

To: City Executive Board

Date: 5 December 2012

Report of: Chief Executive

Title of Report: Organisational Development Strategy

Summary and Recommendations

Purpose of report: To present for approval and adoption a new Organisational Development Strategy

Key decision? No

Executive lead member: Cllr Bob Price

Policy Framework: Efficient & effective Council

Recommendation(s):

1) That the Organisational Development Strategy attached at Appendix 1 is approved and formally adopted.

Introduction – the ‘Council 2012’ change programme

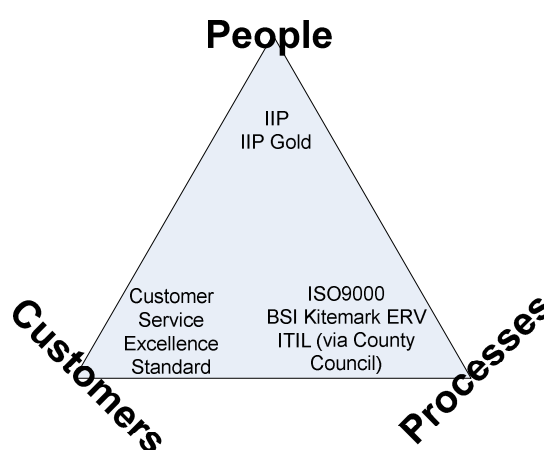
1. The Council has achieved much in the last few years. We have met the efficiency challenge - £4m savings per year delivered. We have met the effectiveness challenge – improved performance across more than 90% of our indicators. We have protected jobs – with no compulsory redundancies, achieved Investor in People status both in terms of accreditation and our approach to people management and introduced the partnership payment recognising the significant contribution of staff towards the Council’s achievements.
2. Our most recent staff survey showed improved satisfaction. Sickness absence is down more than 30% compared with 2008/09. Implementation of Offices for the Future and the refurbishment of St Aldates Chambers has saved £1m in running costs and seen the opening of a new Service Centre for customers. There's a £15m investment on assets such as leisure centres, play areas and community centres and a £2m upgrade in ICT.
3. Organisational Development has been at the heart of these achievements, with initiatives like the drive to improve attendance and our Investors in People programme being key enablers contributing to our wider successes and working towards our vision of building a world class city for everyone.

From 'Good' to 'Great'

4. We aimed high with 'Council 2012' and delivered - but with an uncertain future in terms of government funding, increasing demands from the public and the additional challenges that changes in legislation are likely to bring for our residents, it is imperative that we build on this firm foundation and ensure all of our assets; including our people; continue to deliver best value, as it is only through them we can move from good, to great. There is a great opportunity for the Council to look more outwardly in providing services, consolidate changes and also invest in things which affect the city more broadly such as the local economy, educational attainment, youth ambition and developing communities.

The New Organisational Development Strategy

5. The attached Organisational Development Strategy (Appendix 1) has been developed for a purpose – to make the Council fit to deliver objectives in the context of the fiscal challenge, drive out savings, make further investment and to take a leap forward. It sets out our aspirations and high level plan for the Council in moving from 'Good to Great'. The objectives include a need to move away from traditional service design and adopt a more customer orientated approach as well as one which is more commercially based. This is beginning to gather momentum particularly in Direct Services and Leisure & Parks.
6. The Strategy also builds on the Council's Performance Improvement Framework (adopted in December 2011) and the (quote) 'aspiration to provide services that deliver excellent value for money and recognising that to deliver our vision we need to constantly reflect on what and why we do what we do, rethink how we go about it and ensure our staff are clear about expectations and equipped to deliver them'. The Framework introduced the following in terms of focus for performance improvement



7. Central to the Organisational Development Strategy are a set of values adopted by the Corporate Management Team as that which underpin what the Council believes in, developed in consultation with staff. We feel these best reflect us as an organisation and where our focus should be going forward (see appendix 1).
8. From these values flow a series of behaviours which will be encouraged and a coherent theme in all our people management processes. We will use this framework to redesign how we attract, hire, induct, develop, manage, promote and reward staff.
9. As such, the Council will have a strategic and best practice approach in the management of people which will appropriately equip its workforce for the future.

