

Cabinet

13 June 2018

Transformation Programme Update



Report of Lorraine O'Donnell, Director of Transformation and Partnerships

Councillor Joy Allen, Cabinet Portfolio Holder for Transformation.

Purpose of the Report

- 1 The purpose of the report is to inform Cabinet of progress in the Council's Transformation Programme since the last Cabinet report in October 2017.
- 2 The report sets out how services are being transformed to better meet the needs of the people of County Durham, and to set out the main elements of the programme for the next three years.

Background

- 3 Cabinet received a report in October 2017 setting out the continued approach to the Council's Transformation Programme, documenting the objectives of the programme and the projects and programmes being initiated.
- 4 The report highlighted that Durham County Council has been on a continual programme of change since its inception as a Unitary Council in 2009 with notable success in forming the Council and providing good quality public services.
- 5 This has been achieved whilst simultaneously dealing with significant budget reductions escalating to over £224m pa, and reductions in staffing levels of over 2800 FTE posts.
- 6 The Council remains in a sound and stable financial position, however recognises that more fundamental change is required to enable the Council to continue to provide high quality services within the context of the further financial challenges which lie ahead.
- 7 It is recognised that to do this well the Council needs to transform the way in which it works to better serve the needs of the people of County Durham and will look and feel very different to the way it does today.

The Transformation Programme

- 8 The Council has adopted a very comprehensive Transformation Programme to achieve this change and develop the Council of the future. The vision is of a collaborative organisation with modern working practices able to provide the

very best services for the people of County Durham with the resources available.

- 9 The Transformation Programme has four key outcomes. These are to:
- a) Redesign our services to better meet customers' needs at reduced cost to the Council.
 - b) Help communities become more self-reliant and resilient
 - c) Move our partnership working from good to great
 - d) Become renowned for our skilled and flexible workforce and our employee engagement.
- 10 In order to deliver these outcomes the Transformation Programme has been developed as a co-ordinated and integrated series of initiatives, each transformative in their own right but with greater cumulative impact. Utilising the "Inspire" brand, the programme consists of three broad areas of interconnected activity to be able to provide the very best services for the people of County Durham. These are:
- Inspiring Change
 - redesigning our services and processes across the Council from the perspective of the people who use them
 - understanding the needs of our communities and localities, prioritising investment where it is needed most
 - adopting more commercial practices to support social outcomes
 - Inspiring People
 - promoting leadership, empowerment and innovation
 - investing in new skills and outcome focused behaviours
 - supporting flexible working through digital and mobile working
 - Inspiring Places
 - modernising and consolidating our premises
 - making our work spaces more cost effective and productive
 - supporting greater collaboration between teams and across public services
- 11 Each of the above areas of activity has a series of projects and programmes of activity currently being delivered across the Council as a whole and within individual service areas.
- 12 To enable the programme to succeed also requires a renewed focus on digital opportunities available to the Council with associated investment in new ICT systems and associated staff training.

Progress to Date

- 13 Since the report to Cabinet in October 2017 progress has been made in the following areas:

Inspiring Change

- a) A programme of service and process reviews has been launched to review council processes in a holistic way, looking across traditional service boundaries from the perspective of the service user. This programme of reviews is guided by a series of design principles and supported by training to embed Whole Council thinking into the organisation. A summary of the key principles are attached as Appendix 2:
- b) The first of these reviews are underway in both Children's Services and Adult Services in order to support the most vulnerable in our society and to get the most out of the replacement of the SSID IT system. The process reviews have utilised significant staff engagement, empowering staff to review existing processes and practice, simplify process on behalf of service users and remove any duplication. This work ensures that new leaner business processes can be implemented and the maximum benefit will be derived from the investment in the new SSID IT system, and will support additional efficiency savings. Other reviews are underway to support the introduction of the new Resource link system across the Council as well as business analysis to support the review of business support.
- c) Work has commenced on a Council wide review of the business support functions with the aim of consolidating and creating a single, more efficient, professional business support function for the Council as a whole. Baselining work is currently being undertaken with the intention to develop options for the new service over the summer. To ensure business continuity it is planned for the new business support service created through a series of realignments into a single service in the first instance with the transformation into a new service thereafter. It is planned for this process to be complete within the next two years to dovetail with the new HQ and strategic sites and the associated new ways of working.
- d) The Unitisation of Policy, Performance and Planning services within the Council was completed on 1 April 2018 as part of a corporate efficiency programme. Employees from a range of service areas across the council including, policy, performance management, partnership support, research and development, service planning, information management and service improvement have been recruited into the Transformation and Partnerships Service. Work has commenced to rationalise performance management systems and develop digital business intelligence processes to better inform service design across and resource priorities across the Council as a whole.
- e) Work continues to develop the Council's Customer Relationship Management System (CRM) to increase customer contact options with the Council, increasing the number of service requests available on line

