT solutions in our interface with the public.
- Potentially have to charge, or charge more for some of our services
- We will have to be more entrepreneurial in the way we develop and deliver our services.

4.5 With this in mind, Caerphilly's Corporate Management team wish to embark on a portfolio of change which will '**seek to transform areas such as our Culture, Leadership Competencies and Skills, Engagement practices and the way in which we deliver our services.**' This improvement programme will start the process of change required to deliver the Council's vision of the future.

4.6 The BIP consists of three programmes. Each of the programmes will have a great deal of interconnectivity and there will be a requirement for a range of discrete projects to be established in order to deliver key outcomes and benefits. The structure of the BIP is set out in Appendix 1.

### 4.7 Improving Leadership Programme (ILP)

4.7.1 The purpose of the ILP is to set the direction and establish a means by which the Authority will attract, identify, develop and retain leadership capability of the highest quality. The programme aims to reach all leaders and managers from Directors through to frontline supervisors. It recognises that even the most junior supervisors and team leaders have a part to play in the delivery of a motivated and productive staff, and that senior managers have a

key role in leading and managing this strategically and in acting as role models in their leadership behaviours.

4.7.2 The programme acknowledges the clear link between leadership and organisational performance, development and culture, and employee engagement.

4.7.3 The key objectives of the ILP will be to:

- Define and embed the leadership behaviours and competencies needed to deliver organisational success;
- Ensure there is a diverse, capable and expanding leadership population across all levels and professions, and
- Implement a Leadership Development programme that will support existing and rising leaders.

4.7.4 The programme began with a review being undertaken to establish the type of management/leadership training currently offered across the organisation and the overall spend on training and development. This work established that approximately £670k is budgeted for training and development activity each year with the majority of it spent within individual services. It also highlighted that there was no real strategic focus to the training in terms of alignment with corporate priorities or understanding of the return on investment received from any such training and development, and that the current approach was unlikely to provide the necessary structure and learning opportunities to allow leaders and managers to respond effectively to the challenges that lay ahead.

4.7.5 This review also considered and compared the current CCBC management and leadership competencies and values to those developed by Academi Wales, the WLGA and a selection of companies in the private sector. A number of synergies were established but equally the exercise identified a large number of gaps.

4.7.6 Initially work on developing a values and behaviours framework for the organisation was hindered by the fact that it could not be linked to a corporate vision, purpose and value set. However, Cabinet have since developed a draft vision and values set which has allowed this work to progress to a point whereby a draft Values and Behaviours Framework has been created. The draft Framework will be considered by the BIP Board at their meeting in February 2018. It is also planned to consult with staff via the staff roadshows that are planned for the spring of 2018 in order to seek their views on the draft Framework.

## 4.8 **Improving Engagement Programme (IEP)**

4.8.1 Caerphilly County Borough Council values its workforce and values the importance of effective engagement and internal communications. In the wider context, Local Government is changing and in order to secure its ongoing success, and of its workforce, it is imperative that we work to improve and/or enhance current practices, and where necessary, develop new ways of working. To be successful will require the commitment and engagement of our entire workforce because engaged employees perform better and know better than anyone where we can eradicate unnecessary waste and become more efficient.

4.8.2 The authority already has a number of internal communication mechanisms in place to engage the workforce. These include a staff intranet, internal messages from CMT, Performance Development Reviews and arrangements in individual service areas, such as team briefings and one-to-one meetings. However, the approach can be piecemeal and inconsistent depending on the effectiveness of individual managers. What is lacking is a consistent, regular and timely engagement strategy which ensures all employees at all levels across the organisation can benefit from a two-way flow of communication.

4.8.3 In order to deliver a more cohesive and consistent approach to internal communication the BIP Board agreed to the development of 5 distinct but interconnected engagement projects.

These are set out in Appendix 1.

