

Executive

Resource Review

9 January 2012

Report of Chief Executive

PURPOSE OF REPORT

This report seeks support for the proposals to address the gaps in skills or capacity identified following the appointment to the posts in the new Joint Management Team.

This report is public.

Recommendations

The Executive is recommended to:

- (1) Note the outcome of the resource review.
- (2) Approve the proposals for the one-off funding requirement (6.1).
- (3) Note that business cases for any further funding requirements are being developed for member consideration.
- (4) Ask Overview and Scrutiny Committee to review the joint working arrangements during 2012/13.

Executive Summary

1. Introduction

- 1.1. The creation of the Joint Management Team (JMT) on 1 October 2011 resulted from the decision taken by Cherwell District Council and South Northants Council to achieve efficiencies by reducing senior management capacity by approximately half.
- 1.2. A review has been conducted to identify any gaps in skills or capacity following the appointment to the posts in the new JMT.
- 1.3. This report concerns the outcomes of that review and recommendations to address requirements.

Proposals

- 1.4. That the outcome of the resource review is noted.
- 1.5. That the proposal for the one-off funding requirements are approved.
- 1.6. That Members note that business cases for any future funding requirements are being developed for member consideration.
- 1.7. That the Overview and Scrutiny Committee are asked to review the joint working arrangements in 2012/13.

Conclusion

- 1.8. The route set out in the recommendations is believed to be the best way forward.

Background Information

2. Update on appointments to JMT

- 2.1. Appointments were made in September from the pool of people whose posts were at risk as a consequence of the management restructure to all but two of the new posts, namely Head of Regeneration and Housing, and the Communications Manager. The position of Communications Manager was advertised and Janet Ferris has been appointed to the post.
- 2.2. Twelve members of staff were not placed in the new JMT, two of whom applied, in advance of the recruitment process, for voluntary redundancy. The other ten staff applied for a post or posts but were unsuccessful. Discussions have been held with each person regarding future options and a summary of the status of these talks as of 21 December is given below:

Voluntary Redundancy	2
Left	8
On redeployment register	1
Seconded to NCC (for up to 1 year)	1
Total	12

- 2.3. Since making the appointments to the new structure, the Head of Transformation has resigned to take up a post with another local authority and so the post will become vacant in January. Therefore there are two vacancies in the new JMT structure and recruitment has commenced for the permanent replacements. Veredus were engaged in July to conduct the recruitment process for the establishment of the JMT and they have advertised the posts and been searching for candidates. A long list will be prepared for consideration by members of the Joint Personnel Committee

and final interviews will be held in the last week of January and the first week of February.

- 2.4. In the meantime there is a requirement to fill the Head of Regeneration and Housing post immediately therefore an interim appointment has been made to ensure that work continues on the major projects and other top priorities in the service area. Russell Eacott has been appointed on a part time basis to the interim role.
- 2.5. There will be a gap between the departure of the current Head of Transformation post holder and the commencement of the new appointee. This will be at an important phase in the timescale for the development and implementation of business cases for joint working which are being developed initially in the Resources Directorate. This work will need to have a high level lead and therefore an appointment will be made to a project role on a part time basis to lead on the progress of this work as a key strand of the transformation programme.
- 2.6. A review of the administrative requirements arising from the creation of the new JMT has been initiated. Appropriate administrative support is critical to the smooth and effective working of each member of JMT. Previously at SNC Heads of Service did not have identified administrative support and therefore there is no budget provision for such a resource. Going forward it will be necessary to provide support to all members of JMT, and also to continue to support the two leaders and two Chairmen and for the cost to be shared equally between the two authorities. The outcome of the review will be presented initially to the Joint Arrangements Steering Group (JASG) on 26 January and will identify the resources required. Subject to the approval of JASG, the report will then be considered by the appropriate committees at Cherwell and South Northamptonshire. In the meantime, interim arrangements are in place in order to provide administrative support to the two leaders, chairmen and JMT.
- 2.7. Once all of the posts in JMT have been filled, there will be sufficient senior management capacity in place to ensure the delivery of the core functions and business of SNC and CDC. This is the underlying assumption in the business case for joint working and there is no evidence to suggest that the assumption is flawed or unsound. However the reduction in senior management capacity of 50% does require a more structured and rigorous approach to project management, programme management and performance management. This is highlighted across the two councils because of the large number of major projects which form part of the current workload. The approach being taken is set out in the section below.
- 2.8. The effectiveness of the joint working arrangements will be reviewed on an on-going basis and the outcome reported to the Joint Arrangements Steering Group, however it is also proposed that Overview and Scrutiny Committee be asked to conduct a review during 2012/13.

3. Project and Programme Management Programme

- 3.1. Effective programme and project management is essential both to the transformation agenda and to effective on-going management of the business. Having a common approach and standard which is based on PRINCE2 methodology will ensure that we are able to effectively plan

resource against corporate objectives, manage risk and drive improvement. This is now even more important given the reduction in senior management capacity.

