



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**17 JUNE 2021**

**Report of the Managing Executive Director (Commissioning,  
Communities & Policy)**

**Enterprising Council Progress Update**

**Strategic Leadership, Culture, Tourism & Climate Change**

## **1. Purpose**

- 1.1 To provide an update on progress on the Enterprising Council Strategy and to seek approval on the next steps, including investment in the Programme Management Office and Modern Ways of Working programmes to provide resources to take forward the work.

## **2. Information and Analysis**

- 2.1 The role and shape of public services has changed dramatically over recent years. Reduced public sector funding and increasing demand for services driven by demographics and long standing social, health and economic pressures mean that the Council, like many other authorities across the country, continues to face significant challenges in providing within available resources the services that local people need and want.
- 2.2 During the last four years the Enterprising Council approach, has delivered significant improvements to the way in which the Council operates, in terms of its efficiency and effectiveness and, in the way in which the Council works with partners and communities. Going forward the impacts arising from COVID 19 will lead to further significant change to the way the Council operates and build on the work to strengthen

engagement and collaboration with communities and with partners both locally, regionally and nationally.

2.3 The Council Plan 2021 to 2025 outlines the Council's strategic approach which focuses on three key pillars of activity - Enterprising Council, Thriving Communities and Vision Derbyshire. This approach is fundamental in ensuring an adaptive and dynamic response to the increasingly complex issues facing the Council, partner agencies and local communities, such as the recent coronavirus pandemic and climate change.

#### 2.4 **Enterprising Council**

The Enterprising Council Strategy was approved at Cabinet on 31 January 2019 and since that time Cabinet has received a number of updates detailing progress. The most recent update was considered by Cabinet at its meeting on 10 September 2020 when approval was given to progress Phase 2 of the Enterprising Council Strategy, consisting of the following approach and priorities:

1. To accelerate the delivery of the three cross cutting projects – modern ways of working, demand management and workforce and leadership behaviours, initially focusing on modern ways of working to maximise opportunities and challenges presented by the current pandemic.
2. To take forward organisation, community and economic recovery and renewal through the development of the Council's strategy and roadmap by January 2021.
3. To develop a whole council approach to transformation through the development of a strategic case for transformation and creation of a centralised programme management office.

The following is an update on work that has been taking place since September 2020 and progress made on the delivery of the three priorities.

#### 1. **Cross Cutting Projects**

##### a. **Modern Ways of Working (MWOW)**

The MWOW workstream was established in September 2020 to focus on the implementation of a cross council approach to new ways of working, capitalising on the significant shift in working practices that have been seen since the emergence of Covid-19, including the rapid implementation and use of new technology across the Council, greater homeworking and more flexible and agile working practices.

In the Autumn of 2020, employees were invited to participate in a series of workshops which considered how the Council could benefit from the opportunities presented by smarter working models. Approximately 170 staff attended workshops which explored the advantages and the challenges of working differently in the future.

The long-term strategic vision for the future model will define the way in which the Council and its staff work. Work undertaken to date across the organisation and with staff involved in workshop activity has revealed that there is the potential to realise huge benefits for the organisation and the services it delivers to the public by enabling a more agile workforce and smarter working practices. Benefits include:

- The creation of a more flexible customer experience
- Enabling more collaborative working and breaking down silos, leading to reduced duplication and more joined up thinking
- A reduction in the Council's operational footprint and savings in organisational operating costs
- The release of inefficient assets, reducing the revenue burden
- Gains in capital receipts from the disposal of surplus assets, which can be used to invest in transformational change
- The creation of space to co-locate with partners and benefit from opportunities to align service delivery across the public sector
- The creation of opportunities for income generation
- An improvement in employee productivity, engagement and retention by enabling our employees to strike a better work / life balance, leading to greater wellbeing.
- Creating resilience in service delivery and minimising any future impacts of Covid on the workforce
- A reduction in our carbon footprint in line with the Climate and Carbon Reduction Strategy

The Modern Ways of Working project will need to be taken forward at pace if the Council is to take maximum advantage of the number of employees currently working from home as a result of covid-19 restrictions and to avoid a wholesale return to the office, with the associated costs and loss of opportunities, once these restrictions are eased.

In the short term, the following key actions have been identified:

Short-Term Action - A short sprint of activity, where colleagues are required to clear desks and offices, leaving spaces available for different use in a more flexible way, will need to be undertaken. The Government's planned roadmap requires staff who can work from home

to continue to do so until June 2021. To deliver the first stage of the Modern Ways of Working project it is proposed instead that those staff who can work from home continue to do so until the Autumn. This extension to the work from home requirement will enable sufficient time to develop and make available more flexible work spaces including hot desking space, informal break out areas and additional meetings rooms. Meeting rooms will be equipped with ICT equipment to facilitate remote and hybrid meetings.