- 4.8.4 Cabinet will recall that throughout the autumn of 2016 a series of staff roadshows within the Communities Directorate were held which started a process of engagement. A key feature of these events were that staff were asked to share '3 Little Words' that they felt described the organisation now and 3 words that would describe the organisation they would wish to work for in the future. This exercise provided an insight into how staff felt about working within the Communities Directorate and what they wished it to look and feel like in the future.
- 4.8.5 In order to build on the work undertaken within the Communities Directorate, the BIP Board have agreed to a series of whole authority staff roadshows starting in the spring of 2018. The information generated by these events will be added to that already captured in the '3 Little Words' project.
- 4.8.6 Cabinet will also be aware that the Council recently undertook a whole authority staff survey, which Members have received comprehensive feedback on. Again, this exercise provided valuable information on the thoughts and feelings of the workforce.
- 4.8.7 It is recognised that the Corporate Intranet has been the 'communication backbone' for the authority for many years, and while it has served the authority well, it is also recognised that it has been in need of modernisation for some time. Accordingly, a key action of the IEP was to reinvigorate the Corporate Intranet site.
- 4.8.8 A small working group was established to undertake this task and recently demonstrated to the BIP Board a suggested new system. Following the demonstration it was agreed that a pilot be undertaken, starting in January 2018, which would see the roll out of the new intranet system to the authority. Staff will be asked for their views and opinions on the new site and their feedback used to make changes as and where necessary. Staff will also be asked to name the new intranet. It is hoped that the new intranet will provide staff with a more personal, interactive and informative medium of internal communication.
- 4.8.9 Unfortunately, progress with the establishment of a Staff Engagement Working Group or wider Staff Engagement Forum has not been possible due to resource demands. This work is planned for 2018.
- 4.9 Improving Services Programme (ISP)**
- 4.9.1 Initially the ISP began with the identification and introduction of a series of projects. Each project had a defined scope and agreed milestones. The intention of the programme was to bring structure to the work already underway in a number of areas. The programme would also allow the BIP Board to consider new approaches to the way services are provided.
- 4.9.2 In July 2017 a review of the programme was undertaken as it became apparent that while some projects had developed well, others less so. This prompted the Board to consider whether the projects identified were in fact strategic enough and contributed towards the overall organisational change process. It was also felt that the project management arrangements put in place were too onerous and in some instances disproportionate to the scale and scope of individual projects. Consideration also needed to be given to aligning the strategic projects to the MTFP timelines where appropriate.
- 4.9.3 As a result of the review, it was agreed by the BIP Board to reframe the strategic projects into a number of themes. Within each 'theme' would sit a number of projects, as shown below:
- Digital Theme – Digital Strategy; Customer Service Review, and Agile Working.
  - Collaboration Theme – I.T. Collaboration.
  - Alternative Service Delivery Theme – Tourism Facilities.
  - Major Projects Theme – Band A 21<sup>st</sup> Century Schools; Band B 21<sup>st</sup> Century Schools; WHQS Delivery; Post 16 Education; Library Review; Youth Service Review; Children's Centre; Leisure Review; Waste Review, Community Centres Review, Street Lighting, and Civil Parking Enforcement.

- Income Generation – to be agreed.
- Green Energy/Carbon Reduction - to be agreed.

4.9.4 A number of projects were also removed from the original list developed back in March 2016; these were: Reducing Building Costs, Fleet Review, Street Scene and Catering.

#### 4.10 **Timelines**

4.10.1 The BIP is a long term strategic change programme that will run over a number of years. The programmes and projects that underpin it are intended to be evolutionary in nature and able to be modified as necessary in line with the needs of the business.

4.10.2 It is the intention of the BIP Board to phase the projects listed in 4.9.3 over the short, medium and longer term. Work is currently underway to develop an appropriate timeframe that will align with the MTFP and deliver the more pressing changes required in the short to medium term. This timeframe will be shared with Members in the early part of 2018.

#### 4.11 **Governance and Programme Management Arrangements**

4.11.1 The BIP Board is ultimately responsible for the delivery of the strategic programmes that sit under its remit. The Board consists of all members of the Corporate Management Team together with the Deputy Leader (Cllr Barbara Jones), the Head of Policy and Public Protection and the relevant Programme Managers (Lianne Dallimore (Improving Leadership), Stephen Pugh (Improvement Engagement), Rob Hartshorn (Improving Services)).

4.11.2 The programme management arrangements put in place are consistent with the recognised approach to managing programmes/projects within the authority. This approach ensures that there is a strong corporate overview of the various programmes/projects.

4.11.3 Each programme has a designated Programme Manager and each project will have a designated Project Manager. A defined scope and key milestones will be agreed and progress against each programme/project will be provided to the BIP Board in line with the agreed milestones of each individual programme and/or project.

