

To: City Executive Board

Date: 22 October 2008

Item No:

Report of: Head of Business Transformation

Title of Report: Business Transformation Strategy - 2008 to 2012

Summary and Recommendations

Purpose of report: To set out the context, objectives, structure, programme and arrangements for the Council's four year Transformation, to meet the relevant Corporate Plan objectives.

Key decision? No

Executive lead member: Councillor Oscar Van Nooijen

Report Approved by:

Councillor Oscar Van Nooijen – Board Member

Finance: Sarah Fogden

Legal: Jeremy Thomas

Policy Framework: Corporate Plan

Recommendation(s):

That the City Executive Board notes and approves the Business Transformation strategy.

BACKGROUND

The Council's 2008-2009 [Corporate Plan](#) sets out the objectives and priorities for the Transformation Programme until 2011. This Business Transformation strategy develops that framework by setting out our key targets and how we will meet them. The strategy framework describes the 'journey' towards 2012, and outcomes we aim to achieve by then. The Business Transformation Service - Transformation Plan will set out the specific actions and a programme of work for the next four years.

Business Transformation Strategy – 2008 to 2012

In a local authority context, 'Transformation', often called Business Transformation, is about making fundamental changes to the way in which the Council works, so that it delivers better services to customers first time, and every time, and achieves better value for money. The Council must continually improve its services at the same time as improving value for money.

Transformation therefore involves:

- changing **appearance** - so that the services our citizens value get better, and all our interactions with them reflect that improvement;
- changing **shape** – by exposing what the Council should and should not be doing to review and reappraisal, by working with partners and by making better use of all types of resources;
- changing **form** – by improving the way we work, and embracing new organisational structures, skills, processes and technology.

As the physical and corporate environment changes around us, and as the needs of the citizens we serve develop, transformation is an essential activity for the Council to undertake. Its purpose is to move Oxford City Council and its services from where we are now, to where we need to be – building a world-class city for everyone.

KEY TARGETS

By 2011/12, we aim to achieve:

- Investors in People accreditation, and a front line management development scheme leading to 80% of managers accredited to the relevant NVQ Level 3;
- telephone abandonment rates below 5% and 80% of telephone contact with the Council answered in 20 seconds, with over 50% resolved at first point of contact, supported by web-enabled transactional services;
- a 5% workforce reduction, made possible by smarter working;
- a reduced office footprint of up to 10%, enabling assets to be released;
- 10% efficiency savings, in addition to the £3.5m planned for 2008/09, from all areas, including fundamental service reviews and including savings in administration and back office costs across the whole Council of £500,000 from shared services or similar approaches such as quantifiably improved processes;
- a reduction of the Council's carbon emissions of at least 25%;
- an Audit Commission positive direction of travel statement and level 3 (good) achieved for value for money.

Our strategic approach to transformation is guided by eight general principles:

- 1) Improve while we change – make strategic and incremental improvements to secure benefits in the short term and longer term;
- 2) People-based change – citizens, elected members, staff and other key stakeholders placed at the heart of any change with involvement, consultation, communication and feedback;
- 3) Change in our approach to strategic partnerships and resources – take advantage of good practice and services by capitalising on partnerships and resources that may be locally-, regionally-, nationally- and internationally-based to improve services;
- 4) Technology as an enabler rather than a driver of change – technology should help change, not be the reason for change;

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- 5) Financial savings built into changing budgets – to help secure the benefits we are seeking. Invest to save benefits will go to corporate invest-to-save fund and where appropriate, 50% of the benefit returned to the Service that made the saving
- 6) Performance-managed change – all change will be managed with great care, to ensure improvements to performance are obtained and linked to the culture and outcomes that the Council wants and needs;
- 7) Use of innovative solutions for change – to achieve our aims as well as ensuring that the necessary basics are in place;
- 8) Integrated change – change will be integrated across the Council avoiding bureaucracy, but building in controls to ensure the pace of change is consistent in line with our aims.

