



## **Transforming Derby**

### **SUMMARY**

- 1.1 Derby City Council is an excellent four star authority. We are proud of our track record of excellent service delivery and strong performance.
- 1.2 Over the next few years we face challenging agendas both internally and with partners at city-wide and regional level. In the next stage of our development as a top-performing Council, we will reorganise ourselves to deliver even better, more efficient services and improve the overall customer experience. To do this we will need to invest in our infrastructure and work together in new and different ways.
- 1.3 Transforming Derby is the programme we are introducing to replace Building on Excellence and manage a fundamental and wide-ranging transformation of the way we deliver services to our customers together with our partners across the city.
- 1.4 The integration of Human Resources and Payroll Services into one centralised service will be one of the first project within the Transforming Derby programme.
- 1.5 Subject to any issues raised at the meeting, I support the following recommendations.

### **RECOMMENDATIONS**

- 2.1 To approve the creation of the Transforming Derby programme as the mechanism to manage transformational change across the Council.
- 2.2 To note that Transforming Derby is only part of a wider transformation agenda for the whole city.
- 2.3 To agree that the four themes for the programme should be...
  - New Ways of Working
  - Working Together
  - Improving the Customer Experience
  - Infrastructure
- 2.4 To approve the structures outlined in paragraphs 5.1 – 5.2.
- 2.5 To note the arrangements for managing the programme as outlined in paragraph 5.4.

- 2.6 To approve the establishment of a project to integrate Human Resources and Payroll Services along the lines set out in paragraphs 2.7 to 2.11.
- 2.7 Agree that the new programme should be launched by 31 January 2008.



## **Transforming Derby**

### **SUPPORTING INFORMATION**

#### **1 BACKGROUND**

- 1.1 Derby City Council is an excellent 'four star' organisation. We are proud of our track record of excellent service delivery and strong performance but we realise that standing still is not an option. To continue to be a top performing Council, we must continually review our organisation and seek new ways of working.
- 1.2 Over the next few years, we face a challenging agenda as we work with our partners to deliver our ambitious vision for the city with limited resources.
- 1.3 Transforming Derby is the name of the proposed programme we are seeking approval to introduce to manage a fundamental and wide-ranging transformation of the way we work with partners to deliver services to our customers. The programme will have a significant impact on everybody who works for the organisation. Transforming Derby will replace the Building on Excellence programme.

#### **2 THE CASE FOR TRANSFORMATIONAL CHANGE**

- 2.1 Over the last ten years, Derby has made substantial improvements in service delivery for our customers. This has been evidenced by our excellent track record in Best Value, the success of the Building on Excellence programme, our Comprehensive Performance Assessment – CPA ratings and in our performance results.
- 2.2 Moving forward we have tremendous opportunities to develop services for the city with other public sector providers. To enable us to do this, we need to have a radical inward look at our infrastructure and organisational structures. Our Transforming Derby programme will do this.
- 2.3 A number of factors support the case for change...
  - The Local Government White Paper – 'Strong and Prosperous Communities' sets out the government's aims of improving the quality of public services turning reform into lasting transformation. The White Paper signalled a new stage of public sector reform. Its principal aims were to enable effective local services and to create better places, through new relationships and better governance.

