

Cabinet

December 2016

Transformation Programme



Report of Lorraine O'Donnell, Director of Transformation and Partnerships
Councillor Simon Henig, Leader of the Council

Purpose of the Report

- 1 The purpose of the report is to inform Cabinet of progress to date of the Council's Transformation Programme.

Background

- 2 Durham County Council has been on a continual programme of change since its inception as a Unitary Council in 2009.
- 3 During this period the Council has performed to a very high standard, having established itself as a single organisation, developed clarity of purpose, embedded community engagement, developed innovative projects and maintained high standards of service provision in many areas.
- 4 This has been achieved whilst simultaneously dealing with daunting budget reductions, introducing new models of service delivery and operating within a changing external environment.
- 5 The Council has reduced its revenue budget by over £180m pa since the start of austerity in May 2010, and faces annual reductions of a further £60m over the next three financial years. The Council has reduced its workforce by over 2000 FTE posts with further reductions planned. Savings to date have been made on time and in budget, the Council maintains a positive relationship with the majority of its workforce and the Trade Unions.
- 6 However, in recognition of the further significant financial challenges ahead and recognition of further fundamental change, the Chief Executive restructured the Corporate Management Team, which included the provision of a new Transformation and Partnership Service.
- 7 The Transformation and Partnership service will ensure that the Council delivers the remainder of its budget savings and becomes a leaner organisation, characterised by modern business practices, sustainable service delivery, excellence in customer service and a skilled and

motivated workforce. The Transformation Programme is a corporate initiative owned by Cabinet and CMT to respond in a positive and proactive way to the challenges and opportunities of the next five years.

The Transformation Programme

- 8 The Transformation Programme is an evolving programme over the next 3-5 years. Currently the programme comprises a number of existing projects along with a series of new projects, which are currently under development. Together these projects form a comprehensive change programme for the Council.
- 9 The programme has a set of core outcomes to be delivered. Over the next 3-5 years the Council will:
 - Redesign our services to better meet customers' needs at reduced cost to the Council.
 - Help communities become more self-reliant and resilient
 - Move our partnership working from good to great
 - Become renowned for our skilled and flexible workforce and our employee engagement.

Existing Projects

- 10 Within the Transformation Programme there are a number of existing projects, these are currently:
 - The Office Accommodation Programme which will support cultural change, modern ways of working, greater integration of staff and improved customer service.
 - The focus on the Medium Term Financial Plan to ensure that the Council remains on track to deliver its budget reductions, with a renewed look at potential savings to be made across the Council as a whole.
 - Council Senior Management Restructuring, to ensure that we are organising people and resources in the most productive way possible.
 - Engagement in the North East LEP and Combined Authority, taking a regional perspective to the Council's work, seeking to work across broader partnerships to secure investment.
 - The implementation of the Customer Relationship Management system and the programme of customer centric process reviews as part of the wider Customer First Strategy.
 - The improvement programme within Children's Services following the Ofsted report and the additional focus brought by the new director.
 - The continuing partnership with Health colleagues to ensure that we can maximise the benefits of health and social care integration for the benefit of County Durham residents.

New and Developing Projects

11 A number of new projects are in development as part of the Transformation Programme. These are:

- A programme of Cultural Change, Organisational Development and a review of the Human Resources service. Recognising that our staff are the most critical success factor for the Council, we need to ensure that we have engaged staff in a comprehensive cultural change programme to identify the behaviours and culture of the new organisation and that we have an agreed HR Strategy and a proactive approach to Organisational Development. This will help ensure that as an organisation we are equipped to meet the challenges of the future and remain customer focussed whilst giving our staff maximum opportunities for skills development, career enhancement and where necessary redeployment.
- The Transformation project has engaged PWC Consultants to work with the Council and undertake a diagnostic exercise to identify new ways in which the Council can move from being a good, stable organisation to one of the best in the Country. This will entail an examination of internal processes across the Council as well as series of more in depth investigations in the areas of Digital, Demand Management, Commercialisation/Traded Services, Third Party Spend and Estates. This work has been specifically designed to identify and learn from best practice across local government and other sectors so that we have the widest benchmarking and other intelligence available to help us design our transformation programme in the shortest period of time. The work with PWC will last approximately 3 months and will have initial findings along with outline business cases for change presented to the Transformation Board in the New Year. The Council will then analyse the business cases to determine a number of service reviews which it will undertake itself to make improvements relevant to Durham.
- A programme of Service Improvements which will examine new models of service delivery, including unitisation of business support type functions, and a clear examination of value for money to help deliver the budget savings that are required.
- A programme to examine enhanced Partnership Working at the local and regional level to ensure that we are maximising the potential for joint working and shared services with our partners and that together we can support our communities, enhance service delivery, and provide opportunities for staff development within a wider arena.

Programme Delivery

- 12 The Programme will report to a new Transformation Board, Chaired by the Leader of the Council. The Transformation Board consists of Cabinet Members and the Council's Corporate Management Team. The programme will be co-ordinated through a Steering group made up of senior officers leading on aspects of the programme. The Steering Group is chaired by the Director of Transformation.
- 13 The governance arrangements for the existing programmes will remain and will be supplemented by new arrangements for the new programmes.
- 14 The programme has been informed by a number of consultation events with staff including staff roadshows, Members seminars, meetings with the Trade Unions and focus groups. The programme will be enhanced through a comprehensive engagement process with staff and customers as it progresses.

Recommendations and reasons

- 15 Cabinet are recommended to note the contents of the report and endorse the approach taken to transform the Council over the medium term.
- 16 Cabinet are recommended to continue their engagement in the programme through the Transformation Board in order to provide governance for the programme and shape future high quality services.

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Appendix 1: Implications

Finance

The Transformation Programme will seek to support the further reductions of over £60m to annual budget through a series of reviews and a whole Council approach to business process. Staffing and programme costs have been met through a reconfiguration of existing resources.

Staffing

The Programme will be staffed from existing staffing resource. As the Council's budget is further reduced staff reductions are also anticipated.

Equality and Diversity

Equality impact assessments will be undertaken on projects within the Transformation Programme.

Accommodation

The Inspire, accommodation project is contained within the programme.

Crime and Disorder

No implications

Human Rights

No Implications

Consultation

Customer consultation and comprehensive staff engagement are fundamental elements of the Transformation Programme.

Disability Discrimination Act

No implications.

Legal Implications

No legal implications.