WHERE ARE WE NOW?

Within the scope of this strategy, Oxford City Council is currently characterised by:

- 1) Some good recent progress in change, as set out in the Corporate Plan;
- 2) Reduced financial resources, with government-set targets of 3% efficiency savings per year and a need to provide and demonstrate better value for money;
- 3) An increasing demand for more sophisticated and reliable customer services and for citizens to be better consulted and involved;
- 4) A need to understand and manage citizens and business customers across all our services, with consistency;
- 5) Leisure services which are in need of modernisation;
- 6) A workforce in which some of the skills to take forward the changes required will require more development and a culture which is beginning to move towards more modern values and behaviours;
- 7) Twelve 'service areas' across the Council which need to work together in a more connected manner, both across and within the service areas;
- 8) Corporate Services and associated infrastructure which are in need of further modernisation to enable a more consistent, value-adding approach to doing business;
- 9) Offices and other physical facilities which are spread across the city, with a clear imperative to create more productive environments and meet our carbon management objectives;
- 10) Information which is often managed within service areas rather than across the Council as a jointly-held resource.

WHERE DO WE WANT TO BE IN 2012?

This section describes what Oxford City Council will look like and feel like for the citizens it exists to serve, and its elected members, staff and other stakeholders, and the journey to get there.

Customers First

The Council will focus on serving its citizens, joining up its work across its service areas. We are starting with Oxford City Homes, rationalising and improving our customer contact centres to improve service, eliminate duplication and enable personalisation. City Works and then Customer Services will be our next priorities for change. We will improve our knowledge of our customers and their customer experience by improving processes,

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supported by the introduction of a corporate Customer Relationship Management (CRM) system in 2008/09, with completion of the corporate rollout by 2010/11.

This improvement will include better access to the Council's services using the right channels, including enhanced citizen and business transactions via the internet, one stop shops and by post, underpinned by clear service standards and a focus on equalities.

As an example of another innovation, wireless access to Council services and the internet may be investigated, because it could provide better access to services for citizens and visitors to the city. This might also enable increased productivity for Council staff, enhance tourism and economic prosperity and assist in business continuity arrangements.

Key Steps

We will design our services to meet the needs of all our citizens by reviewing their needs against our current processes and customer contact channels, and redesigning processes over the next two years. We will ensure that our frontline staff are further trained in customer care, and be enabled to deliver excellent customer service. These changes will enable us to develop a fully citizen-focussed culture by 2010/11.

Outcomes

- a consistent, reliable, high quality level of customer service;
- easy access to services at convenient times, using whichever method citizens prefer (including the web, calling the Council, or face-to-face services);
- being able to solve most problems at the first point of contact, and being able to track enquiries through to resolution;
- services available via customer advisers, enabled by customer relationship management (CRM) processes and technology, making use of one central system to service citizens with a single 'customer record';
- effective and efficient customer services, by rationalising the physical location of our customer service functions.

Future Working

Key Steps

We have already restructured the Council's Senior Management Team, and we will have restructured each of the 12 service areas by end of this financial year. Single status is being introduced by early 2009 in order to move all staff to common terms and conditions.

Work needs to be planned, designed and carried out with a view to the needs of the relevant overall process. At present, the Council has a working style which sometimes fails consistently to take account of the next step in any given process, and which too infrequently works across sections, or Service area delineations. We will solve this by adopting a corporate approach to Business Process Improvement (BPI), with a rolling programme of change in order to carry out work in this citizen-focused way and to remove inefficiencies.

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Every major process will be reviewed and improved, starting with customer-facing services in the first wave to conclude by the end of 2009, with other processes completed by April 2011. The delivery of change is being underpinned by training in Project Management for up to 24 officers who will take a lead in managing our key projects.

