

Nottingham City Council

Overview and Scrutiny Committee

Minutes of the meeting held in the Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on Wednesday 9 February 2022 from 2:00pm to 3:27pm

Membership

Present

Councillor Anne Peach (Chair)
Councillor Patience Uloma Ifediora
Councillor Corall Jenkins
Councillor Gul Nawaz Khan
Councillor Jane Lakey
Councillor Sajid Mohammed (items 58-59)
Councillor Angharad Roberts
Councillor Andrew Rule
Councillor Audra Wynter

Absent

Councillor Carole McCulloch
Councillor Toby Neal
Councillor Georgia Power

Colleagues, partners and others in attendance

Beth Brown - Head of Legal and Governance
Titu Hayre-Bennett - Head of Transformation
Richard Henderson - Director of Human Resources and Equality, Diversity and Inclusion
Adrian Mann - Governance Officer
Councillor David Mellen - Leader of the Council
Councillor Sam Webster - Portfolio Holder for Finance and Resources
Laura Wilson - Senior Governance Officer

54 Apologies for Absence

Councillor Carole McCulloch - personal reasons
Councillor Georgia Power - Council business

55 Declarations of Interests

None.

56 Minutes

The Committee confirmed the minutes of the meeting held on 5 January 2022 as a correct record and they were signed by the Chair.

57 Together for Nottingham Plan - Progress Update by the Leader

Councillor David Mellen, Leader of the Council, provided an update on the progress made towards the priorities set out in the Together for Nottingham Plan (TNP). The following points were discussed:

- (a) there are eight themes for improvement identified in the TNP. The implementation of the new Council Plan is being monitored closely, and an update on the progress made will be provided to the March meeting of the Committee. Improvements to organisational culture continue to be developed and a great deal of work has been carried out to implement a better performance management process for staff, so that individual targets link directly to the priorities as set out in the Council Plan. The new Council Constitution is in place, and further training is planned for councillors and officers;
- (b) the Council's levels of borrowing have reduced significantly due to the adoption of a borrowing cap, so new capital projects are being funded through grants and capital receipts. Asset rationalisations to generate the needed receipts are progressing well, including both small and very high value sales, with measures in place to ensure that all commercial disposals achieve the best value possible. Work continues to make sure that Council-owned companies are being managed effectively;
- (c) individual Service Plans are being produced, so that there is effective service design and delivery within the resources available. Currently, the Service Plans are being fully costed, and this will be reflected within the overall budget. The recent budget consultation process received around 700 responses, with 17 direct engagement events carried out with various groups of people representing a broad range of ages. A significant number of the responses focused on the future of children's centres and youth provision, as this represents a major concern for citizens. All of the responses are being considered fully and the budget proposals are being reviewed to explore what viable changes can be made as a result of the consultation process;
- (d) a full response to the latest formal quarterly report of the Improvement and Assurance Board (IAB) has not yet been received from the Government, but the IAB is keen to move forward with the delivery of the TNP, particularly in the context of establishing an achievable four-year budget plan, with clear business cases in place for the delivery of the full programme of transformation within the period. The IAB has been positive about the budget consultation carried out, and the progress to date of the asset rationalisation process;
- (e) Finance officers are working extremely hard to ensure that the IAB is provided with everything that it requires to carry out a full assurance process. The IAB has met once already in February, ahead of the publication of the Council's proposed Medium Term Financial Plan, and will do so again at the end of the month. Ultimately, the Council is making progress in all of its improvement areas, but there is a great deal of work still to do over the next three years.

The Committee noted the update, and that a further update will be brought to its next meeting, in March.

58 Culture Change at Nottingham City Council

Councillor Sam Webster, Portfolio Holder for Finance and Resources; Richard Henderson, Director of Human Resources and Equality, Diversity and Inclusion; and

Titu Hayre-Bennett, Head of Transformation, presented a report on the work undertaken to date in relation to Theme 6 of the Together for Nottingham Plan, and how this is driving culture change at the Council. The following points were discussed:

- (a) a mapping process has been carried out to help understand the current organisational culture, to inform how the positive aspects can be built upon and any negative aspects mitigated against. The Council has a predominantly 'networked' and 'communal' culture, where staff have a strong commitment to public service. However, this can produce too much of a focus on maintaining relationships at the expense of driving objective performance in some cases, and there can be a lack of constructive challenge as part of the process of planning and delivery. It is important that a strong behavioural culture is in place to help drive change, established through clear frameworks for performance and individual development;
- (b) it should be noted that, just because work is required to drive culture change, this does not mean that the organisational culture at the Council is or was predominantly negative. Most of the Council's service delivery and other activity is carried out well by officers working in difficult circumstances. However, there is scope for more improvements to be made. There is low morale in the public sector currently due to the challenging nature of the environment over a number of years. As such, it is important to build on what is good in the current culture, and to invest further in people and improve confidence;
- (c) ultimately, an organisation needs an empowering culture to assist processes of structural change. A top-tier officer restructure is planned and a new leadership framework has been put in place for a simplified model of leadership at the strategic, Service and individual levels, with two-way communication between each. Leadership at the strategic level sets the Council's vision and priorities, while service delivery is driven at the Service level. The number of tiers required for an effective management system is being explored, to create the right structure for effective service delivery, in alignment with the requirements of the Council Plan;
- (d) the current focus is on developing managers and a Leading and Managing Together programme is in place for completion by October, to ensure that managers have the time and capacity to do development work while also carrying out their regular duties. There is a well-established process for how managers are managed, from the top down, with very clear objective setting. However, individually, all staff should be empowered in making the decisions that they need to at their level of responsibility;
- (e) the new 'Performing Well' approach to individual performance review focuses on how staff should be set targets that link clearly to the objectives of the Service and Council Plans, to show how those plans are being delivered. This will also assist in identifying the right development needs, and this should form the basis of regular conversations between managers and staff – rather than focussing on performance management as a purely a periodic, process-driven exercise. However, measures have also been developed to enable managers to engage

with and address under-performance effectively, with the right support structures in place from the organisation as a whole;

- (f) ultimately, the Chief Executive has the responsibility for ensuring that culture change is delivered, working alongside senior officers and executive councillors. The performance management process is reported on at a strategic level on a quarterly basis, to provide assurance that progress is being made towards the delivery of the Council Plan and the Council's statutory duties. A quantitative update on progress is also provided to the Improvement and Assurance Board (IAB) on a quarterly basis, and performance and risk management processes in place and are reported on. The IAB has been positive about progress, and considers that there should be a strong focus on developing the workforce. The IAB needs to be assured that the underpinning structures to achieve culture change are in place and that this is done 'at pace', but it acknowledges that broad culture change itself will take time to achieve;
- (g) a Transformational Leadership Programme is in place, along with an Accelerated Development Programme to ensure that members of staff with protected characteristics have access to the skills that they need to progress, and grow representation at all levels of the organisation. There is a fundamental expectation for managers to implement inclusion effectively, and to address any entrenched inequalities in the workforce. The Change Academy scheme is intended to support the transformation process. Officer development schemes will be introduced, with an all-employee development programme launching in March, and further development needs for councillors are being explored;
- (h) the Council is seeking to simplify its structure and improve decision-making, with new standards being established for personal responsibility and accountability. Work has been carried out with the Local Government Association on embedding the new Constitution effectively, to be completed in March, and e-learning modules are in place, alongside applied training sessions;
- (i) there is a close focus on cross-cutting transformation activity across the Council, intended to improve service delivery to be as efficient and as possible and lead to real change. The culture change process is progressing well, but the primary challenge is in supporting staff to understand and embed behaviour change, and to embrace the delivery of services in new ways. A key messaging system is in place for all staff, and is also delivered through engagement groups and team meetings. There is a particular focus on frontline teams, as how they understand and apply culture change is vital, with sense-checking measures in place. Providing services differently has led to a need for some restructuring work, and every effort has been made to ensure that required voluntary redundancy processes were carried out as sensitively as possible;
- (j) a great deal of work remains to be done, and organisational culture shift requires time to implement effectively. There is a four-year planning period in place for service transformation, so it is clear what changes are upcoming, and the right capacity is in place. The direct costs of the work to deliver culture change are relatively low and have provided good value for money, with much of the development training to be provided in-house. Citizens should experience the real

benefit of culture change as services become more efficient and effective, through delivery by an engaged and productive workforce;

- (k) the progress of culture changes will be tested by both qualitative and quantitative measures, including staff opinion surveys and further culture mapping. The expected behaviours and the need for an environment of positive challenge has been set out clearly. Detailed work will be required to ensure a full of understanding of how and where there new measures are working effectively;
- (l) the Committee considered that it will be vital to review what the outcomes and impacts of the new performance management system are, and that an assessment should be made and reported to the Committee after the first year of its operation.

The Committee noted the report, and requested that the outcomes and impacts of the new performance management system are reported to the Committee after the first year of its operation.

59 Work Programme

Laura Wilson, Senior Governance Officer, presented the Committee's work programme for the 2021/22 municipal year. The following points were discussed:

- (a) the Committee noted that an update on the progress made on the implementation of the new Council Plan will be provided to its March meeting. It requested that an item is scheduled to receive a report on the outcomes and impacts of the new performance management system, after the first year of its operation;
- (b) an informal session will be held for the Committee to discuss the development of the work programme for the 2022/23 municipal year, with an aim to maintain the focus on recovery and improvement.

The Committee noted the work programme.