

## Report for Overview and Scrutiny Committee – 9 February 2022

### Delivering Culture Change – Recovering & Improvement (Theme 6)

#### 1. Purpose:

- 1.1. This report details the work undertaken to date in relation to theme 6 of our Recovery and Improvement Plan, '*Together for Nottingham*' and how this is driving culture change at Nottingham City Council.

#### 2. Theme 6 Objectives:

2.1 The Key Objectives for Theme 6 listed in the Together for Nottingham Plan are:

- Establish a clear set of organisational objectives and the mechanisms to hold the Chief Executive to account, and through the Chief Executive to hold senior officers to account for their delivery.
- Ensuring that these objectives can be embedded within the activities of the organisation as a whole through clear and effective lines of accountability.
- Provide officers with clarity of focus and easily understood remits which deliver for the citizens of Nottingham.
- Create a sharper focus on performance for everyone in the Council and set clear expectations for colleagues.
- Celebrate and build on the local knowledge and passion of councillors in advocating for their communities as part of a culture that champions Nottingham and its people.
- Set a new standard for personal responsibility and behaviour, and recast the cultural norms of the whole organisation including greater clarity on councillor and officer roles and responsibilities.

2.2 The Key Deliverables to help drive cultural change include:

- Top tier officer restructure.
- CEX performance appraisal procedure.
- New approach to Individual Performance Reviews
- Officer Development Programme and specific Accelerated Development Programme.
- Recruitment of a diverse group of 'Change Accelerators' and a collaborative programme with Nottingham Trent University.
- Councillor Development Programme.

### 3. **Background:**

- 3.1 The Report in the Public Interest (PIR) into the City Council's governance of Robin Hood Energy was published on the 11<sup>th</sup> of August 2020 and revealed significant failures in the Council's governance of RHE, including a need to improve the council's strategic financial management, overall corporate governance and organisational culture.
- 3.2 An agreement with the then Ministry for Housing Communities and Local Government (MHCLG) was subsequently reached in October 2020 for a rapid Non-Statutory Review (NSR) to be undertaken, and this was led by Max Caller CBE. The NSR highlighted serious and significant areas of concern for the Council, and elected members and senior officers were clear that the Council could not continue as it had in the past, fully accepting the recommendations in the NSR.
- 3.3 The Council's Recovery and Improvement Plan was NCC's response to these findings and was put together at pace to demonstrate the organisation's commitment to change and to reassure MHCLG, now Department for Levelling Up, Housing and Communities (DLUHC) that the identified issues would be addressed.
- 3.4 Theme 6 of the Council's Recovery and Improvement Plan, recently re-branded as '*Together for Nottingham*', covers the need for culture change. It sets out the desire to '*assess and reset the cultural norms and expectations in Nottingham*'. A critical component to achieving this aim is the design and delivery of a 'comprehensive workforce development and cultural change programme'.
- 3.5 The aim of this programme is to deliver positive lasting cultural and behavioural change in the organisation, taking full account of the Council's absolute commitment to equality, diversity and inclusion, and to remedy the long standing cultural issues identified by the PIR and the NSR of the council.
- 3.6 Delivery of any change programme will succeed only where the culture of the organisation supports it. The plan includes a number of organisational, structural and developmental objectives that aim to create the conditions in which a positive culture can thrive, however, cultural change is ultimately about the choices and behaviours of individuals.
- 3.7 For the Recovery and Improvement Plan to be successful, we recognise that the wider culture at Nottingham City Council needs to change and that behaviour change underpins any successful transformation. While a new constitution can be written and adopted, plans can be created, process automated and systems put in place, the people at the heart of those changes will determine if real change is embedded and sustained.
- 3.8 Progress towards all theme 6 objectives has been made and several of the key deliverables have either been delivered or are in progress. However, it is accepted that cultural change takes time and there is still lots to do which will take activity relating to theme 6 well into 2023.