Long-term strategy – In parallel with the short-term action, a long-term strategy for Modern Ways of Working at the Council will be developed. This strategy development will ensure alignment between a number of the other council key policy drivers such the council's ambition to be carbon zero by 2032, the council's digital approach and the planned outcomes from Property 2025, the council's property strategy.

To achieve the benefits listed above a dedicated full-time permanent Programme Manager is required whose role it will be to scope and plan activity, drive and coordinate delivery and manage risks. The post will also research and report on good practice elsewhere, lead the MWOW cohort in their work and prepare the business case for the proposed change to ways of working.

The other resources that will be required to support the delivery of the short-term activity are as follows:

- A property space planning and design officer to focus on the necessary design work, space profiling and zoning, in conjunction with service areas and the move management for significant numbers of staff in a time-limited period.
- A dedicated Property Logistics Officer, along with dedicated technical support to plan and oversee and implement the rolling programme of desk and space clearance, document storage and staff moves, at pace.
- Additional financial investment for IT infrastructure, minor building alterations, moves and file storage, in order to deliver the immediate phase of work. Until specific plans are drawn up, it is not possible to determine the exact amount required in the current financial year, so a figure of up to £250k is requested to provide sufficient scope to get started as soon as the plans are ready and create flexible work spaces for Autumn 2021.

These resources are requested for an initial period of nine months, pending the detailed business case being developed which will identify

the benefits that can be realised from the programme and the investment required to deliver the Modern ways of Working approach.

#### **b. Demand Management**

Demand management is a wide and complex approach which will manifest itself in different ways depending on the service or issue. For example, demand for transactional services can be reduced through self-serve and channel shift, whereas early intervention and prevention are key to managing demand for health and social care. The Council already uses the demand management approach in its Thriving Communities work which aims to help residents develop the resilience they need to support themselves and each other and become less reliant on public services. Other programmes such as Better Lives and Achieving Great Futures are also incorporating an element of demand management, and other projects and programmes may also be doing so.

Initial discussions have taken place to explore this area and thinking so far is to focus the Enterprising Council demand management workstream on developing an approach to understanding and measuring demand rather than launching new projects to manage demand. Ideally demand management should be a part of the way we work rather than a separate piece of work. As a first step it would be useful to understand whether our current projects and programmes are geared towards managing demand and if so how.

The Strategic Transformation workstream is currently undertaking a review of all change projects and programmes. Through collecting and analysing this data, the Council will begin to build a picture as to how many of them will help to reduce demand for public services. This data will be used to feed into the future Strategic Transformation Programme and help make decisions about priority projects going forward.

Demand management will also be built into the projects and programmes toolkit that is being developed i.e. PIDs, business cases; pressure bid forms etc, to help inform decisions about resource allocation.

#### **c. Workforce Leadership & Behaviours**

Organisational culture, employee values and behaviours are all critical to the Enterprising Council Strategy, its strategic aims, and the associated transformation programmes.

The proposed People Strategy, which is subject to a separate report to Cabinet in July 2021, seeks to outline 'how' the Council will enable and

support its most important asset, our people, to deliver the Council's strategic aims. The aim is that the People Strategy supports the Council Plan, being the 'what' we aim to achieve. It assumes that leaders of the organisation at all levels own the relationship with their people and aligns to the employee journey. Employee engagement is also crucial throughout the employee lifecycle and is central to the People Strategy, with continued focus on 'Our Spirit' ensuring the Council 'Listen and Engage' and 'Shape and Respond'.

The Strategy incorporates a People Vision which is proposed to reflect the Council's ambition as an organisation and emphasises that people are at the heart of the organisation and our future vision for the workforce

In addition to the above, the development of a behavioural framework is key to the success of the People Strategy and work continues to refine and further develop this in readiness for expansion across the organisation, aligned to the Enterprising Council Strategy. The framework development aims to:

- Provide colleagues with a clear understanding of what 'great' looks like, and how to get there.
- Form the basis of all assessment criteria including external hires, assessment for development, performance management and appraisal.
- Help managers to manage and lead teams and individuals more effectively.
- Support colleagues to understand and see what the organisational values look like in practice.
- Guide and inform decision-making at all levels
- Improve customer experience and satisfaction.
- Enable people to plan and manage their own careers, job moves and promotions.
- Connect the Council's brand with the employee experience, aligned to the employee value proposition.