- The replacement of the Comprehensive Performance Assessment – CPA – process with an area based assessment of how the Council and partners work together to deliver outcomes and improve the quality of life for people in the area. This is known as Comprehensive Area Assessment – CAA.
- Successful examples of collaboration and shared services remain as relatively isolated islands of innovation rather than the cultural norm.
- The phrase “I’m going to ‘phone the council” remains ingrained in the public consciousness, with even simple information requests often being handled by expensive specialists and re-enforced by low levels of public awareness about alternative means of receiving services and information. Derby Direct has been introduced to address this issue with significant improvements being delivered in services that have transferred into the contact centre. This needs to be extended.
- Recent MORI poll research for the LGA shows that citizen perceptions about value for money and efficiency has a significant impact on the reputation of local authorities. Although we have an excellent reputation for delivering value for money services where we are the lowest Council Tax authority in the East Midlands, we cannot afford to be complacent.
- From the recent consultant’s Report produced by Work Interiors, we know that there is a high degree of under-utilisation of space across the organisation. It is common that between the hours of 10am-4pm that over 50% of space is not utilised.
- The number of buildings we occupy means that there is little interaction between departments, reducing the opportunity for cross fertilisation of ideas or knowledge sharing. Services delivered from individual buildings have their own culture and ways of doing things.
- A high degree of floor space is being taken up by unnecessary paper filing and storage.
- No standardisation across all areas including IT, furniture, space standards, implementation of policy, procurement and work style. The lack of standardisation across the organisation is causing inflexibility and is costing the Council significant amounts of money.

2.4 There is a clear relationship between strong leadership and success in delivering benefits at the frontline of service delivery. The case for business improvement needs to be part of a coherent corporate transformation programme if we are to address the challenges facing us including improving services and outcomes, delivering efficiency and building capacity for longer-term service transformation.

2.5 Acknowledging the significant service and performance improvements already achieved in the city, it is the case that our customers either external or internal have a right to expect high quality services, shaped around their needs and delivered in ways that suit their life circumstances and offer value for money.

2.6 High quality public services in this context are...

- Right first time – with any problems put right quickly and without fuss.
- Easily accessed – with information provided only once, no matter where or how the customer chooses to contact us.
- Offer variety and choice to meet the needs and preferences of different users.
- Delivered seamlessly with providers working together to meet users' needs.
- Respond and adapt to changing circumstances and preferences.
- Provide value for money.

2.7 The first service we would like to review under the Transforming Derby programme is the option to integrate Human Resources and Payroll Services into one centralised service.

2.8 The Council currently devolves responsibility for operational management of human resources – HR – to departments. Responsibility for payroll input is devolved to three separate centres, one in CYP, one in Environmental Services and one, known as the transactional service centre, – TSC - covering the rest of the organisation.

2.9 Neighbouring authorities have shown that it is possible to achieve significant savings by integrating HR and payroll services into a single unit for the whole organisation while improving service quality.

2.10 Officers have considered the present arrangements for the delivery of HR and payroll services and feel that savings could be achieved and service quality could be improved by integration.

2.11 Accordingly, the recommendation is to establish a project with a brief to...

carry out a review of HR, Learning and Development and payroll services across the Council in order to effect integration and to achieve an improvement in service quality and cost savings.

### **3 TRANSFORMING DERBY**

3.1 Transforming Derby will develop a partnership approach to service transformation which places our service users and residents firmly at the heart of our plans to continually improve services, deliver efficiency savings and maintain Derby as an excellent four star Council.

3.2 Success will depend on a collective will to embrace change, re-engineer processes and rise to the challenge of difficult decisions and choices. Above all, success will depend on robust leadership at all levels to complete and embed transformation in the organisation.

3.3 Central to the transformation programme will be...

- our customers
- employees and elected members and partners
- the services we deliver.

## **Customers**

- 3.3.1 Our customers expectations will be at the heart of everything we deliver. We will improve access to services by streamlining them so it is easy for customers to get the service they expect at a price we can afford.
- 3.3.2 Access to services both in terms of type, location and time will reflect the changing demands and expectations of our customers. We will do our best to match our service delivery to their demand and fit in with them where possible rather than them sometimes having to fit in with us.
- 3.3.3 Through Neighbourhood Boards, our customers will play a much greater role in defining what services they need and want and how they will be delivered. Our neighbourhood structures and participative budgeting plans will provide residents with a powerful voice in expressing how services should work for them.