#### 4. **Progress to date:**

##### **Mapping the existing organisational culture.**

- 4.1 Before any work to shift and improve the organisational culture could take place, it was appropriate to clearly identify what the existing culture was. It is important to note that there is no right or wrong organisational culture, but that negative elements can sometimes outweigh the positives and a balance is required.
- 4.2 Between January and March 2021 an extensive culture mapping exercise took place. This involved the use of an existing valid and reliable questionnaire which was used with senior leadership and then the wider workforce, plus a series of focus groups with colleagues from across the organisation at various levels.
- 4.3 The mapping identified that NCC, based on the Goffee and Jones model (see culture mapping findings), has a communal / networked culture with many positives to harness, but with some negatives to mitigate against. It also identified different perceptions of our culture, how things get done, between senior leaders and the wider workforce.
- 4.4 While a communal culture can mean our workforce is very values driven, putting citizens at the heart of what we do came over strongly, it can also mean that colleagues become 'believers' and do not question how things are done, or that 'belief' is confused with performance. While a networked culture means colleagues care for each other and like each other, it can also result in a lack of challenge, the creation of cliques and of talk without action.

*The full culture mapping findings are attached – Appendix 1*

##### **Top tier officer restructure.**

- 4.5 By 1 April 2021 a new top tier officer structure was consulted upon and in place. The council retained four departments, renamed Directorates as follows:
  - Finance and Resources
  - Growth and City Development
  - People's Services
  - Resident Services
- 4.6 Recruitment to vacant Corporate Director posts took place and by September 2021 all four new positions were filled and a new CLT structure/team is now in place.
- 4.7 It was always proposed that more reorganisation would follow within each Directorate and be led by the relevant Corporate Director. In order to aid this process and ensure that the correct structures are put in a place, a wide ranging piece of work with the Local Government Association (LGA) is ongoing.
- 4.8 The work uses the Decision Making Accountability (DMA) method and involves in depth consultation with the workforce to identify what works well and what does not.

A total of 14 divisional areas out of 17 have been reviewed and a final report to bring together all the findings and make recommendations is due by end of February 2022.

### **CEX performance appraisal procedure.**

- 4.9 In order to lead by example and ensure that organisational and individual performance is well managed at NCC, the Chief Executive has ensured that he has a robust appraisal procedure in place that follows the standard process agreed by the National Joint Council for Chief Officers. This involves support from an external partner and regular dialogue about objectives and behaviours with the Leader of the council.
- 4.10 Objectives set for the CEX clearly align with the revised Strategic Council Plan and appropriate objectives have been cascaded down to Corporate Directors.

### **New approach to Individual Performance Reviews**

- 4.11 Individual Performance Reviews are a critical element in ensuring that all employees are working towards meaningful organisational objectives and top level goals. They are essential in setting out what an employee is expected to achieve (objectives) and how to achieve them (behaviours and competencies). The right support and development in order to achieve the objectives set should also be explored and offered as appropriate.
- 4.12 Individual objectives should link clearly into team plans, service plans and ultimately into the Strategic Council Plan and work has been undertaken to ensure the new approach aligns to the new Performance Management Framework. A revised approach to service planning has been put in place which ensures that this clear thread is created.
- 4.13 It was found through our culture mapping activity that performance appraisals were not undertaken consistently throughout the organisation or consistently well. Colleagues felt that their appraisals were tokenistic and a 'tick box' exercise. This supports the findings of the Non-Statutory Review of the council which highlighted weaknesses in the council's approach to performance management.
- 4.14 In order to improve the quantity and quality of Individual Performance Reviews (IPR), improve individual and ultimately organisational performance, a new approach has been designed which will be implemented 'top down' from the Chief Executive through the tiers of the organisation.
- 4.15 The new approach focuses on performance and development through good quality, regular conversations, with clear and agreed objectives. The approach sets out the need to 'check-in' every 4-6 weeks to monitor performance rather than waiting until mid-year or end of year conversations to do so. This means that issues, risks and under performance can be addressed with appropriate intervention at a much earlier stage.

- 4.16 The new approach has been rolled out to SLMG colleagues in the first instance and has been used throughout the 2021/22 cycle. It will be rolled out to all colleagues from 1 April 2022, and includes a set of new behavioural expectations under four themes:
- Leading People
  - Equality, Diversity and Inclusion
  - Collaboration
  - Change and Innovation

Support, guidance and a range of learning interventions have been designed to help embed the new approach and new behaviours. Sample testing with SLMG colleagues is currently underway to explore how it is working and if it is contributing towards behaviour change. In addition, the new Oracle system allows IPR objectives and conversations to be recorded accurately, so moving forward, reporting on IPR will be much easier and insightful.