A behavioural framework in isolation will not support and enable the cultural transition required within the organisation, and therefore work is underway to embed this within the revised Performance and Development Review (PDR) approach which will be piloted with senior leaders during 2021/22. In addition, it will identify how, in the longer term, the framework can be incorporated within the Council's recruitment methods and talent strategies.

It is intended to present the final People Strategy to Cabinet in July 2021 for approval.

## **2. Organisation, community and economic recovery and renewal**

At its meeting in September 2020, Cabinet agreed that recovery and renewal would be delivered through the development of a clear strategy and roadmap to be in place from January 2021 onwards to accelerate the delivery of the Council's future ambitions. A number of renewal principles, to drive the development of the strategy and roadmap were agreed. These include:

- Being future focussed and working now on the long term change we would wish to see for our future generations
- Focussing on the four 'E's - economy, efficiency, effectiveness, equity and the 'F' - fairness
- Providing strong leadership and assurance, reimagining the role of the Council, working in partnership with local communities and partners to deliver ambitious change
- Harnessing the potential of people who have mobilised during the current pandemic and identifying opportunities to devolve power to local communities
- Maximising opportunities to drive forward organisational change and reduce our carbon footprint.

With the Covid response extending into 2021, and the prioritisation of the MWOW workstream, it has taken longer than expected to commence activity on this workstream. Consequently, the planned report and update January 2021 Cabinet has been delayed. However, work has now started with an initial meeting of the core officer group held on 25 March 2021 to discuss the scope and scale of project as the Council moves into the recovery phase following the prolonged pandemic response efforts. Initial discussions have generated a number of questions regarding potential overlap and complementarity with Community Renewal activity and Modern Ways of Working.

Baselining activity is now being undertaken along with a review of Economic Recovery priorities to assess the alignment and overlap with other programmes before the scope is confirmed. A programme of meetings has been established for the core group to take this work forward.

## **3. Strategic Transformation Case & Centralised Programme Management Office (PMO)**

On 28 October 2020, Cabinet Member approval was given to commission external consultants to work with the Council in order to develop its organisation wide Strategic Transformation priorities.

This work was designed to enable the Council to:

- Put a transformation function in place which meets the current and future needs of the Council
- Establish a council-wide approach to transformation which will help staff, members and residents understand how the council's vision will be delivered
- Make a clear case for investment in and benefits of transformation activities to deliver the council's transformation ambition through its three strategic pillars: Enterprising Council, Vision Derbyshire and Thriving Communities
- Show tangible progress against the recommendations of the corporate peer challenge review.

This work progressed at pace between November 2020 and March 2021 and in summary the following activity was completed on budget and on time:

- a. **Baseline Report** - Production of a baseline data report to provide the evidence to identify the opportunities and benefits that could be achieved through the Strategic Transformation Case. This has included:
  - o Collation of existing and pipeline transformation projects across the council, identifying key gaps and inconsistencies and linking existing projects to the emerging council-wide themes.
  - o Production of an in-depth FTE baseline using a digital survey (Activity Analysis) to capture data on how all staff split their time against a set of standard local government activities.
  - o Collation of third party spend and outcomes data to supplement the activity analysis.
  
- b. **Strategic Transformation Case document** - The Strategic Transformation Case outlines: a future vision; current challenges; the approach required to deliver the vision; and the proposed next steps for each theme. From the baseline data and widespread engagement across the organisation, a Strategic Transformation Case document was developed. This pulls together:



- o Suggested priority council-wide transformation themes to support organisational and system outcomes.
- o Explanation of how the Council's vision will be operationalised (i.e. what it will mean in terms of delivering a council-wide approach to transformation).
- o Outline of key council-wide cross-cutting functions and how these could work in future (organisation design).
- o The portfolio/programme of change activity needed to achieve strategic priorities of the Council and inform future organisation design.

### **Emerging Themes**

The transformation themes that have emerged through the creation of the Strategic Transformation Case, based on the data in the baseline report and wide engagement across the organisation. Work will need to continue to develop these further to determine the aspirations and opportunities across the themes and how they fit together to form an overall programme. The themes identified are:

- Customer management
- Technology
- Commissioning, Procurement & Contract Management
- Culture, Behaviours & Change Readiness
- Data & Analytics
- Enabling Services & Business Partnering
- Wider System Working with Partners and Communities

Many of the proposed themes involve a wholesale overhaul of transactional functions, releasing capacity within the workforce, which can either be redirected or captured as a financial saving. Examples included reducing manual intervention in customer management and data entry; simplifying, standardising and sharing processes and data; prioritising and joining up change and transformation projects and programmes to avoid duplication and fragmentation of effort. Additionally, the work to date identified further opportunities for the Council to review categories of spend that span across multiple departments, for example, rationalising and combining contracts for similar products and services; and reducing the number of suppliers and transactions.