and streamlining processes to get service requests straight to the frontline wherever possible. To date over 83,000 online customer accounts have been created.

- f) Work has progressed to consolidate and further develop the Council's commercial activity to give a greater focus on income generation through commercial means. Work streams have been developed to further examine the council's property portfolio, fees and charges, treasury management as well as a number of joint ventures and land and property deals.
- g) In addition to the cross Council transformation work, there are also a number of major in service transformation projects and programmes underway, each one representing a significant change to existing service delivery. In service programmes include:
- The integration of Adult Health and Social Care
 - The review of in house services in Adult Social Care
 - A review of Education Support services
 - A review of Library Services
 - A review of Leisure Provision
- h) Reports on each of these areas of work will be brought to Cabinet over the course of 2018.

Inspiring People

- i) To support the change programme, work has commenced to implement a Cultural Change programme within the Council. Work has been carried out with Transformation Board, EMT, strategic managers and staff to build on the values of People Focussed, Outcome Focussed, Innovation and Empowerment identified in 2017. A series of behaviours have been developed to be tested and embedded in the coming months through HR process as well as a series of cultural audits undertaken as part of the programme of new ways of working.
- j) A programme of "change advocates" has been launched with over 300 employees signed up to support the transformation programme in their place of work. A seminar was held on 25 April at the Glebe Centre, Murton, with four 30 minute taster workshops, looking at; Understanding Change; Digital Tools; Smarter Ways of Working and Business Process Reviews. Further seminars are planned throughout the year.
- k) A new Organisational Development strategy is being developed which includes a renewed focus on training and skills development across the Council including leadership and management, digital and commercial skills, equalities, and workforce planning; funded through the investment made into the apprentice levy by the Council.
- l) A programme of corporate training priorities for 2018/19 is being delivered and a complementary plan has been developed to launch the

new values and behaviours which will commence with leadership sessions in June and September 2018.

- m) A corporate approach to the council's apprenticeship programme is being established. A range of opportunities have been identified for both new apprentices and to upskill the existing workforce to maximise the use of the apprentice levy. A recruitment campaign for 31 new apprenticeship posts will commence w/c 14 May 2018 to coincide with the school year.
- n) A prioritised delivery programme for the new digital HR system, Resource link in development beginning in May 18 which will enable greater self-service for staff more streamlined processes with ten priority areas for development and associated process reviews. 16,500 employees now have E-Payslip compared to 6,000 in Oct 17.
- o) The Council is also taking part in the Local Government Association's National Graduate Development Programme with the four graduates starting with the Council in September 2017 beginning their second placements in March 2018.

Inspiring Places

- p) The refurbishment of the Crook strategic site is complete, and all staff have moved back into the building. Occupancy rates are higher than originally anticipated with 469 FTEs taking occupancy in March 2018. Of these 110 FTEs are new to Crook enabling further consolidation of the Council's premises and greater efficiencies as a result. This followed a significant amount of change management work with the teams going into the building to prepare staff for the new ways of working including team profiling, digital skills, new behaviours and mobile working.
- q) In January 2018 the Council's Cabinet took the decision to vacate the Council's HQ at Aykley Heads to free up prime development land and attract significant levels of private sector investment, creating an additional 6,000 high quality jobs on the site.
- r) The new HQ will be smaller located at the Sands area of Durham City, housing around 1,000 of the 1,850 staff currently located in County Hall. It will be built to the new design principles agreed for all the Council's strategic sites, aimed at increasing collaboration and providing a more flexible use of business and civic space. It will create a major milestone in our ambition to create modern productive places of work, supported by modern patterns of work with slim and digitised support services. A planning application for the new HQ is expected to be submitted in the summer 2018.
- s) Change management and team profiling work has begun with teams in the existing HQ and will soon begin in the remaining strategic sites ahead of the proposed moves. A significant amount of work is being carried out to engage with teams and employees, building on the successful experience of the move to the Crook offices. In the initial phase of profiling information is being gathered to ascertain space,

