

Good Practice Case Study

DECATS: 'Transforms' Derby City Council with planned net savings of £19.2 million in three years ▼



East Midlands
Improvement and
Efficiency Partnership



DERBY CITY COUNCIL

Derby City Council employees signing up to volunteer as Change Champions

Transformational change: A whole-organisation approach to improve performance and generate savings ▼

Derby City Council will deliver an impressive £19.2 million in net savings over the next three years as part of their Delivering Efficient Corporate And Transactional Services (DECATS) project. Following a three-year implementation stage the project should then deliver a further £21.4 million per annum from 2014/2015.

Between April and August 2009 an ambitious twenty-week organisation-wide review of all services and processes took place to identify how best to become an even more robust, streamlined, efficient and customer-focused business. As a result, the Council is now beginning a three-year implementation stage to deliver all the identified efficiencies and benefits.

Key elements that have driven the project forward include; strong leadership, good communication (internally and externally) a clear

strategy and a good working relationship with the external consultants PricewaterhouseCoopers.

“The DECATS project has been the catalyst for change; helping us formulate the overarching vision for how the Council can deliver the ‘one Derby, one council’ transformation programme, which we believe will deliver a better future for our communities. The success of DECATS is undoubtedly due to fantastic drive from the Transformation team, great working partnerships and the support and involvement of staff across the organisation. This has resulted in the identification of much needed efficiencies and savings whilst maintaining and improving customer service levels.”

Adam Wilkinson
Chief Executive
Derby City Council

The drivers for holistic change ▾

Derby has a population of approximately 240,000 people, with the Council employing 12,000 employees (50% in schools). It has achieved 'Excellent' status and a four star rating for five years.

It was a combination of factors that led Derby City Council to take on the DECATS project:

1. Change was inevitable due to senior management changes: Derby City Council's then Chief Executive was the longest-serving in England; after 21 years he was retiring, alongside three of his Directors.

2. Budgetary pressures: £8-10 million needed to be saved due to the difficult economic climate.

3. A need to improve performance: The 2009 Place Survey revealed that Derby's residents wanted more from their Council.

4. The possibility of funding: Derby City Council was approached by the East Midlands Improvement and Efficiency Partnership (EM IEP), with potential funding of £85,000, plus a further £25,000 from Local Partnerships. This funding was then received to launch the project.

The DECATS project pilot had previously been carried out in Scotland using two different methodologies. It was found that the version carried out by PricewaterhouseCoopers (PwC) in Edinburgh delivered the most efficiencies and had then been rolled out across all authorities in Scotland. Derby City Council was just one of six authorities to run the pilot in England.

Taking a 'snapshot' of Derby City Council ▾

Traditionally, transformational change assesses the organisation vertically i.e. by each service in silos. DECATS does the opposite, analysing

horizontally and thus encouraging a 'whole-system' approach.



Some members of the Derby City Council Transformation Team

Assessing: ‘The Diagnostic’

A PwC team, based at the Council’s head office, recommended a ‘Transformation Journey’ consisting of five stages; Assess, Design, Construct, Implement & Operate and Review. The first stage, Assess, consisted of a 20-week ‘diagnostic’, defined as;

‘A scan of the Council to identify and prioritise a portfolio of improvement opportunities that can be taken forward as a transformation programme.’

This initial stage was resource-intensive, as it relied on managers across the services being heavily involved for research. Overseen by Gordon Stirling, Director of Policy, Performance and Communication, it covered the five Council Departments:

- Children & Young People
- Corporate & Adult Services
- Environmental Services
- Resources
- Regeneration and Community

Data gathering process

For a complete and meaningful picture to be built of current working practices, data had to be gathered from across the organisation with 100% response rate. Without this, the ‘jigsaw’ wouldn’t be complete. To ensure success at this stage, the following occurred:

Engagement with all Heads of Service: PwC met with all 97 Heads of Service, to explain the ambitions of the project and how they would need to help. Training was also provided, to ensure meaningful data would be collated.