4.11.4 A particular gap identified whilst undertaking the review in July '17 was that closer links required to be established between the BIP Board, Cabinet and Scrutiny committees in order to ensure the optimum amount of Member interaction and scrutiny. In order to address this 'gap', the BIP Board agreed that a Cabinet member should be assigned to an individual theme, as outlined in 4.9.3.

4.11.5 On agreement of the programme/project timeframe, suitable points throughout the programme lifecycle will be identified to update Cabinet and Scrutiny on the progress of the overall programme and on individual projects. It is suggested that this be done on an exception reporting basis. Regular reporting at appropriate intervals will ensure that Cabinet and Scrutiny members are kept well informed and have the opportunity to challenge progress and performance.

4.11.6 Suggestions put forward by the BIP Board on the frequency of progress reporting are as follows:

- Progress update reports to be provided to Cabinet on a 6 monthly basis;
- An annual progress update report to be presented to the Policy and Resources Scrutiny Committee, and
- An annual progress update report presented to Council as part of the annual budget report.

4.11.7 The BIP Board will work with Committee Services to ensure progress update reports are incorporated into the Council/Cabinet/Scrutiny Forward Work Programmes as set out in

4.11.6.

## **5. WELL-BEING OF FUTURE GENERATIONS**

5.1 The BIP contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act in that it recognises that:

- Local Government is changing and in order for it to remain sustainable in the longer term, work requires to be done now in order to secure essential services for the communities we serve.
- Services will need to change for them to remain viable. This demands a programme of service redesign in order to address the financial and demographic challenges that lay ahead, to achieve the Councils objectives in the longer term and the demands and expectations of our customers.
- Redesigned services will undoubtedly mean services being delivered in a different way. This may demand better alignment of our internal services; better partnership working with our colleagues within the public and voluntary sectors, and a new relationship with our communities who may be called upon to help us deliver local services.
- Opportunities will be taken to focus on prevention recognising that this will reduce need and service demand in the future.
- The programmes delivered under the BIP will require high levels of involvement and public consultation in order to ensure that the outcomes we are seeking to achieve are fit for purpose, supported by our communities and will create a more sustainable position for the future.

## **6. EQUALITIES IMPLICATIONS**

6.1 An Equalities Impact Assessment (EIA) is not needed because the issues covered are for information purposes only, therefore the Council's full EIA process does not need to be applied. As the BIP programme progresses EIAs will be developed for all projects in line with the Council's Strategic Equality Plan.

## **7. FINANCIAL IMPLICATIONS**

7.1 There are no direct financial implications as a result of this report, however the financial implications of each programme area included within the BIP will be developed and reported via the appropriate Scrutiny Committee, Cabinet and Council as specified by the Council's agreed governance processes.

## **8. PERSONNEL IMPLICATIONS**

8.1 There are no direct personnel implications as a result of this report, however the personnel implications of each programme area included within the BIP will be developed and reported via the appropriate Scrutiny Committee, Cabinet and Council as specified by the Council's agreed governance processes.

## **9. CONSULTATIONS**

9.1 The report reflects the views of the consultees.

## **10. RECOMMENDATIONS**

10.1 Cabinet is asked to:-

10.1.1 Note the content of the report.

10.1.2 Approve the aims and objectives of the BIP programme.

10.1.3 Approve the programme structure as set out in Appendix 1.

10.1.4 Approve the specified actions as set out within paragraphs 4.7.6, 4.8.5, 4.8.8 and 4.8.9 of the report.

10.1.5 Approve the BIP projects as listed in paragraph 4.9.3 of the report and Appendix 1.

10.1.6 Note the timeframe set out in paragraph 4.10.2.

10.1.7 Approve the governance and programme management arrangements as set out in paragraphs 4.11.1 to 4.11.6.

10.1.8 Approve the suggested reporting process as set out in 4.11.6.

## **11. REASONS FOR THE RECOMMENDATIONS**

11.1 The Authority is required to deliver savings over the next 3 financial years of circa £34m. The BIP programme will offer the opportunity to fundamentally redefine what we do, provide a clear strategic approach to address the challenges ahead and contribute towards the requirement for the Council to put in place a sound and prudent financial framework which supports service delivery.

## **12. STATUTORY POWER**

12.1 The Local Government Acts 1998 and 2003.

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Appendices:

Appendix 1 Business Improvement Portfolio Programme Structure

# Business Improvement Portfolio

## APPENDIX 1