Modern flexible working will develop and implement better staff training in order to raise the majority of our workforce to NVQ level 3. We will consider home working, with a potential pilot in Benefits, and the further rollout of mobile working practices and technologies for staff in City Works including Parks, waste and streetscene, Pest Control and Dog Wardens, and City Development. We will build on the lessons learned mobile working successes at Oxford City Homes. Elected members and staff will have access to business tools which enable efficient and effective working.

Outcomes

The Council will have a modern, flexible structure with better skilled staff. Staff will be trained and have the necessary support to enable their work to provide better value, and by so doing the Council will have achieved Investors in People accreditation. Business processes will be redesigned to eliminate waste and improve response times, including making use of mobile and customer-facing technologies to improve productivity.

Fundamental Service Reviews

Fundamental service reviews are designed to help determine priorities for the Budget and Corporate Plan for 2009/10 and onwards. The aim is to identify our top priorities and the areas or services which could be changed. It is about Council Policy and should help us to determine where we do less or more activities / services and where there any things we could stop doing.

Key steps and Outcomes

Specific service projects already underway include the transfer of our Park and Ride services to the County Council in 2008. This will give our citizens and other customers a better value for money service, with no car park charges for Park and Ride sites, and a Park and Ride service which is integrated across the City. We are carrying out market testing of our Leisure Services by April 2009, in order to review value for money and determine who is best suited to deliver these services. We are also improving our refuse and recycling arrangements and considering a project to review Highways Act - Section 42 maintenance costs. Individual Service plans set out further work in this area.

Modern Corporate Services

All the Corporate Services will have been further modernised in order to provide the required services for the Council and customers.

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Key steps

Specifically:

- 1) Human Resources – we will review requirements and implement a new integrated Payroll and Human Resources service by Summer 2009. This will provide a firm foundation for a renewed Human Resources service by 2010.
- 2) Information and Communications Technology (ICT) provision will be enhanced by April 2009 by restructuring Business Systems, with some alternative sourcing of services, or buying back a service from Oxfordshire County Council.
- 3) Procurement will review each Service and encourage contract reviews to maximise the services supplied and value to the Council and customers.
- 4) Finance will introduce a more automated 'purchase to pay' process underpinned by an upgraded finance system.

Outcomes

- 1) Human Resources will provide more prompt quality advice and guidance overall on HR related matters. Human Resources' data and information will be up-to-date, and be accessible to managers and staff by April 2010.
- 2) Information and Communications Technology (ICT) provision will provide better, more innovative and proactive service with better value for money.
- 3) Procurement will have reduced spend by 1% every year.
- 4) Administration and back office costs will be reduced across the whole Council by £500,000 by April 2011 by such means improved payroll and HR practices, more streamlined purchase to pay processes, and simplification of administration and back-office processes.

Improved Local Decision Making and Involvement

In line with national legislative requirements, Oxford City Council will improve its arrangements for communities and local decision making.

Key Steps and Outcomes

Steps include: creating the capacity for enhanced community engagement both for communities of place (neighbourhoods) and of interest (e.g. children and young people, older people, etc.), greater focus on the role of wards, elected members and communities in place shaping, increased alignment of processes with communities, and more capacity for local monitoring and scrutiny of services.

Offices for the Future

Key Steps

In 2008, we will develop an Office Accommodation Strategy that will set out the key steps to allow us to have better offices for the future. We will then implement the necessary organisational and process changes to bring together all of our property, including offices, which will be managed as a corporate resource. We can then consider changes in the short term, to bring together staff into a smaller number of better, more productive offices, which may mean moving out of some properties.

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At the same time, we will develop and begin to implement our Information and Content Management Strategy so that we can manage physical and electronic records and information in a more effective way. The first step will be to assess our needs in this area, which we will complete by June 2009 with rollout complete by 2012. This will link to work styles in the Future Working programme and the ICT strategy as they will run in parallel with the Office Accommodation Strategy.

One of the key priorities of the Council is to reduce carbon emissions associated with our own buildings and operations over the next few years. A programme of Carbon Management improvement, called Putting Our House in Order, has been drawn up and consists of over 13 workstreams or projects to be delivered by 2012.