In parallel, communication took place with teams council-wide, using newsletters and the staff magazine; this was relatively low-key, using careful language to minimise staff apprehension about ‘being assessed.’

Collating data: Heads of Service were asked to collate data, listing the time members of staff spent undertaking each of 36 processes (for example customer service, or managing contracts) over a three-

week period. PwC guaranteed that every single task carried out by members of staff could be allocated to one of the 36 process 'boxes'.

Despite the fact that some Heads of Service had questions about the process, there was still a 100% level of return within three days of the deadline, a phenomenal result.

Analysing the data: This data was used to tell a 'story' of all services across the Council:

- A total of 4,800 FTEs (Full Time Equivalents) were accounted for
 - It was determined that over 90% of Council resources are service - based, delivered by a total of 2,300 FTEs (48%). PwC confirmed this was consistent with other councils
 - Minimising duplication: The total number of computer systems that dealt with enquiry handling was 87, of which 43 were viewed as 'business critical' (needing to be up and running within four hours) when ideally there needs to be only one core IT system
- Gathering and analysing the data
- Looking at national leading practices, staff gave a score (out of five) as to where they thought Derby City Council was in comparison. This really gave staff the opportunity to express whether they thought services could be delivered differently

took eight weeks from start to finish. It was important to communicate the results to senior managers and Heads of Service, to get their buy-in and encourage involvement to use the data and bring about change. This included;

Workshops: Directors were shown the collated figures. Some, who were sceptical at the start, fed back that once they had seen the figures it opened their eyes to departmental processes and opportunities for improvement. These directors were then enlisted to encourage their teams to take part in 14 cross-departmental workshops run and facilitated by PwC experts, (for example in IT.) A total of 19 workshops were held over a four-week period with staff from all levels and departments of the Council attending.



Staff at all levels have been involved in DECATS workshops, putting forward ideas on how the Council should change

Building a 'Case for Change': PwC established 14 'themes' for change, and outlined a business case for each theme. PwC made clear that the themes were interlinked, with the success of each business case being dependent on the delivery of at least one other business case.

A key 'lesson learned' at this point was the need to entrust PwC to devise the business cases. This provided a level of objectivity that would not have been possible if Council staff had devised them, and meant all parts of the organisation could accept PwC's analysis. Clear project governance meant decisions could be made quickly, with PwC having one main point

of contact, a project board made up of representatives from each department, as well as ongoing support from Gordon Stirling, and the Transformation team. By knowing the organisation and its objectives in this way, there was confidence that PwC would devise the best business cases for Derby.

With its clear business cases for change, the DECATS assessment received the backing of the incoming Chief Executive, Adam Wilkinson, and from Members. The Council moved immediately into the second stage of the transformation journey, the Design stage, investing £500,000 to kick-start the process.

Continuing to work towards 'one Derby, one council' ▾

With PwC's proposals now set to become a reality, the new Chief Executive launched the Design stage to staff under the banner of a new transformation programme, 'one Derby, one council'. PwC's original transformation journey was devised as a five-year plan. However, Adam Wilkinson decided it should be done in three years for the sake of staff morale, so that any disruption would take place over a shorter timescale.

It was found that alongside financial savings in procurement (approximately £8 million per year cumulatively), there was the possibility of reducing staff numbers by the equivalent of 465 FTEs over three years. Clearly this is a sensitive

subject but one that, due to the carefully planned communications and overall strategy, was handled pragmatically. Derby City Council hope to minimise the impact by allocating this reduction primarily through retirements and people leaving to work elsewhere.

The Council began implementing changes in February 2010. These must be centred around the people they affect. Here are just a couple of the initiatives that are helping deliver this:

Corporate restructure

The previous five departments are being reduced to four, with a 'fifth' team working within the Chief

Executive's office. This has enabled a focus on delivering 'core' services, for example the Communications team will oversee communications for the whole Council, rather than be fragmented amongst individual services.