What will success look like? What is 'Great'

10. Great for the City means continuing to invest, improved educational attainment and improved life chances, an improved retail offer, more affordable housing, reduced waste and stronger and healthier communities.
11. Great for Customers means our services ranking in the top quartile of all Councils in terms of performance and cost, services that focus on greatest need and designed around and with input from our customers and that are more easily accessible via a personalised "My Council Account" through the web.
12. Great for employees means reward for effort and effectiveness - rather than just time served, individual learning plans, improved access to health & wellbeing services, and all endorsed through Investor in People 'Gold' accreditation.
13. In summary, perhaps the next two years of the 'Good to Great' journey can be summed up as work for **Greater Outcomes, Leaner Delivery (G.O.L.D.** – reflected in staff appraisals and operational plans). Our staff will be more business like & entrepreneurial, our reputation will grow in the local market place for delivering quality services whilst maintaining our commitment to public service.

Governance

14. Delivery of the project objectives are being overseen by the Organisational Improvement and Efficiency Board

Consultation

15. The strategy is gathering momentum with numerous briefings covering the aspirations and staff are buying into the vision. Trade unions have been consulted on the strategy and will continue to be involved as key partners in the redesign of people management activity.
16. 'Good to Great' is gathering momentum as a strap line and is becoming part of everyday language.

Assessment of Risk

17. A risk management framework is attached at Appendix 2

Climate change / environmental impact

18. It is expected that the 'personal responsibility' and 'innovation' values will have positive impacts on carbon reduction with staff engaging more on initiatives such as these.

Equalities impact

19. Each people management theme review will include an assessment of equalities impact.

Financial implications

20. Developing the programme will require investment in various components, although it is expected that much of the activity will be undertaken in house or where additional resource / service is required, this will be met from the Council's learning & development budget. Any proposals requiring additional investment will be presented in a business case for approval by the Organisational Improvement and Efficiency Board

Legal Implications

21. There are no legal implications

Name and contact details of author:

Simon Howick, Head of HR & Facilities

List of background papers:

None

Version number: 1.0

ORGANISATIONAL DEVELOPMENT STRATEGY – FROM GOOD TO GREAT

Introduction

- 1 Organisational Development (OD) addresses the workforce dimensions which can transform organisations and help them deliver citizen-focused value for money services.
- 2 The purpose of an OD strategy is to set out a plan designed to ensure the Council has a flexible, fit for purpose workforce able to deliver its future priorities, challenges and aspirations.
- 3 An effective OD Strategy will help to ensure the Council: has strong leaders who energise and inspire the workforce and drive the Council forward; has employees demonstrating the 'right' skills and behaviours to deliver flexible, innovative services which meet the challenges of the City; makes best use of all of its resources to deliver added value and excellent customer service.
- 4 This strategy has built on the Council's existing People Strategy & Workforce Plan (which it seeks to replace); research from the Local Government Improvement & Development Agency and the themes of the McKinsey 7 S model, thereby ensuring a cohesive approach to the Strategy and ensuring that it reflects the 7 core elements of organisational design: structure, strategy, systems, skills, style, staff and shared values.

Key Objectives

- 5 The overall aim of the OD Strategy is to help the Council achieve its vision of building a world class city for everyone.
- 6 Our ambition is to take the Council from Good to Great – through GOLD – Greater Outcomes, Leaner Delivery. This will form the overarching principle of everything we do.
- 7 Together we have achieved much in the last few years. However, the context within which the Council and local government generally has operated, is set to change radically: self financing, both of the Housing Revenue Account and arguably the General Fund (with the re-localisation of business rates), the community right to challenge service delivery, as well as increased demand for services as a consequence of the recession and deficit reduction initiatives are; over the next decade; likely to put an increasingly sharp focus on performance, customer satisfaction and ultimately local accountability.
- 8 Traditional service design; albeit incrementally improved, delivered within a cost envelope largely prescribed by central government will no longer be an option. We will have to develop services to deliver new and increased income streams to ease the pressure of finding ongoing savings and that requires a more commercial approach both corporately and from employees. We need to make the best use of the resources we have available, find new ways of engaging with our customers to improve outcomes and drive productivity improvements.
- 9 As a consequence, the skills and competencies we require from our employees, as well as the means by which we continue to drive service improvement and best value needs to change.

Effective people management skills, sound project and programme management methodologies and business improvement tools will continue to have an important role to play. However, if we are to rise to the challenge of delivering our vision; leadership, coaching and team building skills, business acumen including the ability to interpret and respond to customer intelligence and a sound evidence base, plus the ability to 'think outside the box' will be critical.