## **Employees and Elected Members and partners**

- 3.3.4 The transformation programme will mean that there will be substantial changes taking place for all employees and elected Members of the Council.
- 3.3.5 We need to ensure that the right people are in the right place at the right time to deliver services up to the standards expected by our customers. This means the people with the right skills and attitude to offer the best possible service to all our customers and partners. Our Workforce Development Plan will help us to achieve this. The Plan makes it explicitly clear that the Council wants to be an employer of choice that attracts and retains a diverse workforce which truly reflects the communities we serve. To achieve this, we need to develop strong leadership, encourage the movement of talent within public services and increase and share our skills and knowledge in key areas.
- 3.3.6 We will reduce bureaucracy and increase efficiency so all our policies, procedures and work practices are modern and streamlined.
- 3.3.7 We need to be effective and also consistent across the whole organisation. Administrative systems will be developed to work for the whole Council rather than just individual services. We will streamline our way of working to improve our services.

## **Services**

- 3.3.8 We aim to ensure that all our services continue to improve. This is a key outcome of this transformation programme. Value for money tests will be applied to all services to make sure we are delivering services that customers want and we are achieving quality at the right cost.
- 3.3.9 We will find out more about what our customers want and expect and set performance standards for each service we deliver. Services will be delivered by the organisation best placed to meet the needs of our customers. Our service delivery will be judged against the best that is available.

- 3.3.10 We will work closely with all our partners to improve our service delivery and not be precious about exploring best option models. We will share our skills, knowledge and experience as a provider in an extended public service network.
- 3.4 A key element of the programme must be the ability to deliver significant savings. This will either be used to offset budget pressures or to enable investment in other projects and services.
- 3.5 Shared services offer the opportunity for improved flexibility, value for money and partnership working. We will use the programme to explore the best ways of addressing and implementing this in Derby.
- 3.6 Transforming Derby is being structured to provide a mixture of short-term and long-term projects focussing on a range of 'themes'. The transformation themes are...
- **New Ways of Working** - accommodation, home working, mobile working plus divisional improvement projects, BPR.
  - **Working Together** - HR review, TSC, Design Review etc – i.e. shared services and cross-departmental BPR.
  - **Improving the Customer Experience** - area and neighbourhoods, Public Realm, Derby Direct.
  - **Infrastructure** - Buildings, IT, and telephony needed for the above.
- 3.7 Examples of the types of project which could be included within the programme under each of these themes are shown in Appendix 2.
- 3.8 We recognise however that the Transforming Derby programme is only part of a wider transformation agenda for the way public services are delivered across the whole city. The arrangements outlined in this report are designed to complement the wider transformation agenda at citywide, regional and national levels and encompass the 'shared services' agenda.

## 4 ENABLERS FOR CHANGE

- 4.1 To enable us to deliver this ambitious programme for change, the following will be key enablers...
- Accommodation.
  - Technology including ICT and Telephony.
  - Procurement.
- 4.2 Transforming our accommodation is a key element of the programme. By accommodation we do not just mean a property project as there are so many aspects of the way we work that will need to change at the same time as we radically improve the physical buildings in which we work.
- 4.3 Transforming Derby will not just be about introducing new ways of working, shared spaces, and common space standards. We will use the opportunity to encompass greater change, allowing more integration between our departments and support services, making economies of scale and allowing greater flexibility in the way we provide services.

- 4.4 Technology including ICT and telephony will be a key enabler to changing the way we work. This stream will be managed within the overall Transforming Derby programme to ensure that the programme can deliver on all aspects of the change agenda within the timescales set by the programme.
- 4.5 Property and IT are the enablers of change but the cultural change that will be required is about our employees, how we work, where we work, our work life balance and being given more freedom of choice within the constraints of the service. The Change Management Team will work with managers to help them deal with the change process.