This continues to be a transitional phase with the restructuring of lower tiers still to come, which will be done using a 'bottom up' approach as recommended by DECATS.

Change Champions

This is a volunteer scheme for staff to look at themes such as performance management, communication or value for money to identify best practice and recommend what this should look like at Derby Council. This work is being fed into the overall transformation programme. An incredible 350 people applied for 170 Change Champions positions.

Volunteers, from every level of the Council, were broken down into 17

groups. Over three months they were asked to research best practice in other authorities and feedback their vision of how Derby should look in three years, offering their suggestions. For example Richard Bloore a refuse collector-driver, was passionate about communication and fed back his ideas regarding communications at a service level. As he says;

"There is always room for improvement, and we need to keep on improving if we're going to stay at the top. I'm finding it very informative; it's been an eye-opener about how other departments come together and communicate. I've learned more about how the Council works in the last few months than in the previous five years."

To harness the initial enthusiasm, the 180 employees who weren't chosen as Change Champions have been invited to join a consultation panel so that they can still be involved in the process.

Ingredients for successful transformational change ▾

Derby City Council believes that there are four key areas contributing to the success of DECATS, ensuring the highest efficiencies and levels of service are achieved in the next four stages of the transformation process;

Excellent communication

Both internal and external communications need to be the overriding priority when undertaking any change, particularly with this level of transformation, in order to

get people to 'buy in'. Appointing a full-time Communications Officer within the Transformation Team has reinforced this.

Derby City Council remained focused in their communications structure; liaising with staff, customers, the media, political members and external partners as early, and as often, as possible. It is even more pertinent at a time of economic unrest, when people are wary of

potential staff reduction plans. However, by being transparent and outlining exact plans for both the short-term and long term, staff were fully aware of the necessity to change. They were further empowered by being involved in workshops and Question & Answer sessions with the Chief Executive. Staff were invited to put questions to him in person, on a paper slip or via email, or through programmes such as Change Champions.

Strong leadership

Drive from the top undoubtedly assists with staff engagement throughout the Council. Having a Transformation team liaising with Heads of Services all helps to disseminate key messages throughout the workforce. This also helps build trust between different staff tiers, which then provides a great foundation upon which to receive input from the bottom up.

Recently a Head of Transformation has been appointed, responsible for directing, leading and managing the transformation, to further consolidate the 'one Derby, one council' message.

Great relationships

Building excellent relationships with PwC, Council Members and partners was imperative to support the programme. Planning approval routes in advance and

delivering scheduled objectives, as well as providing regular, open communications, created stability from the beginning of DECATS. These solid foundations undoubtedly helped the project to be a success.

As Gordon Stirling says:

"DECATS was always going to be a challenging project. However, the fantastic relationships that we have built with PwC, EM IEP and Local Partnerships, and the clear vision we have laid out for Members, staff and the community, has meant everyone is striving towards the same goals. We feel we have already achieved so much, but in fact we are just at the beginning of our journey!"

Focused project management

Having external support in the form of PwC was instrumental in providing an objective and clear plan.

The detailed strategy with specific timeframes greatly assisted in making decisions and pushing the project forward; 20 weeks is a relatively short time for a whole-organisation assessment, however the enforced 'deadline' kept the momentum going.

Also, by having a focused strategy it was possible to communicate to staff exactly what was happening and embed the changes more easily, reiterating the importance of communication.

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East Midlands Improvement and Efficiency Partnership Case Studies

The East Midlands Improvement & Efficiency Partnership (EM IEP) contributed £85,000 to the DECATS project which was used to launch the whole process.

The EM IEP Support Team publish case studies showing how East Midlands councils are improving services, and delivering significant improvements and efficiencies.

The case studies are intended to inspire councils in the region, and indeed nationally, to transform services and benefit from the processes developed by those councils that have pioneered the way forward.

For all the latest news, guidance, good practice case studies and video case studies visit our website:

www.eastmidlandsiep.gov.uk