Outcomes

- By 2009, we will manage property consistently and efficiently as a corporate resource, leading to better use of our existing assets.
- By 2010, our Office Accommodation Strategy will be defined, and we will have started to implement the shorter actions needed to rationalise our office accommodation needs which are likely to involve making some office moves, combining accommodation and preparing ourselves to obtain lower overall property costs by 2012.
- By 2012, we will have moved into or piloted more modern, needs-appropriate office accommodation that meets environmental legislation, embeds the latest Information and Communications Technology and creates opportunities for adopting a wider range of flexible working styles.
- We will have One-stop shops and other outlets that are driven by the needs of the local community.
- We will reduce carbon emissions by at least 25% by April 2011.

Regarding information and content management:

- Information will be captured once as close to the source as possible, and shared as many times as needed: reducing the duplication of keyed input, thus increasing consistency and lessening the cost of both input and maintenance.
- Information will be accurate and up to date: to support our operations and the decision-making processes. Within the constraints of the law, information must be flow freely to those who need it for operational or business reasons or to enable staff to carry out their duties.
- Shared information will be registered and controlled: responsibilities for setting standards for data and maintenance of data will be further defined and sources of data and relationships between data recorded. The electronic transmission of information will be promoted where there is a clear business benefit in doing so: to improve efficiency and consistency of information presentation across the Council.

HOW DO WE GET THERE?

Our Transformation programme will change how we do business, to improve services to citizens and to provide better value for money. The delivery of this

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Transformation will involve the alignment of the Council's staff, processes and technology with our objectives and priorities to support and help innovate new ways of working, provide new levels of customer service and increase value for money. Transformation is achieved through implementing new operational models, management practices, processes, new technology, leadership and influencing culture, staff training and revised structures.

Each project, as set out in the structure and roadmap in figures 1 and 2 below, will plan and deliver the further detail of 'how' we get there. Regular updates will be made to members, staff and other stakeholders on the programme's progress towards our objectives.

Resources and Budget

Staff for the programme will be drawn from four areas: the recently-created Business Transformation service area, using secondees into the Business Transformation Service from across the Council, from service areas managing change directly, and from the limited use of specialist resource from external sources. We will look outside the Council to local, regional, national and international improvement examples and organisations in order to make best use of examples of good practice, learning from the successes of other initiatives and solutions. The programme has access to £900,000, voted and delegated by members in 2008, for transformation projects and enabling projects, and resources from the Invest to Save Fund of £798,000 from 2008-09 to 2010-11. This is being managed in an integrated manner with spending on projects approved and managed by the Transformation Board and Strategy & Resources Board, as attached.

STRUCTURE AND PROGRAMME OF WORK

The structure and programme of work is explained in the following indicative charts in figures 1 and 2. These charts will be updated on a regular basis as the programme progresses and Council members and other stakeholders will receive regular updates.

Building Blocks for Change

Across the Council we will have coordinated change communications and with all the projects in the programme helping to bring about culture change to meet our corporate values of respect, responsibility, customer focus and commitment. Transformation will make use of benefits realisation and performance management to enable, track and bring about real change. The Business Transformation service area will provide a central Programme Management Office to coordinate and oversee the transformation and change required by the Corporate Plan.

We are taking a priority-based approach as we have limited resource and organisational capacity for change and can't transform everything at once. The roadmap below shows the journey and steps for the Transformation within the six areas, with individual projects and their approximate start and delivery dates.

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Recommendation

That the City Executive Board notes and approves the Business Transformation strategy.

