



Report to Cabinet

Subject: Review of the Council's Operational Vision

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1. Introduction and Purpose of the Report

1.1 In December 2006 the Council adopted a Vision for the future operation of the Council, which was the product of several months of consideration and consultation. This document was in effect an operational strategy which was intended to form the basis for the structure and internal workings of the council, as well as informing its approach to service procurement. The re-structuring of the departments of the Council and the Gedling Transformation Programme were both part of the implementation of this strategy, as was the establishment of the Neighbourhoods Team in its present form.

1.2 I believe that the Vision is achieving its purpose of defining and guiding the way in which the Council should develop as an organisation in order to enable it to confront the challenges which lay ahead. The GTP is delivering clear improvements in our customer services and telephone response times, as well as measurable efficiencies which are supporting the medium term financial plan and driving down overheads. The Vision is providing a rationale for our workforce development plans and is making our approach to strategic planning more coherent; it has also given an impetus to our work in communities.

1.3 Nevertheless, three years on from the time when the vision was being formulated, it is appropriate that we should re-visit it to see to whether it is still capable of fulfilling that purpose in the future, or whether it needs adjusting in the light of experiences to ensure that it remains relevant to the work of the Council.

1.4 Having a clear, clearly defined and clearly communicated vision like this is critical for any organisation, so that staff and managers know where they are going and can plan accordingly. It is also important for us in communicating to staff that the Council is not just a collection of disparate

services, but that these are knitted together behind a single, common purpose or “golden thread”.

1.5 But we need to make sure that the direction set and the purpose defined remain the right ones. The intention is to identify the characteristics of a top performing Council and then set about putting those in place here at Gedling, thus ensuring that the organisation is fit for purpose and best placed to deliver whatever agenda, priorities and tasks are set for it by Councillors from time to time.

1.6 Much has happened since 2006 which is of direct and lasting relevance to the Council, the services it delivers within the Borough and the way in which it approaches its affairs. This report reflects upon these experiences and suggests some refinement of the vision in the light of them.

2. Impact of the Recession

2.1 The credit crunch, the recession, the crisis in the banking industry and the measures taken to deal with these events have had a severe impact on the Council's finances in the short term, as well as leaving a legacy which will have a long term adverse impact on public sector finance generally. If anything, the need for efficiency within the Council will become ever more acute in the future, sharpening the focus on reducing overheads, maximising the potential of new technology and automation and finding the most cost effective ways to deliver services.

2.2 The speed with which the above events unfolded also illustrated the importance of organisations being able to adapt quickly to changing circumstances and emerging events, which applies as much to organisations in the public sector as those in the private sector. The Council was faced in 2008/09 with a very rapid deterioration in its financial position as income dropped and successive marked reductions in interest rates affected the Council's investment income. The culture, bureaucracy, systems and processes traditionally associated with the public sector are not normally conducive to rapid decision making and action, but we need to ensure that they do not prevent us acting quickly if we need to. Whilst the original version of the Vision referred to the need for flexibility, innovation and improvement, it did not expressly also say that the ability to act quickly was something which needed also to be built into the organisation.

2.3 This is not to say that the Council cannot currently respond quickly when the occasion demands- we have numerous examples where we have done just this- but any model for the future operation of the council needs to ensure that the ability to do this is preserved and not stifled.

3. Shared Services and Efficiency

- 3.1 The original vision and its covering report actively promoted the search for shared service, joint working opportunities with other organisations and sought to challenge any assumption that the direct, in-house provision of services is necessarily best or most cost effective. Since then, we have had much and mixed experience of attempts to take this forward.
- 3.2 We successfully completed the transfer of the housing stock to Gedling Homes and we deliver a number of services in collaboration with other councils- examples include payroll services, estates and IT emergency back up. We are part of a consortium of Nottinghamshire councils which is achieving considerable savings in vehicle procurement by buying them together and this approach is now to be extended to the procurement of tyres for those vehicles.
- 3.3 On the other hand, our experiences with analysing the potential for establishing a building control company have highlighted the operational and commercial difficulties of this, as well as the legal difficulties which have been emphasised by recent High Court decisions involving joint enterprises set up by other Councils.
- 3.4 These experiences, as well as those of other neighbouring councils in attempting jointly to externalise “back office” support and revenues and benefits services, have also confirmed that these exercises can be very costly in terms of legal and specialist consultancy work. We also, of course, ourselves have past experience of services such as refuse collection and grounds maintenance being externalised and then brought back in house.
- 3.5 All of this has helped refine our understanding of the advantages, disadvantages and pitfalls of joint working and the externalisation of services. It is clear that joining together with other organisations to buy goods on a collaborative basis can be a successful way to achieve efficiencies, but it can also require compromises with regard to the agreement of a joint specification, which can limit savings. If in-house services are delivered efficiently and to a high standard, then the scope for significant savings can be slight and can very soon be outweighed by the high cost of going through procurement processes. And experience tells us that in-house services tend to be more responsive to the Council’s needs and can often be developed at less cost.
- 3.6 So unless there is a significant need for service improvement which is unlikely to be achievable by an in-house service, or unless there is the