## **5 HOW TRANSFORMING DERBY WILL BE DELIVERED**

- 5.1 A new Strategic Programme Board will be established with responsibility for the overall direction and management of the programme. The Board will be chaired by the Leader of the Council. It is proposed that the Cabinet Part 2 meeting should be used as this Board. The terms of reference for the Board are included at Appendix 3. The Board will ultimately be responsible for making sure that the programme delivers the objectives agreed by Cabinet.
- 5.2 Day to day management of the programme will be monitored by an Operational Programme Board chaired by the Chief Executive. Membership of this Board will consist of all Chief Officers.
- 5.3 Enabling boards will be established where needed covering areas such as procurement and efficiency, ICT, Telephony and accommodation.
- 5.4 Programme management will be provided by the Change Management and Performance Unit within the Resources Department which will act as the programme office. The programme office will be responsible for providing governance and support to projects/programmes of work to ensure consistency in project, programme and change management and compliance to corporate standards. The programme office will:
- provide a framework that focuses upon benefits and outcomes, whilst mitigating the risks to the achievement of projects
  - manage and prioritise the resources available
  - manage the interdependencies between projects and monitor and review project progress
  - manage programme communications
  - identify and resolve any challenges to project milestone completion and escalate to the Programme Board appropriate items for resolution.

## **6 TIMETABLE FOR IMPLEMENTATION**

- 6.1 It is proposed that subject to Cabinet approval, Transforming Derby should be launched by 31 January 2008.



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**Background papers:**

**List of appendices:**

Appendix 1 – Implications

Appendix 2 – Examples of projects by theme

Appendix 3 – Strategic Transformation Programme Board Terms of Reference

<b>IMPLICATIONS</b>
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**Financial**

- Existing Building on Excellence budgets will be used to provide additional resources for the programme. Business Cases will be developed for each project within the programme and where necessary 'Invest to Save' money may be required to enable some projects to be delivered.

The experience of neighbouring authorities suggests that we can make significant savings from integrating HR and payroll services.

**Legal**

- None directly arising from this report

**Personnel**

- A key element of the programme will be to deliver significant efficiency savings. Services will be redesigned and in some cases the decision may be taken to stop delivering a service altogether. As a result many of the projects operating within the programme will have an impact on the way people work and in some cases the number of people providing the service. In all cases, the Council's existing procedures will be followed and full consultation will take place with the Trade Unions.

Savings from HR and payroll services will entail a reduction in the number of posts. Every effort will be made to achieve reductions through turnover and to retain all those of the current staff that wish to remain with us through redeployment into suitable alternative employment within the Council.

**Equalities impact**

- Equalities will be a key element of the transformation programme and where necessary Equality Impact Assessments will be completed.

Equalities is one of the services provided by the current HR service. Care will need to be taken as the project proceeds to ensure that the quality of the current service is maintained.

**Corporate priorities**

- The programme is a key element of delivering the Council's priorities.

The proposal to integrate HR and Payroll Services comes under the Council's objective of improving value for money.

## Examples of projects by theme...

New Ways of Working	Working Together	Improving the customer experience	Infrastructure
Accommodation – Council House Pilot	Transactional Service Centre	Derby Direct	Document Management
Homeworking	HR Review	Public Realm	Geographic Information System
Flexible Working	Strategic review of business support		Knowledge management
Mobile working	Corporate design review		Printing review
Community leadership and place shaping – the neighbourhood agenda	Review of systems support		Climate Change
<b>Departmental Initiatives e.g.</b>			Wireless Derby
Revenues review (Resources)			21 <sup>st</sup> Century telephony
BSF (CYP)			IT
Trade Waste review (ES)			
xxxx (R&C)			
xxxx (C&AS)			

**Strategic Transformation Programme Board – Terms of Reference**

1. To be accountable for the overall delivery of the objectives of the Transforming Derby programme.
2. To oversee and provide strategic direction for the Transforming Derby programme.
3. To ensure that the work of Transforming Derby is co-ordinated with the aims and objectives of the city and regional partnerships that the Council belongs to.
4. To approve / authorise the programme of projects proposed by the Programme Director supported by the Operational Board