### **Next Steps**

Based on the Council's current ambition and experience from other local authorities who have delivered whole council transformation, it will be possible to realise significant benefits, over a multi-year timeframe,

both cashable and non-cashable savings, improved service delivery leading to improved outcomes for residents and communities, if sufficient investment is put into the programme.

Development of a comprehensive business case for the Strategic Transformation Programme, that demonstrates both cash and non-cashable savings as well improved service delivery and improved outcomes to residents will need to be developed. The case will also set out what investment the council will need to make to realise the identified benefits. This will ultimately form the longer-term road map identifying milestones and sequencing for delivering the benefits.

In support of this, a review of all existing change and transformation projects and programmes across the Council is currently being undertaken. This will support the Council to develop and identify a sequenced programme of work in which the Council will continue to move forward alongside a new model of transformation change which will allow us to work more collectively as one council, reduce siloed working and ensure a consistent approach to change is applied

Engagement across all stakeholders within the Council is critical to the success of developing the strategic transformation priorities, new methodology of working and therefore a stakeholder engagement plan will also be developed to support the work

The resourcing required in order to take this next phase of work forward outlined above, it is proposed that an interim Programme management Office (PMO) be put in place to develop the business case and to start to build the council wide approach to transformation. A small team comprising a programme manager and two business analysts are required to scope the issues, identify the costs and benefits, determine the optimum prioritisation and sequencing, and develop this into a long-term road map of activity. This team will be appointed on a temporary basis up to the end of March 2022. The resources required for an established programme management office will be considered as part of the business case and proposals for funding will form part of the revenue budget setting process in Autumn 2022.,

A further report will be submitted to Cabinet in Autumn 2021 to present the business case and outline the level of investment needed to deliver the identified benefits set out in the business case.

## 2.5 Enterprising Council Programme Governance

The current Enterprising Council governance arrangements will be reviewed as part of the development of the Strategic Transformation Programme, but in the short term, the Enterprising Council will oversee the progress of the workstreams identified in this report .

## 2.6 Programme Delivery

The work described in the report is currently being managed from within existing resources with only two dedicated posts. The Enterprising Council Programme Manager is an established permanent post and the Assistant Director Business Change is a temporary one-year position until mid-2022.

The following temporary resources are required to take this work forward in the short term in advance of the programmes and business cases being developed further to identify the benefits that will be realised and the investment required:

- Programme Manager – with primary responsibility for the Modern Ways of Working (MWOW) programme
- Property space planning and design officer - MWOW
- Property Logistics Officer - MWOW
- Technical support - MWOW
- Programme Manager – to drive forward the work to develop business cases for the Strategic Transformation Programme
- Business Analysts x 2 – to undertake research and develop evidence to support the business cases for the Strategic Transformation Programme
- Project Officer – to provide support across all workstreams

It is envisaged that external support may be required to develop the Strategic Transformation business cases and roadmap to provide expertise that is not available in house. This will be subject to further exploration, but it would be prudent to identify a one-off sum of up to £150k for this purpose for 2021/22.

The deliverable outcomes from this phase of the work, up to end of March 2022, are as follows:

### **Modern Ways of Working:**

- o Office accommodation repurposed to provide for a transitional phase, post Covid, to enable offices to be used in a more flexible, agile way in advance of longer-term proposals being developed.
- o A business case developed, by the Autumn 2021, for investment in a longer-term programme to achieve a reduction in the

Council's operational footprint and savings in organisational operating costs.

**Strategic Transformation Programme:**

- o Review of all existing change and transformation projects and programmes and decisions on priorities and alignment with the proposed themes.
- o The one council strategic transformation case is further developed, communicated and embedded across the Council
- o Business case for the longer-term Strategic Transformation Programme, by the Autumn 2021, for consideration as part of the 2022/23 budget setting process.
- o Proposals developed for a Programme Management Office to deliver the Strategic Transformation Case and realigned existing projects and programmes.
- o Development of robust corporate governance arrangements for priority projects and programmes.
- o Development of a clear approach to how benefits (whether financial, capacity release or service improvement) will be identified, delivered and monitored for all projects and programmes.