Contact:

Ben Brownlee

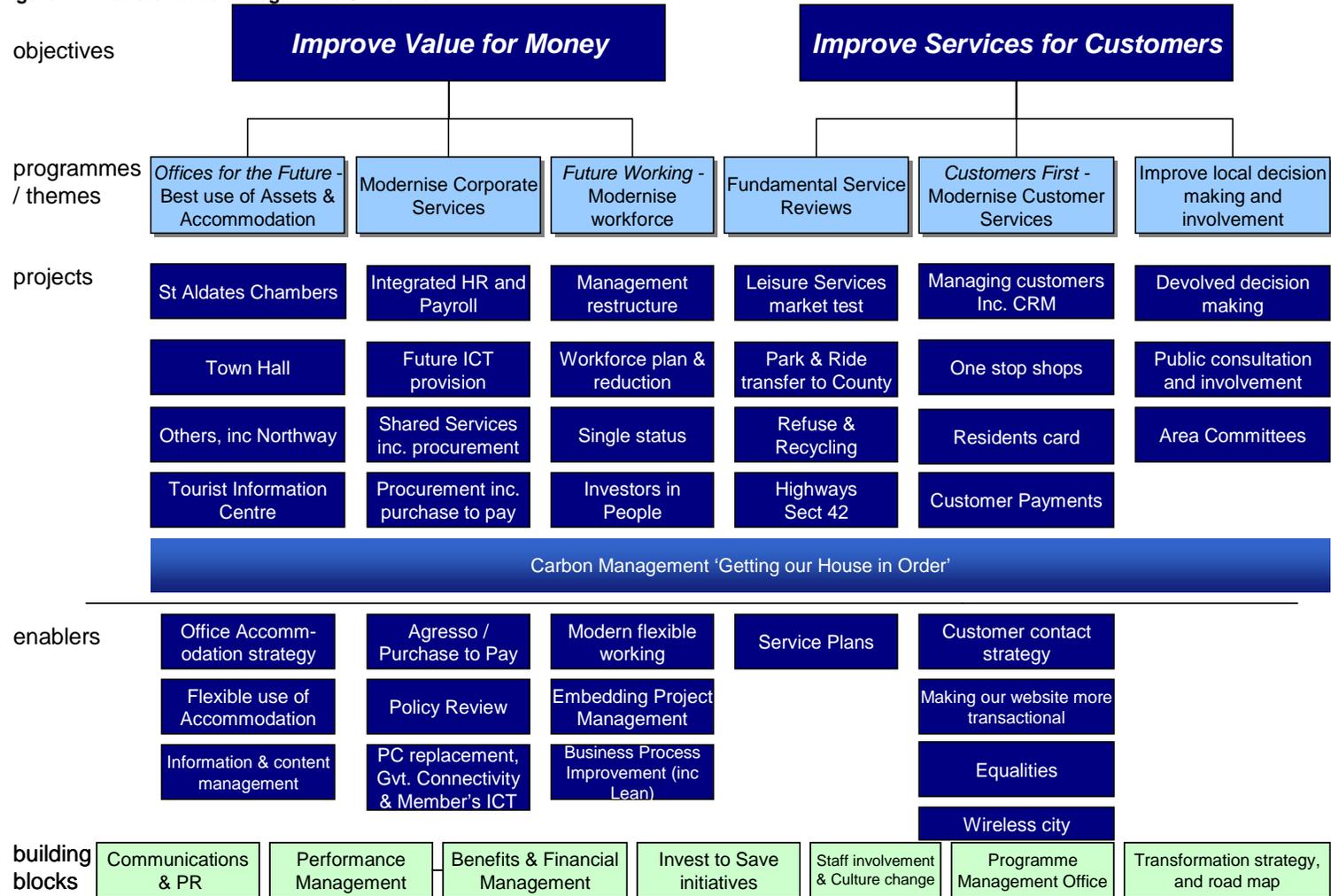
01865 252220

bbrownlee@oxford.gov.uk

Background papers: None

Business Transformation Strategy – 2008 to 2012