10 The Council's OD Strategy will underpin delivery of all the Council's priorities, but in particular 'An Efficient & Effective Council' In developing our OD Strategy we have identified 3 overarching objectives:

- To attract, retain and develop a high performing and motivated workforce, where excellence in people management and development helps cement the Council as an employer of choice
- To ensure staff values are aligned closely with corporate objectives and that staff are clear about how they contribute to the delivery of the Council's vision
- To champion innovative thinking and proactively engage staff in service redesign to deliver more cost effective, efficient and customer focused services by rationalising & streamlining existing processes, systems & structures.

Council Values

11 Pivotal to organisational development are four values developed with staff which underpin the approach to people management and delivery of 'Good to Great'. These are

- Take personal responsibility for our actions
- Put communities' and customers' first
- Embrace innovation
- Value diversity

What will success look like?

12 From an organisational perspective, moving from Good to Great will see the Council:

- Nationally recognised for its service delivery in a wide range of areas
- Nationally recognised as a great place to work
- With high customer satisfaction levels
- With high staff satisfaction levels
- As high performing
- Seek and embrace internal and external challenge
- With a highly engaged; flexible workforce - right people, with the right skills deployed in the right jobs – and where future leaders are grown
- As a place where diversity & learning are valued and staff take responsibility for their own development

13 From an operational perspective, Good to Great means:

- Corporate priorities driven by Boards
- More cross service, project and partnership working
- A continued focus on performance and people management skills across all levels of management
- Clear Leadership and more time spent coaching and developing staff as well as delivering

- Less time policing, processing inefficiently, meeting unnecessarily
- A continual focus on business improvement and automation of transactional activity
- Innovation, new ways of working and measured risk-taking encouraged and rewarded
- Recognition of how our services differ; balanced with an embedded one council approach.
- Robust knowledge management and shared learning when things do not go according to plan.

Organisational Development Themes

14 The OD strategy will further develop a 'One Council' approach featuring the importance of excellent customer service, leadership, innovation, managed risk-taking, continuous improvement, a can do high performance culture

15 It will deliver outcomes in the following areas (which link together under a number of work streams shown in the diagram overleaf)

Individual & Organisational Performance

- refine and publish our Values and develop standards for behaviours that reflect these values and deliver excellence, recognising & rewarding those individuals & teams who regularly exceed expectations
- improve the performance appraisal process to further encourage and reward good performance and challenge poor performance
- develop a reward framework linked to high performance

Leadership & Management

- develop our talent – from apprentices to leaders of today & tomorrow
- develop our Leaders – to energise, inspire and motivate people including provision of 360 degree feedback to ensure holistic development plans for Leaders and potentially managers
- develop our managers – to apply great people management practice on the ground every day

Organisation Culture:

- how we recruit and retain the 'right' people who can best deliver the outcomes we seek and demonstrate the behaviours we value
- well being – looking after our people and supporting them in excellent attendance and health

16 Associated projects supporting delivery of the strategy include developing and delivery a comprehensive learning & development programme and a focus on customer service excellence driven by the Customer First Board.

Strategy Implementation

17 The OD Strategy will be driven and delivered by:

- The Organisational Improvement & Efficiency Board (OIEB) which will drive the implementation of the Strategy through an agreed action plan, and utilise the Council's Programme and Project Management Framework to report and track progress.
- The Human Resources Team who will provide professional and strategic resource as well as support service managers in

implementing required activity within their areas, either directly or via commissioned services.

- The action plan and the OD Strategy itself are living documents which will evolve over time, gaining insight from employees and experience.

