



Report of the Chief Officer (Executive Support)

Executive Board

Date: 20 September 2006

Subject: Council Change Programme

Electoral Wards Affected:

All

Specific Implications For:

Equality and Diversity

Community and Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

1. This report updates Members of Executive Board on the next stage of Council's continuous change programme.
2. There are three other reports on today's agenda which supplement this report covering specific aspects of the Council's change agenda including: Children's Services developments, Adult Services and an update on partnership working and the Local Area Agreement.
3. The Council's approach to change and development recognises that continuous change is necessary if we are to meet the changing needs of citizens and society. As a learning organisation, we know that we must respond effectively to the priority needs of local people, meet the changing needs of government and also rise to the challenge of other external drivers such as external inspection and assessment outcomes.
4. During the course of the last couple of months, Corporate Management Team have been considering how best to bring together these different aspects of the change agenda within one organisational change framework. The aim being to ensure that a coherent approach is progressed, responding primarily, within the context of government policy and guidance, to the priority needs of local people.
5. This report, therefore, asks Members to endorse a proposed overarching framework for the Council's continuous change programme;

1.0 Purpose Of This Report

- 1.1 To update Members of Executive Board on the next stage of Council's continuous change programme and to seek Member endorsement to the over-arching objectives which will drive the next important phase of change within the organisation.
- 1.2 There are three other reports on today's agenda which supplement this report covering specific aspects of the Council's change agenda including: Children's Services developments, Adult Services and an update on partnership working and the Local Area Agreement.
- 1.3 Whilst these other reports provide more detailed information and specific recommendations, this report is prepared in order to provide an overarching framework to bring together these separate, but related, issues under the auspices of the Council's continuous change programme.

2.0 Background Information

- 2.1 The Council's approach to change and development recognises that continuous change is necessary if we are to meet the changing needs of citizens and society. As a learning organisation, we know that we must respond effectively to the priority needs of local people, meet the changing needs of government and also rise to the challenge of other external drivers such as external inspection and assessment outcomes.
- 2.2 In 2003, Members approved new organisational arrangements which saw significant change under the auspices of our Closer Worker: Better Services initiative. As a result of these changes we have continued to improve our delivery of services to the citizens of Leeds, and we have been recognised as a well performing authority having been judged a 4 star Council in the last round (December 2005) of the Comprehensive Performance Assessment results. Additionally, there are numerous examples of where the council is recognised for delivering excellent services and performing well.
- 2.3 We have learnt from these successes, and some things that have not gone so well, that people are a key priority. We know therefore that much of the success is driven by being clear about accountability, by providing excellent leadership at all levels, by being clear about the roles that people play, understanding the way that things work and most particularly by the behavior of those delivering services.
- 2.4 Our evaluation and learning also demonstrates that the best organisations continually evolve and develop so that they can respond to the changing needs of public service provision. We know, therefore, that it is important that we continue to develop a flexible, responsive and confident organisation.
- 2.5 We recognised in 2003 that the changes being implemented were the first steps in a long and continuing journey. Some of the drivers for further change (such as the developing Children's Services agenda) were known to us – but lacked sufficient detail to enable us to anticipate how best to respond. There is now greater clarity on these next set of drivers for change, which are detailed below with some context for each:
 - a) **Vision for Leeds** – The Local Authority is the lead partner within the Leeds Initiative and is the only partner with the democratic mandate of the city. We

must, therefore, ensure that we create capacity within the organisation to provide effective leadership of partnership developments and in so doing support the delivery of the aims and ambitions of the Vision for Leeds.