Figure 1 – Transformation Programme Structure



Business Transformation Strategy – 2008 to 2012

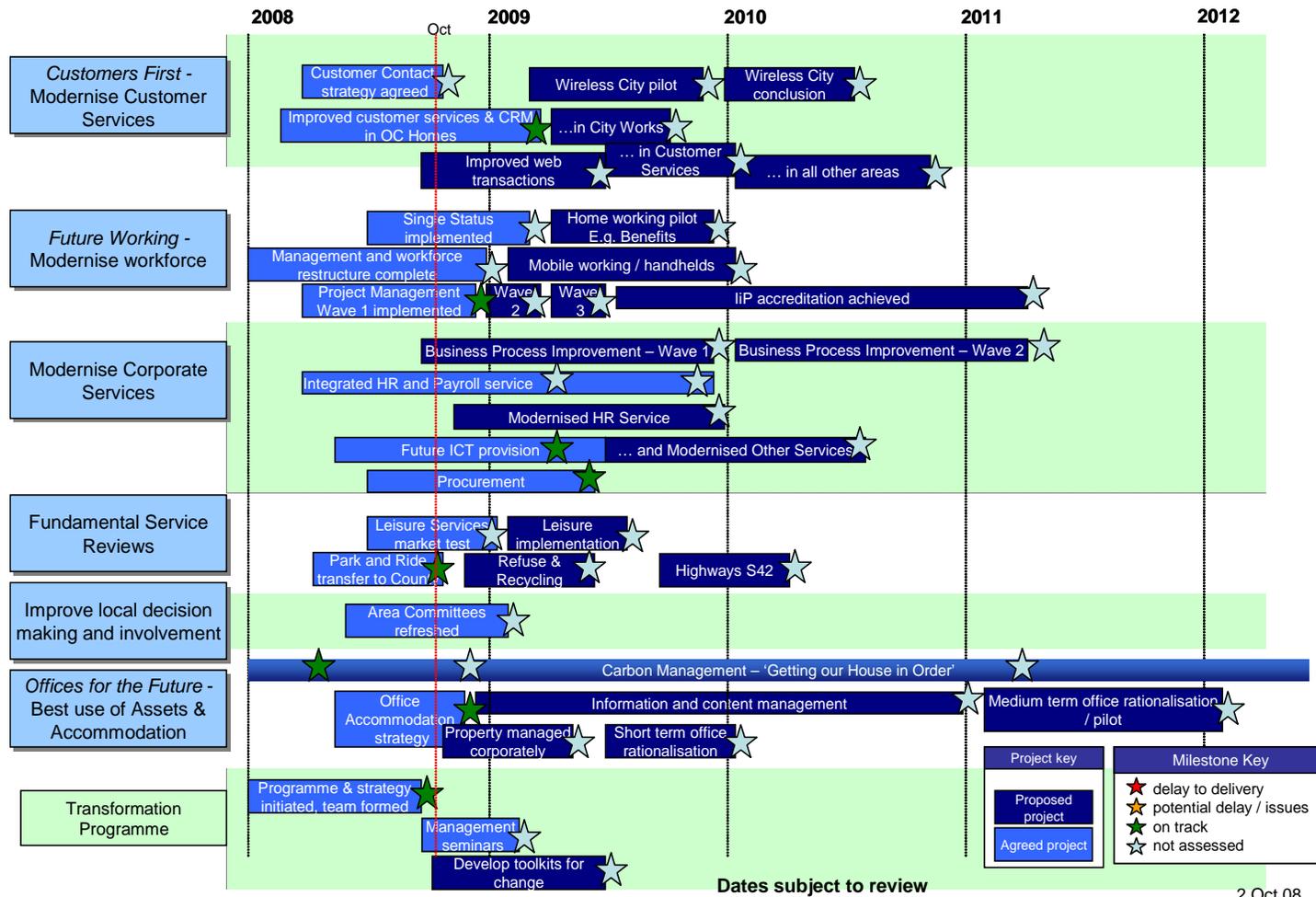


Figure 2 - Business Transformation Programme Roadmap – For Approval