- 3.2. Although project tools and methodologies have been used in both organisations there is a lack of a consistent approach between projects and across both councils.
- 3.3. The establishment of the shared Programme Manager post, combined with a shared approach to performance management and risk all embedded within the transformation agenda presents an opportunity to bring this consistency.
- 3.4. A standardised approach to project management will be used, based on PRINCE2 methodology and using Microsoft Project software for scheduling and resource management. Standardised terminology will also be used. The outcomes from projects will feed into our existing performance management methodology which will help map resources and track progress of projects. Project boards will be established for each of the designated major projects. The Project Boards will be responsible for the governance of each project and for communicating with members, all relevant service areas, other stakeholders and partners and the communities. Key decisions will continue to be taken by members in formal decision making roles in Council, Cabinet (SNC) or Executive (CDC). Project boards will focus on the delivery of agreed projects against the timescale and budget as defined in the original decision to proceed.

Project Roles and Responsibilities

- Project Board:
 - Sponsor: individual with overall responsibility for ensuring the project meets its objectives and that the project makes the specified contribution to programme benefits. Represents the whole organisation's strategic interests.
 - Senior Supplier: provides knowledge and experience of the main disciplines involved in delivering the project's main outputs.
 - Senior User/Customer: accountable for ensuring user needs are specified correctly and that the outputs meet those needs
- Project Manager:
 - Individual with authority from the Board to manage the project day-to-day, delivering the specified outputs within the constraints agreed by the Board.

- 3.5. The proposed approach has the dual objective of providing additional project resource and also developing project management skills broadly across the organisation through a programme of secondments of existing staff to specific project roles, supported by training in project methodology. There may be numerous project managers / officers seconded at any one time and for varying lengths of time according to delivery of a project or work stream. Other staff who have skills and resources required by a project within their

substantive post may also need skills development, training/coaching on project methodology and broader change management skills. The proposal is that a fund comprising of £50,000 be made available as a resource to be drawn down as required to support this approach to project delivery and training.

- 3.6. The benefits of this organisational development approach includes flexibility, direct involvement from many officers across the organisations, wide development of project and change management skills and increased capacity to respond to and deliver against corporate objectives. Management will be broadly by matrix arrangements generally with retention of substantive line management responsibilities. The Head of Transformation will be the budget holder for the fund. Additional resources may be required to provide sufficient capacity and skills for the major projects and these more specific resources will be detailed in section 4.

4. Major Projects and one-off pieces of work

- 4.1 Each major project and one-off piece of work has been reviewed and assessed in relation to the availability of appropriate skills and the capacity required to deliver pre-agreed outcomes for each project. Service specific requirements have been considered along with project and programme management aspects. There are six projects which have been designated as 'major', namely the Eco-town, Bicester town centre, Brighter Futures in Banbury, Moat Lane/Towcester regeneration, ICT and the transformation programme.
- 4.2 The six major projects will be organised into two programmes, namely Transformation (to include service reviews and joint working) and Place, to include a range of projects such as the Eco-town and Moat Lane Regeneration.
- 4.3 Each programme will be governed by a Programme Board which has overall responsibility for making sure the projects deliver as expected and that the planned for outcomes are achieved. A Senior Responsible Owner is ultimately accountable for the programme's success and this proposal requires Elected Members to be part of these programme boards as key stakeholders, and to ensure delivery in line with the Council's objectives. This approach has been tested through the first stages of the ICT Programme and proved very beneficial, and a chart setting out what such an organisation would look like is given at **Appendix 1**. Standalone projects would have Member involvement as co-sponsors, alongside a member of the Joint Management Team.

Programme roles and Responsibilities

- Senior Responsible Owner: single individual accountable for the design and approval of the programme, and compliance with corporate controls and governance.
- Member Stakeholder(s): provide the link with corporate governance and direction
- Business Change Manager (for transformation programme): single individual directing how the changes are implemented in the

organisation and making sure the planned-for-benefits are achieved.

Additional support will be required to support the major projects and it is proposed that a fund of £200,000 is established for this purpose.

Summary of the Place Programme

- 4.4 Brighter Futures in Banbury – the lead officer (project sponsor) will continue to be Ian Davies and he will work closely with the Lead Member on this project and will have a virtual team, comprising of staff from CDC and Oxfordshire County Council, to deliver this project in Banbury. This type of team has in effect been in operation for some time, but three of the theme leads (two from CDC as a consequence of the restructuring and one from OCC) have left, one of whom also did the coordination. Two new theme leads from CDC have been identified and brought in to the virtual team. External funding has been secured for a part time coordination role to complete the team.
- 4.5 Moat Lane/Towcester regeneration – the portfolio holder works closely with the lead officer (senior responsible owner), the Director of Development, and the team includes the Head of Law and Governance and Head of Regeneration and Housing, although as the project progresses through different stages, the composition of the team will change to reflect the changing resource requirement. There will be a need for a clerk of works, for which a growth bid has been submitted for consideration in the setting of SNC's budget for next year. There will also be a need for project management support from the central pool.
- 4.6 Eco-town – The Leader of CDC is the lead member for this project and he chairs the Eco-Bicester Strategic Delivery Board. The project team is led by the Director of Development and will be boosted by bringing in communications and project management resources.
- 4.7 Bicester town centre – the lead member will work closely with the officer team, led by the Head of Regeneration and Housing and also including communications and project management resources.
- 4.8 By linking these four projects as part of the 'Place' programme, all will report key outputs and milestones, tasks and targets through a single 'programme scorecard' within the performance management system, allowing Members to see clearly where resources are having the right beneficial effect, in the context of other projects, and where there is contention and issues to be resolved.