- b) **Children's Agenda** – The introduction of the Children's Act 2004 requires certain changes regarding the statutory role of the new Director of Children's Services (DCS). We need to ensure that our DCS has the proper accountability for all Children's Services and that this is done in such a way that the DCS has the capacity and appropriate support to provide effective strategic leadership for all Children in Leeds. The development of Children's Trust arrangements is an important aspect of this change agenda. A separate report on this agenda updates Members on Children's Services developments and makes proposals for the next phase of change in this area.
- c) **Adult Services** – The introduction of the Children's Act 2004 and statutory guidance following the publication of 'Our Health, Our Care, Our Say' white paper requires that consideration be now given to the proper role and accountability of the statutory post of Director of Adult Social Services, with consideration also being given to the possibility of a broader remit, on a similar basis to that of the Director of Children's Services, for all relevant Adult Services. A separate report on this agenda updates Members on the guidance now issued in respect of the Adult Services agenda.
- d) **Local Area Agreements** – Leeds signed its first Local Area Agreement (LAA) in March 2006. LAA's provide a new mechanism for strengthening our relationship with Government and strengthening our partnership activity in order to better meet the needs of local people. LAA's are an integral part of current Government policy thinking and we must, therefore, maximise the potential of LAA's. A separate paper on partnership activity and the LAA is also included on this agenda.
- e) **Area Management** – In 1999, the City Council introduced Community Involvement Team arrangements to respond to the growing need for localism and respond to the Local Government modernisation agenda. In 2004, these arrangements migrated into our existing Area Management arrangements and with the experience of two years operation and the advent of possible further Government policy change on localism and devolution, it is appropriate for the Council to now consider its next steps in terms of local area governance and service delivery. Whilst there isn't a report on this agenda covering specifically this area of activity, Members of Executive Board can be assured that this important aspect of the Council's change agenda will be progressed and reported to Members in due course. An officer based review team commenced meeting in August in order to start the review process.
- f) **Lyons Review** - The Lyons Enquiry was established by the Government in 2004 to consider how local government services are funded and whether the balance between local and central government funding is appropriate; Lyons was also asked to consider how Council Tax might be reformed. In addition to this, the Lyons Enquiry's remit was extended in 2005 to consider the wider role and functions of local government. The Enquiry is due to report at the end of 2006 and amongst other things is expected to recommend new financial powers for local government which will allow greater local autonomy and further income generating powers. This could provide authorities with greater freedoms to pursue local priorities.

- g) **The Way We Work** – As a result of the 2003 restructure, we benefited from a significant cohort of new senior officer recruits to the Authority. This provided us with an opportunity to conduct an ‘organisational health-check’ using their feedback on how we work and operate in comparison to their previous organisations – both local authorities and the private sector. As a result we now recognise that we can create a more rewarding working environment for our people that will improve service delivery for our customers. We intend to use this next phase of the change programme to significantly shift our internal culture so we enable our people to be more empowered and take ownership of decisions at the front line of service delivery. This cultural change is every bit as important and vital to our achievement of our other priority outcomes as any structural changes that may be made.

3.0 Main Issues

- 3.1 During the course of the last couple of months, Corporate Management Team have been considering how best to bring together these different aspects of the change agenda within one organisational change framework. The aim being to ensure that a coherent approach is progressed, responding primarily, within the context of government policy and guidance, to the priority needs of local people.
- 3.2 Whilst there are a number of external pressures influencing our change programme, Corporate Management Team also recognise that there are internal issues that need to be addressed if we are to fulfill our ambitions as laid out in the Vision for Leeds and the Council’s Corporate Plan.
- 3.3 In developing a framework for change, Members are asked to endorse the following set of overarching objectives to guide the next phase of developing and implementing our continuous change programme:

Our continuous change programme will seek to:

- a) *Create an organisation that is flexible and responsive, clearly focused on delivering improved outcomes for local people;*
 - b) *Increase organisational capacity to provide more effective strategic leadership and direction for both the organisation and the city;*
 - c) *Maximise the contribution of senior and middle managers to increase capacity and creativity within the organisation to better enable service improvement and modernisation;*
 - d) *Organise Council services in the most appropriate and effective way having regard to the outcomes being sought for the city and its people*
 - e) *Create an ethos of a one-council approach;*
- 3.4 In terms of the more detailed scope of the change programme, it is proposed that in consultation with key stakeholders, officers are asked to:
- a) bring forward recommendations for new senior officer arrangements and accountabilities which ensure our most senior officers have the capacity to provide the Council, and the city, with the strategic officer leadership it requires;