potential for real cost benefits demonstrated by a robust business case, then it may well be better to focus first on making in-house services as efficient and effective as they can possibly be. Whilst it remains true that it should not be assumed that in-house is necessarily always best, externalisation, whether to another council or the private sector, can also have significant practical and financial disadvantages.

4. Other Issues

- 4.1 This being the case, the emphasis in the Vision on the importance of flexibility, innovation, use of new technology, learning from others, openness to external challenge, constant improvement and a focus on quality and value remains as relevant now as it was three years ago. And the debate about the causes of the financial crisis in the private sector and the importance of responsibility in the use of public money has highlighted that good governance is vital in encouraging public confidence in the way in which bodies such as the Council are run.
- 4.2 If our experiences from the past few years have suggested that joint working has perhaps more limited potential to deliver significant efficiency savings than we might have hoped, they have also confirmed nevertheless the importance of working with other organisations both within Gedling and across the conurbation and the County to secure the needs and interests of Gedling and its residents.
- 4.3 Gedling's place in the County and as part of the Nottingham conurbation means that it will be important that we work effectively at a conurbation and County level in order to do what we can to influence decisions on economic, housing and development issues that will have a great bearing on the future health and prosperity of the Borough. Similarly, the Area Based Initiatives, our work in Newstead and other relatively deprived communities, our attempts to have the problems of unemployment in Killisick addressed effectively and our ambitions for the redevelopment of the north end of Arnold town centre all demonstrate how much more can be achieved if numbers of organisations plan, work and commit resources together.

5. Conclusion

- 5.1 The overall conclusion which I would invite the Council to draw from this, therefore, is that the past three years have confirmed that the Vision remains a sound basis for the future operational strategy for the Council, but that we should take the opportunity to refine it slightly in the light of events and our experiences.

6. Draft Revised Vision and Values

- 6.1 Attached, accordingly, for Members' consideration at Appendix 1 is a slightly amended version of the Vision which Members are recommended to confirm as the future operational model for the Council. Whilst much of the substance of the original vision remains in place, Senior Management Team have taken the opportunity to simplify and shorten it, re-ordering it and removing some elements which were useful in framing the restructuring of the Council, but which are not necessary now.
- 6.2 We have also taken the opportunity to emphasise and make more explicit the significance of the Council's motto "Omnibus Optimum" and the Council's mission of a Borough which is "healthy, green, safe and clean". Our work with staff in recent years has shown how important these are in helping them to understand what the Council is trying to achieve, their own role in delivering this and what is expected of them. The revised set of values which is attached as part of the vision takes this forward and will become, in effect, a code of conduct for staff with regard to the way in which they approach their jobs.
- 6.3 If this revised Vision is adopted, then the Senior Management Team will base future development activity, including future systems development work following the completion of the GTP, on it.
- 6.4 Attached further at Appendix 2 is a paper which brings together and analyses our experiences from the various shared services, joint procurement ventures the Council has been involved in over the past few years. This paper seeks to draw some conclusions from those experiences so as to offer a practical guide for the Council in considering any future such initiatives.

7. Consultation

- 7.1 The revised Vision and its associated documents have been the subject of discussion with various groupings of staff throughout the Council and with the Trade Unions. Copies were also submitted to Group Leaders for comment in October 2009. There has been widespread support for the documents and comments received have been reflected in them.

8. Recommendation

- 8.1 Members are asked to recommend that the Council formally adopt the Vision and associated documents.