Summary of the Transformation Programme

- 4.9 The Service Transformation programme will have a number of different strands as business cases are prepared for consideration following the service reviews, and ultimately through to implementation. A project team will be established to lead on the work arising for each business case which is approved by JASG. Project management resources will be required in each team.
- 4.10 All services will be reviewed during the course of the next twelve months to establish the potential for joint working starting with the services within the

Resources directorate although other services will be considered ahead of the programmed review as opportunities arise.

4.11 ICT – there are two elements to this project, the exit from the Capita contract at SNC, in train now for delivery by the end of April, and the move to joint working which that insource will enable. The work is being led by the ICT Steering Group, which is a sub-group of the Joint Arrangements Steering Group. The lead officer (project sponsor) role is now being taken by the Head of Finance and Procurement (previously it was with the Head of Transformation). The project team comprises of staff from the service areas, the Programme Manager and interim project management support recruited for this project with the cost being met from the ICT budget for the transition.

4.12 Linking these two strands of work as a single programme will enable service changes and ICT changes to be linked, reducing the risk of either the service being led by ICT or technology opportunities being missed by service reviews.

5. Communications

5.1. The extent of the Communications team at SNC is a single Communications and PR Officer and half the time of the Communications Manager. This resource is proving too lean given the agenda the Council is facing and the need for proactive, positive communications activities, advice and campaigns.

5.2. At the same time member scrutiny at Cherwell has led to a requirement to present proposals to reduce the cost of Cherwell communications by £50,000. This is likely to include a proposal to reduce the number of newsletters produced for residents in the District but could also be partly addressed by sharing some resources with SNC.

5.3. A detailed business case will be presented to JASG in January for consideration.

6.0 Financial implications

6.1 The following table details the funding one-off requirements described above.

One-off Funds required

	CDC	SNC	Total	
Interim HR Manager	14,400	14,400	28,800	Estimate - Closing date 22 December 2011
Interim Housing and Regeneration Manager	14,400	14,400	28,800	Estimate
Project Management	25,000	25,000	50,000	Split equally between councils
Major Projects	100,000	100,000	200,000	Assumed equal split but will depend on where the project resource is utilised.
Total	153,800	153,800	307,600	

These costs can be met through the following underspends and earmarked reserves:

Proposed Funding	CDC	SNC	Total	Comment
2011-12 JMT balance	£125,897	£36,805	£162,702	Underspend related to JMT c/f
Joint Management Team Provision estimated residual balance	£69,310	£46,207	£115,517	Estimated uncommitted balance - split 60:40
Transitional Reserve		£70,788	£70,788	
Total	£195,207	£153,800	£349,007	

6.2 In addition to the above, permanent additional funding is likely to be required for the:

- Administration review (Stage 1 – PA support)
- Communications review

These will be the subject of separate reports.

6.3 The costs of implementation of the Joint Management Team are reported to the Joint Arrangements Steering Group on a regular basis.

7.0 Conclusion

7.1 The joint management arrangements are still new and are being embedded in both organisations, whilst also delivering services. Each council also has a number of major projects and in addition there are many changes at national level that will have an impact on all councils, such as localism, the Local Government Resource Review and the changes to the planning regime. However, the implementation of the first phase of the business case for joint working has been delivered on time and within budget, but will be kept under review as future phases are delivered.

Key Issues for Consideration/Reasons for Decision and Options

The following options have been identified. The approach in the recommendations is believed to be the best way forward

- Option One** To agree all or some of the recommendations as set out.
- Option Two** To amend all or some the recommendations.
- Option Three** Not to agree the recommendations.

Implications

Financial: The financial implications are as set out in section 6.0 of the report.

Comments checked by Martin Henry, Director of Resources.

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Legal:

There are no legal implications arising from this report.

Comments checked by Kevin Lane, Head of Law and Governance –

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Risk Management:

If the additional resource detailed in this report are not agreed the risk is that the Senior Managements Team and the delivery of the priorities they are working to will not be delivered as effectively.

Comments checked by Martin Henry, Director of Resources.

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Wards Affected

All

Corporate Plan Themes

All

Executive Lead Member

Councillor Barry Wood
Leader of the Council

Document Information

Appendix No	Title
Appendix 1	South Northants and Cherwell District Council Strategic Programme Delivery
Background Papers	
None	
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