**2.7 Communication and engagement**

The Enterprising Council programme could see significant impacts for staff, Members, partners and for residents in terms of delivering an effective and value for money council. Significant work is required to support the delivery of the programme through effective engagement.

Communications work will be led by existing Communications Team, working extensively with colleagues across the organisation and within the 'Communications and Engagement' workstream.

Resource is required to support the creation of materials which will be required for effective engagement: some design work has already been commissioned and further development of animations, graphics and effective content will be required. An annual budget of £30k each year for the life of the programme is expected to be required and will form part of the wider business case. As such this report includes a request for £30k for spend in 2021/22.

**3. Alternative Options Considered**

- 3.1 The Council, like many other authorities across the country, continues to face significant challenges in providing within available resources the

services that local people need and want. If no action was taken to drive the Enterprising Council Strategy and associated invest-to-save programmes forward, the Council would struggle to meet these challenges more and more as each year goes by

#### **4. Implications**

4.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

#### **5. Consultation**

5.1 Engagement has taken place with employees in relation to Modern Ways of Working in the Autumn of 2020. Approximately 170 staff attended workshops which explored the advantages and the challenges of working differently in the future. Further consultation will be undertaken as the programme develops.

#### **6. Background Papers**

6.1 None

#### **7. Appendices**

7.1 Appendix 1 – Implications.

#### **8. Recommendations**

That Cabinet:

- a) Notes progress on the Enterprising Council programme.
- b) Notes the intention to advise all staff who can work from home to continue to do so until Autumn 2021.
- c) Approves the allocation of resources from the General Reserve as outlined in the report in order to deliver the outcomes described for both the Modern Ways of Working and Strategic Transformation Programmes.

#### **9. Reasons for Recommendation(s)**

9.1 To enable the Modern Ways of Working and Strategic Transformation programmes to progress.

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## Appendix 1

### Implications

#### Financial

- 1.1 Details of the resourcing required to support the ongoing development of the Phase 2 of the Enterprising Council approach is set out in the report and is outlined further below:
- 1.2 Temporary budget for six to nine months up to end of March 2022 for MWOW:
  - Programme Manager (MWOW) – Grade 14 (tbc) £51,322
  - Property space planning and design officer – Grade 12 £39,574
  - Property Logistics Officer – Grade 11 £35,251
  - Technical support – Grade 8 £24,499
  - IT infrastructure, minor building alterations, moves and file storage – up to £250,000
- 1.3 Temporary budget for six to nine months up to end of March 2022 to develop the Strategic Transformation Case:
  - Programme Manager x 1 – Grade 14 (tbc) £51,322
  - Business Analysts x 2 – Grade 12 £79,148
  - External specialist support – up to £150,000
  - Communications and engagement - £30,000
- 1.4 Support across the Enterprising Council programme
  - Project Officer (Enterprising Council) – Grade 9 £26,937
  - Contingency to cover additional costs of agency staff in advance of recruitment to above posts if necessary - £35,000
- 1.5 All salary costs are pro rata for nine months including 30% on costs. The total maximum budget requirement up to end of 2021/22 financial year is £773,053.
- 1.6 The costs can be funded from the General Reserve on an invest to save basis and as such this pump-priming investment will be re-paid once savings start to emerge. The Council has committed to saving just under £5m a year over the next 5 years by reducing the number of

council buildings and using our spaces differently as part of the Corporate Property 2025 programme and additional savings will be identified as part of the Strategic Transformation Case.

- 1.7 A full Benefit Realisation programme will be developed to ensure savings are determined, monitored and captured in a comprehensive manner with a topslice from projects to fund the initial costs highlighted in the report and to provide a long term sustainable basis for pump priming future initiatives and programme office costs

## **Legal**

- 2.1 None

## **Human Resources**

- 3.1 All new posts will be subject to the Council's job evaluation scheme to determine grade. Posts will be recruited and appointed to in accordance with the Council's recruitment and selection policy. The proposals within this report do not affect current employees within the structure and therefore formal consultation is not required.

## **Information Technology**

- 4.1 The Modern Ways of Working Programme will require ICT equipment to facilitate remote and hybrid working, the cost of which has been outlined in this report.

## **Equalities Impact**

- 5.1 None

## **Corporate objectives and priorities for change**

- 6.1 The Enterprising Council Strategy specifically supports the following key priorities:
- High performing, value for money and resident focused services
  - A prosperous and green Derbyshire

## **Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

- 7.1 The property, asset management and environmental implications are set out in the report.

