
Executive

25th July 2006

Report of the Chief Executive

Organisational Effectiveness Programme

Summary

1. This report contains details of a proposed 3 year Organisation Effectiveness Programme (OEP). This programme will be key to delivering the four “enabling” priorities contained in the recently approved Corporate Strategy. It will also help ensure achievement of minimum scores in the CPA Corporate and Use of Resources assessments due to take place in the late 2007. Achievement of a Corporate Assessment score of 2, and a Use of Resources score of 3, is key to the Council maintaining an overall 3 star CPA rating.
2. The delivery of the programme will improve the Council’s organisational culture and effectiveness leading in turn to improved and higher quality services for the people of York.
3. This programme effectively forms the improvement agenda for the organisation and has the support of the Corporate Management Team and Corporate Leadership Group. Key to successfully delivering the programme is the alignment of resources within the Chief Executives department. This is covered in the Chief Executive’s restructure report which is at final draft stage and due to be considered by an Urgency Committee in August.

Background

4. A number of key drivers require the Council to improve its organisational effectiveness. These include external drivers such as CPA, the peer review and various audit inspections; and internal drivers such as the need to improve the way the Council itself works in order to deliver more effective, higher quality services. Linked to the latter, the Leader and Chief Executive have long recognised that in order to deliver significant organisational improvement, there is a need to change the culture within the Council.
5. The Organisational Effectiveness Programme (OEP) included as Annex A to this report responds to these drivers. It combines a range of actions which are required to:
 - deliver the four enabling priorities (CYC leadership, city leadership, customer focus and efficiency):

- respond to CPA2 Key Lines of Enquiry (relating to the Corporate and Use of Resources assessments);
 - meet a number of other key organisational challenges, such as the administrative accommodation review and job evaluation.
6. These actions, taken together, will, over the next 3 years, improve the Council's organisational effectiveness and organisational culture.
 7. In order that the OEP delivers results, the Chief Executive has prioritised his own involvement in leading the programme overall – supported by Chief Officer champions for each of the four enabling priorities (i.e. Director of Housing and Adult - champion for Internal Leadership; Director of City Strategy – champion for City Leadership; Director of Resources – champion for Efficiency; Assistant Director (Public Services) – champion for Customer Focus).
 8. The Chief Executive has also made sure that the changes to the structure of the Chief Executives Department complement and aligns to the successful delivery of the OEP/improvement agenda. As part of the performance management arrangements for the programme, the Chief Executive intends to bring regular progress reports to the Executive on the OEP. The Chief Executive also sees the involvement in the programme of the Leader and Executive members as important to its success.

Consultation

9. At the heart of the OEP are the four “enabling” priorities which have been developed over the past few months. These have been developed jointly by all chief officers with input from the Leader and Executive and as such have a high degree of ownership and buy-in. This ownership will be key to ensuring that the OEP succeeds in improving our organisational effectiveness and culture.

Options

10. Members of the Executive have previously approved the four enabling priorities which sit at the heart of the OEP. The OEP includes other organisational development actions, which taken together, will deliver tangible improvement to our organisational effectiveness and organisational culture over the next 3 years.
11. The option not to include all the actions outlined in the OEP (beyond those approved already in relation to the four enabling priorities) exists. However there are likely to be significant negative consequences (such as lower CPA ratings, reduction in service quality, severe financial difficulties) of not undertaking the OEP.

Corporate Priorities

12. The OEP is the delivery mechanism for four of the Council's thirteen priorities so will make a significant contribution to the overall delivery of the Corporate Strategy over the next 3 years.

Implications

13. Delivery of the OEP is likely to have significant implications on the way that the Council works and is organised in the future. These changes are expected to have positive benefits in terms of staff, customers and other stakeholders in the city.
14. The full range of benefits/implications of the OEP will be defined by the Chief Executive in conjunction with the four Organisational Effectiveness champions, and reported to the Executive as part of the first progress update. This is likely to be in October 2006. In the meantime, the specific implications of the OEP at this time have been included in the following paragraphs.
15. **Financial** - There are no additional financial implications arising directly from this report but many of the actions within the OEP (in particular those which related the Use of Resources CPA assessment) have implications on the Council's key financial accounting, budgeting and governance arrangements and procedures. These will be developed/reported as appropriate.
16. **Human Resources** - There are significant HR implications arising from the OEP as there will need to be considerable changes in the way the Council manages and organises its human resources in order to achieve improvements to the Council's organisational effectiveness. These will include the reprioritisation of resources and the realignment of the HR Strategy in order to support the OEP. The specific implications of each of the priorities will be identified in turn and considered at the appropriate time.
17. **Equalities** – The delivery of key parts of the OEP and the Council's 3 year Equality Strategy are closely linked – in particular in relation to the priorities relating to CYC leadership and customer focus. The current review of the Equality Strategy (due to be reported to the Executive in the next few months) has reflected these links – as has the action plan attached at Annex A.
18. **Legal** - There are no specific implications arising from this report but there may be implications within each main element of the OEP. These will be identified on an individual basis and considered at the appropriate time.
19. **Crime and Disorder** - There are no specific implications arising from this report but there may be implications within each main element of the OEP. These will be identified on an individual basis and considered at the appropriate time.
20. **Information Technology** - A number of the key actions in the OEP (for example, the delivery of the easy@york programme) have the potential to realise significant benefits from the optimisation/use of technology. These will be developed/reported as appropriate. There will also be the need to consider how future IT development (agreed through the annual IT Development Plan process) can best support delivery of the OEP.
21. **Property** - There are no property implications arising directly from this report but there are key projects in the OEP (for example, the administrative accommodation review) which have the potential to realise significant organisation benefits – both financial and cultural. Again these will be developed/reported as appropriate.

Recommendations

22. Executive is asked to:

- a) Note and approve the contents of the proposed Organisational Effectiveness Programme - attached as Annex A.
- b) Note the intention of the Chief Executive to lead the programme and provide regular progress reports to the Executive, the first of which is likely to be presented in October 2006.
- c) Consider how the Executive might most effectively support and have involvement in delivery of the OEP.

Reason: In order that the OEP can be delivered successfully and bring about improvements to the Council's organisational effectiveness and organisational culture

Contact Details

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Report Approved **Date** 10th July 2006
David Atkinson, Chief Executive

Wards Affected: *List wards or tick box to indicate all*

All

Annex A Organisational Effectiveness Programme Actions