storage and workspace requirements for the new buildings to refine the organisational fit. A second phase of team profiling will then begin working with teams on a more in depth basis supporting people to change working practice and culture to support the digital and mobile ways of working which to be more productive. This work is part of long term programme of building modernisation, cultural change and increased productivity. This work is also influencing final design and organisational fit of the HQ and strategic sites.

- t) Following a positive programme of public consultation through the AAP network in the New Year, a stage one bid to the Heritage Lottery Fund has been submitted to fund the construction of a new Durham History Centre at the Mount Oswald site in Durham City Centre. The new centre will provide a prestigious venue for the County's archive and other collections of historic significance in a publically accessible venue. The venue will also be house the registrar service and will act as a prestigious venue for weddings and other ceremonies.

The Transformation Programme to 2020

- 14 The Transformation Programme being undertaken by the Council is a comprehensive programme of change to modernise the ways in which the Council operates, improve the ways in which people can access services and enable the Council to provide the very best services with the resources available.
- 15 The Programme will work in a systematic way over the next three years integrating projects into a single portfolio of programmes and projects to transform the way the Council operates and to support the resilience of service provision during continued austerity.
- 16 By 2020 the Council will have:
 - a) Completed a programme of modernisation of Council workplaces with greater use of mobile working, flexible space, and digitised more productive working practices
 - b) Digitised a full range of Council processes and unitised central support services to improve the productivity of Council staff, reduce costs and support front line service delivery
 - c) Improved the range of ways in which people can access Council services through digital and traditional means with associated reviews of Council processes from a customer service perspective.
 - d) Introduced a greater range of commercial services to create sustainable income streams for the Council
 - e) Invested in ICT, business intelligence, staff training and cultural change to manage change

- f) Made a number of individual service based transformations in education, adult health and care and the provision of placed based services.

Governance

- 17 Progress on the programme will be reported through the Transformation Board, Chaired by the Leader of the Council. The Transformation Board consists of Cabinet Members and the Council's Corporate Management Team.
- 18 Executive oversight of the programme is provided by the Council's Corporate Management Team supported by a series of officer steering groups with senior officer membership relevant to the various aspects of the programme.
- 19 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 further enhanced through a comprehensive engagement process with staff and customers as it progresses.

Recommendations and reasons

- 20 Cabinet are recommended to note the contents of the report and endorse the approach taken to transform the Council over the medium term.
- 21 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.

Background papers

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Appendix 1: Implications

Finance

The Transformation Programme will seek to support the further reductions of over £40m 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 the reorganisation of 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.

Summary Design Principles

- Services will be designed from the 'outside-in' as part of a whole system, to maximise positive impact, against evidence led social outcomes, based on evidence of demand and the current capability of the organisation and partners to deliver the service
- Groupings of staff will be organised to join up process from a customer perspective and where it can be done most efficiently and effectively, maximising staff competencies, innovation and digital technologies to support the efficiency of all services
- The capable resources identified above will be located and organised to deliver the optimum process.
- Activities that do not add value for the customers outcome and process complexity will be minimised by reducing the number of process steps, hand-offs, rules and controls; and by empowering staff to make decisions
- Staff will be empowered to make decisions and appropriately approve work in the flow
- Data from the Council and our partner's digital systems will be gathered in such a way as to be manipulated to improve business intelligence, customer insight and demand management. Data will only be entered once, transferable and re-usable across the organisation and its partner network
- Using a Business Intelligence tool, our collective data will give us insight into our customers to enable continuous improvement
- Technology will act as an enabler, rather than as a driver and will be designed to be flexible and agile, easily modified in response to changing business requirements
- Our driver for change is to achieve the best outcomes within current resources, if technology can enable this we should maximise it in such a way that it can be adaptable as customer needs change.