- b) work with senior Elected Members to ascertain the most appropriate Member arrangements for any new organisational arrangements proposed;
- c) bring forward proposals which enable Chief Officers and other senior managers to be empowered for the delivery of services, removing unnecessary bureaucracy and controls where appropriate;
- d) bring forward proposals which ensure that Chief Officers and other senior managers are fully accountable for service delivery and service performance;
- e) consider the most appropriate arrangements for the organisation of services and bringing forward a prioritised plan for service mergers and changes;
- f) bring forward 'change-management' proposals to ensure that appropriate capacity is provided to oversee and support implementation of any change agreed;
- g) develop an approach that ensures that we work effectively in partnership with others and establish mechanisms to ensure that the Council operates as a single coherent organisation;
- h) develop a culture that supports our people so they are empowered and willing to take ownership of the challenge to improve service delivery for our customers. In the People Strategy 2005-08 this is described as developing a culture of high performance and systematic learning in which employees have the right knowledge and skills to deliver the council's aims and objectives and a positive attitude to ensure continued improvement and excellent services;
- i) ensure that we respond appropriately to the Childrens Act 2004 and the guidance associated with 'Our Health, Our Care, Our Say' white paper;
- j) develop organisational arrangements that support our Area Management aspirations;
- k) influence the further development of our partnership arrangements as provided by the Leeds Initiative;
- l) influence other major projects/initiatives to ensure that they are progressed in the context of this major organisational and culture change, and;
- m) ensure that our organisational developments and improvements remain focused on delivering improved outcomes for local people.

3.5 In terms of timescale, it is likely that certain changes will need to be implemented in the course of the next eight months in order to respond appropriately to the developing Children and Adult agendas and provide the appropriate capacity to manage the implementation stage of the change agenda. Whilst further work is plainly required, it is anticipated that more significant organisational change might be ready for implementation in October 2007. There are, however, certain aspects of the change programme that will need to be up and running well in advance of the Corporate Assessment and Joint Area Review inspection, expected in late 2007 or early 2008, if we are to maximise our assessment and demonstrate a clear focus on priorities and the delivery of outcomes.

3.6 The change management programme will be supported by a robust and strategic communications and consultation plan. The plan will aim not just to build awareness of the planned changes but to heighten understanding of the purpose to the change, gain acceptance, and then engage and involve people in developing the programme of change. The council is committed to managing the change programme in an open, accessible and transparent way. It is vital that the council is brave in its communications to make sure that we effectively inform and engage staff at all levels of the organisation. We will look to employ new methods and techniques that challenge old ways of working. In particular, the methods and messages used in the communications plan will reinforce and reflect the values of being inclusive, respectful, enabling and responsible.

4.0 Implications For Council Policy And Governance

4.1 The change programme will be focused on creating a responsive and flexible organisation that is geared to focusing on the delivery of the priorities contained within the Vision for Leeds and the Council's Corporate Plan. It is likely that changes will be proposed in respect of the Council's constitutional arrangements in order to meet the objectives stated above.

5.0 Legal And Resource Implications

5.1 Whilst it is envisaged that there might need to be additional investment in capacity in certain areas of activity, it is assumed that this change programme will be delivered within the scope of our existing resources; therefore, any required investments will need to be met from efficiencies elsewhere.

6.0 Recommendations

6.1 Members of Executive Board are requested to consider the issues raised in this report and:

- a) Endorse the overarching framework for the Council's continuous change programme;
- b) Agree the objectives as detailed at paragraph 3.3 above, and;
- c) Note the more detailed scope of work being progressed as detailed at paragraph 3.4 above.