#### **Officer Development Programme and specific Accelerated Development Programme.**

- 4.17 To harness the positive aspects of our culture, mitigate against the negatives and to drive change and improvement, an extensive development offer has been designed and is currently being delivered. This includes:
- **Leading and Managing Together programme.** For c.800 leader/managers across the organisation. It sets out a leaders responsibilities, what is expected of them and how they are expected to behave. The programme launched in November and should take up to 9 months to complete. It is designed to help embed other significant changes as part of our improvement such as our New Constitution.  
  
*The brochure for the programme is attached with this report – Appendix 2*
  - **Accelerated Development Programme.** A specific programme for colleagues from underrepresented groups and with protected characteristics. This programme will help address some of the negative elements of our culture with regard to equalities and help meet our EDI ambitions. It aims to increase representation at all levels in the Council through personal development.
- 4.18 Learning has been designed to help embed the new approach to IPR and our new behavioural expectations. Opportunities for colleague development will commence in the new financial year following the initial emphasis on leadership development.
- 4.19 There has been a particular focus on equality, diversity and inclusion when designing new behavioural expectations and the development programmes to embed change. This responds to issues raised in the NSR and our own inclusion ambitions. A review of our practices, policies and procedures is underway and will drive further improvements into 2022/23.

## **Recruitment of a diverse group of 'Change Accelerators' and a collaborative programme with Nottingham Trent University.**

4.20 In addition to our extensive in-house development offer, two further opportunities have been scoped and co-designed in order to positively impact culture change:

- **Change Academy.** In order to support organisational transformation, a change academy has been created and up to 20 'change agents' will initially be recruited to support the transformation programme. The Change Agents will be recruited based on attitude and behaviours and our transformation partners PwC will provide formal training in business analysis and project management. Once trained, the colleagues will be seconded over to the programme to support services deliver change. In addition, many colleagues expressed an interest in supporting change from within their existing posts/teams – acting as local change champions.
- **Transformational Leadership.** In partnership with Nottingham Trent University, a programme has been designed to recruit, support and train a number of colleagues become future 'transformational leaders.' It will explore system wide leadership and include participants from partner organisations.

4.21 With an increased focus on learning and development, change should follow and new ways of working should be embedded and sustained.

### **Councillor Development Programme.**

4.22 Development for Nottingham City Councillors has been increasing and improving since May 2019. There has been a steady increase in councillor development activity and engagement with learning. As part of the PIR and NSR this has increased further. A total of 129 development interventions were recorded in 2020/21.

4.23 Formal learning has been provided to our Company Directors through the Institute of Directors (IoD) and sessions with Executive Councillors have been facilitated/delivered on our New Constitution and the new Councillor-Officer Protocols. This includes a facilitated session by the LGA.

4.24 In 2021 a questionnaire to identify development needs was conducted with a 63% responses rate. Using the LGA Political Skills Framework, the 2021/22 development programme has been shaped around the needs identified by councillors themselves which should in turn increase take up.

## **5. Next Steps**

5.1 Additional resource and capacity has been approved to both accelerate the pace of change and ensure that change and learning is embedded into practice. Recruitment is in progress and resource expected to be in place within the next few weeks.

- 5.2 Development activity for both councillors and officers will now continue well into 2022/23. This will be evaluated by programme and by collective impact.
- 5.3 The adoption of the new approach to IPR will be monitored and measured with the first indications of how well it has landed by report in March/April 2023.
- 5.4 Recommendations from the DMA exercise will be made in February 2022 and decisions on future organisational design implemented in 2022/23.
- 5.5 In light of the councils new Transformation Programme, a single plan that links programme delivery, people and cultural change activity across NCC will be required. This plan will be developed between the Transformation Office and Culture Change work-streams as part of the refresh of the Recovery and Improvement Plan. This work is currently being scoped in terms of the resource required to do it and the timescale in which it can be done.
- 5.6 Further culture mapping and/or colleague feedback should be undertaken and gathered towards the end of 2022/23 in order to measure progress against the original objectives in the plan, but also against the original culture mapping findings.

## **Appendix**

1. *Culture Mapping Findings - April 2021*
2. *Leading and Managing Together Brochure November - 2021*
3. *Theme 6 Monthly Progress Report – December 2021*