

MIDDLESBROUGH COUNCIL

EXECUTIVE REPORT

Council Improvement Plan

Executive Member: Mayor

Chief Executive

10 May 2016

PURPOSE OF THE REPORT

1. To present a Council Improvement Plan, aimed at improving governance matters across the Council. The plan sets a baseline for improvement activity, consolidating the range of corporate improvement actions identified within audits, inspections and reviews in recent years.
2. The report also seeks Executive agreement to commission Deloitte to oversee and support delivery of actions within the draft plan and to provide quality assurance in respect of the products developed through implementation of the plan.

SUMMARY OF RECOMMENDATIONS

3. It is recommended that Executive:
 - agrees the content of the draft Council Improvement Plan, subject to a further review by Deloitte that may identify additional actions or amendments to existing proposed actions;
 - agrees that Deloitte are appointed to review the draft Council Improvement Plan content and oversee delivery of the plan with provision of advice and quality assurance as required, at a cost not exceeding £141,000 to be delivered in 2016/17; and
 - notes the first monitoring reporting points.

IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

4. It is over the financial threshold (£150,000)
It has a significant impact on 2 or more wards
Non Key

DECISION IMPLEMENTATION DEADLINE

5. For the purposes of the scrutiny call in procedure this report is

Non-urgent
Urgent report

If urgent please give full reasons

BACKGROUND AND EXTERNAL CONSULTATION

6. As previously reported, in January 2016 the Council underwent a Corporate Peer Review process. The purpose of the peer review was to provide an independent assessment of the Council's current position, and identify where improvements could be made to improve governance and key outcomes for the town.
7. As previously reported, the review team identified many positives during their time on site including:
 - strong management arrangements;
 - a clear vision;
 - the 'outcome-based' management structure;
 - managers positive about innovation and change, the 'Middlesbrough Manager' programme is well-regarded, and staff were empowered;
 - strengths in financial stewardship, a track record in delivering savings, and plans in relation to performance, programme and project management were positive developments, though at an early stage; and
 - the Council's level of self-awareness.
8. The review team made nine key recommendations. These recommendations confirmed areas for improvement which the Council had already identified and which were already being taken forward in a Governance Improvement Plan, reported to Corporate Affairs and Audit Committee in September 2015. In addition the report detail also recommended other areas to consider which could further improve good practice.
9. In a report on the Corporate Peer Review submitted in March 2016, Executive agreed that an overarching improvement plan should be created to ensure that findings from several reviews and inspections were captured within one document. In line with a commitment in that March report, the draft Council Improvement Plan is attached to this report at Appendix 1.
10. Initial work has been completed to capture the actions required to deliver the wide ranging improvement agenda of the Council. As part of this work, the plan has been refined to remove repetition and ensure it focusses on the key outcomes to be achieved by the improvement actions. The revised document includes additional commitments to articulate the contributing actions required to support delivery of headline actions by their owners. This consolidated plan will form the baseline against which future progress will be measured.

Resourcing to deliver the improvement plan

11. While this will ensure a coherent approach to capturing the organisational improvement actions required, without provision of additional capacity the organisation is unlikely to be able drive improvements within the proposed timescales outlined in the plan, some of which have already been subject to delays.
12. The Council could choose to revise timescales to reflect current capacity; however this would have an adverse impact on delivery of savings within a number of change programme projects. It would also result in delays to actions that address the risk of a governance failure occurring which could lead to additional costs. For example,

improvements around project and risk management protocols, training, documentation and reporting will reduce the risk of projects costing more than originally anticipated or not delivering savings they were tasked with delivering.

13. It is therefore proposed that additional resources are put in place which will not only drive delivery of improvement actions in line with planned timescales but which will also provide independent quality assurance across a range of disciplines that the Council is taking the right actions.
14. The Council has been in discussions with an external provider and identified a support package that would see a range of specialists brought in to:
 - review current reporting and governance arrangements (Phase 1)
 - review the draft Council Improvement Plan content (Phase 2); and
 - oversee delivery of the Council Improvement Plan with provision of advice and quality assurance as required (Phase 3).
15. The external provider identified is Deloitte and they have been approached as they have:
 - previously acted as the Council's External Auditor;
 - a strong local knowledge of the Council and its challenges; and
 - extensive local authority experience both in an auditing role and also in providing project management support to drive improvement work.
16. Phases 1 and 2 will be delivered concurrently. If agreed it is expected that delivery of these phases will be complete by the end of June 2016. A key output from phases 1 and 2 will be development of a detailed plan for delivery of support required to drive improvements.
17. The approval of Executive is sought to commission Deloitte to deliver the above package. Formal contract arrangements and contract monitoring arrangements will be put in place to ensure that the work is delivered within budget, that it continues to provide value for money and that it delivers the following key outcomes:
 - provision of independent quality assurance of council actions; and
 - delivery of improvement actions in line with the required timescales.
18. Costings would be as follows:
 - Phase 1 - £20,800 plus VAT
 - Phase 2 - £29,900 plus VAT
 - Phase 3 – pricing schedule not exceeding £90,000 plus VAT to be identified and agreed, based on the findings of the first two phases.

Monitoring delivery of improvement actions

19. Within the March 2016 Executive report it was agreed that delivery of the Council Improvement Plan would be monitored through:
 - quarterly progress reports to the Corporate Affairs and Audit Committee; and

- six-monthly progress reports to Executive.

20. The first progress reports will be presented to Corporate Affairs and Audit Committee by September 2016 and Executive by December 2016 (subject to Committee diary planning).

IMPACT ASSESSMENT (IA)

21. Not applicable.

OPTION APPRAISAL/RISK ASSESSMENT

22. **Option one** – do nothing. Not recommended. The Council would continue to progress improvement actions, however it would continue to work to multiple improvement plans. There is a risk that there would be a lack of oversight across the plans, which could result in delays and / or implementation of solutions which do not complement the wider improvement agenda.

23. **Option two** – internal resourcing of the Council Improvement Plan. Not recommended. Timescales would require revision to reflect capacity. This is likely to have an adverse impact on delivery of savings within a number of change programme projects. It would not provide independent quality assurance around proposed actions to address identified issues.

24. **Option three** – put in place alternative external resources to support delivery of improvement actions, to be sought through a tendering exercise. Not recommended. Given the need to improve in line with identified timescales and the risk that further delays in improvement delivery could have an adverse impact on planned savings, this option is not recommended.

25. **Recommended Option – option four** – work with Deloitte to put in place additional external resources to support delivery of improvement actions. This will give access to a range of disciplines, with a partner that has a strong local knowledge from its previous working relationship with the Council. It will also provide independent quality assurance of actions.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

26. **Financial** – The cost the preferred option would be no more than £141,000 plus VAT. It will be funded from the Change Fund if agreed and would be delivered during this financial year. The proposal would be in line with financial regulations if approved by Executive.

27. **Ward Implications** – Not applicable.

28. **Legal Implications** – Not applicable.

RECOMMENDATIONS

29. It is recommended that Executive:

- agrees the content of the draft Council Improvement Plan, subject to a further review by Deloitte that may identify additional actions or amendments to existing proposed actions;
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- notes the first monitoring reporting points.

REASONS

30. The recommendations will ensure that a coherent approach is taken to organisational improvement, within a process that has an appropriate profile within the organisation to ensure that actions are prioritised and driven forward in a timely manner.

BACKGROUND PAPERS

31 March 2016 – Executive Report – Corporate Peer Review – Final report and draft action plan

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