Chief Executive

Peter Sloman

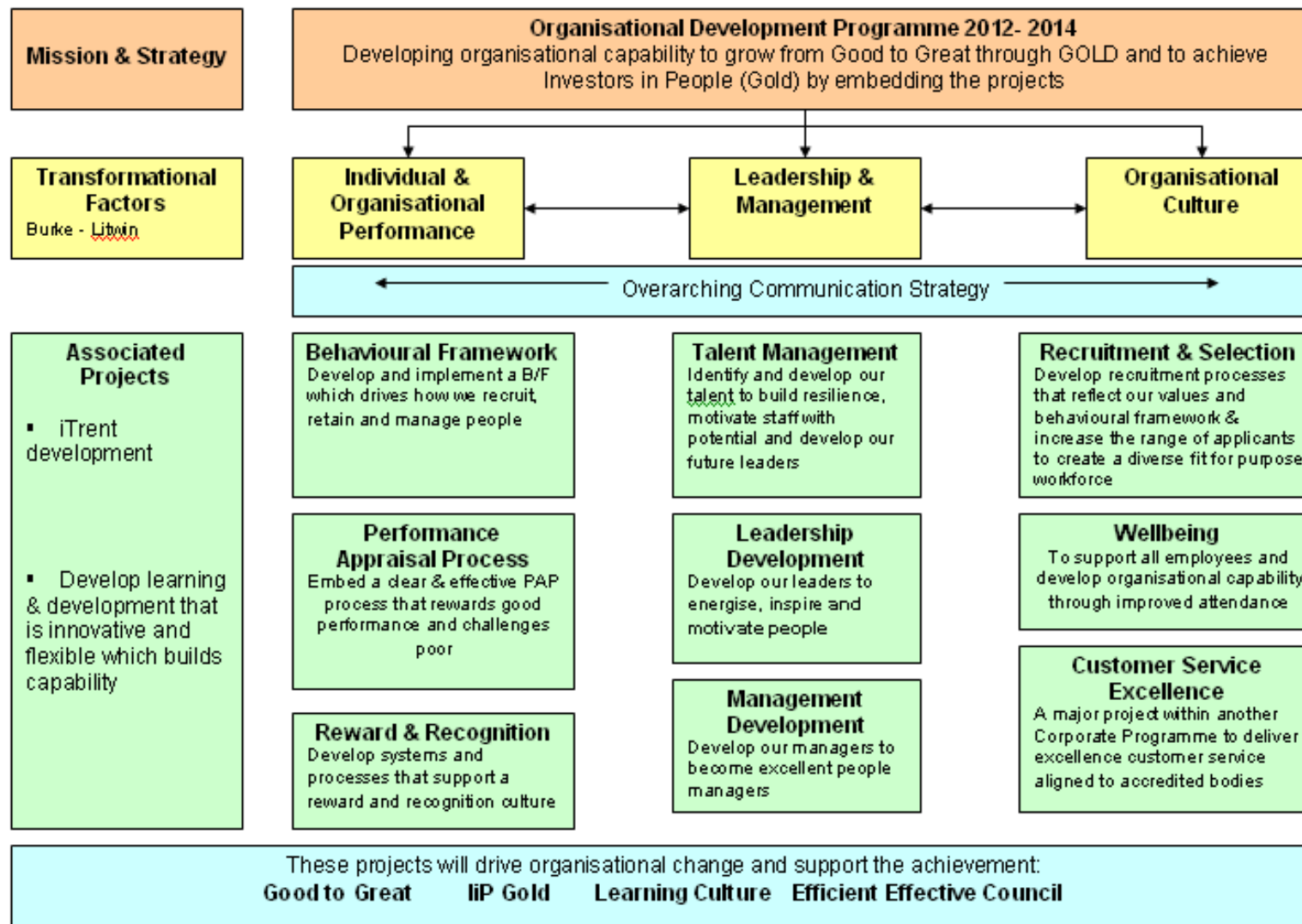
Director Organisational Development and Corporate Services

Jackie Yates

Head of HR & Facilities

Simon Howick

OD Strategy Themes



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APPENDIX 2 – RISK ASSESSMENT

Risk Register

RED RISK
CLOSED RISK

Risk ID	Risk					Corporate Objective	Gross Risk		Residual Risk		Current Risk		Owner	Date Risk Reviewed	Proximity of Risk (Projects/ Contracts Only)	
Category-000-Service Area Code	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	1 to 5	I	P	I	P	I	P			
SRR-008-PE	OD Strategy	T	Failure to design an effective OD strategy	Strategy not fit for purpose and not addressing the key people management issues	The Council will not achieve the move from good to great	1-Oct-12	5	3	3	2	2	3	2	Simon Howick	01-Oct-12	

Management of the risk

ACTIONS MUST BE 'SMART'

Specific, Measurable, Achievable, Realistic and Time bound

Key

CLOSED ACTION/Risk

Risk ID	Risk Title	Action Owner	Accept, Contingency, Transfer, Reduce or Avoid	Details of Action	Key Milestones	Milestone Delivery Date	%Action Complete	Date Reviewed
SRR-008-PE	OD Strategy	Simon Howick	R	Develop and agree strategy using best practice approach. Engage staff and TU colleagues in development and roll out. Ensure effective communications strategy in place. Ensure values & behaviours flow through all aspects of strategy. Provide training in application of various components	As per project plan going to OEI Board	As per project plan	30%	01-Oct-12