
LEADING EDGE

Responsible Cabinet Member – John Williams, Leader
Responsible Director – Ada Burns, Chief Executive

Purpose of Report

1. This report presents the new organisational development strategy, Leading Edge.

Summary

2. The introductory paper to this part of the agenda highlighted the importance of the organisational development strategy to the delivery of the new ambition for Darlington, particularly improving our customer focus and community engagement; to maximising our capacity; and to preparing for Comprehensive Performance Assessment (CPA) in March 2008 and Comprehensive Area Assessment thereafter.
3. When the authority first attained unitary status, service continuation was the prime ambition. We commonly refer to this phase as ‘seamless transition’. Today, that would not be a bold ambition, but in 1997 it reflected the scale of the challenge involved in forging a single organisational culture from two parts. This demonstrates two things: first that we have been successful in meeting our ambitions in the past; and second, that ambitions can and, in fact, must, change over time.
4. Leading Edge is the second organisational development strategy. The first, Striving for Excellence was developed to ensure that the organisation became a high performing authority. It was the first time that the council published its intention to maximise capacity through focusing on clear areas of organisational change and development.
5. This new strategy builds on the successful foundations of Striving for Excellence and has shaped the development of five key strands of work:
 - (a) human resources strategy – how we will continue to develop the staff and members who work for Darlington Borough Council so that they can continue to do their best for Darlington’s residents;
 - (b) communications – how we will continue to improve how we communicate externally and internally within the organisation;
 - (c) community engagement strategy – how we aim to ensure a bigger say and a better deal for our community;

- (d) business transformation – how we can learn from the success of Street Scene and roll this out across further projects that seek to release efficiencies whilst as far as possible improving service delivery;
- (e) information technology strategy – how we can maximise the use of technology to communicate better, maximise efficiencies and improve customer services.

Information and Analysis

6. Darlington's approach to organisational development has been both successful and well documented. For example it featured as the main case study in the LGA's publication *Route Map of Improvement*. To date it has followed three distinct processes as shown below:
 - (a) **Seamless transition** – On becoming the country's third smallest unitary authority in 1997, seamless transition was our improvement goal. Bringing together two distinct cultures and running major services such as education for the first time were major challenges for us. Politically, anything other than seamless transition was not an option.
 - (b) **Taking stock** – The next phase entailed taking stock of our progress as an organisation. We invited the Local Government Improvement Programme to undertake a peer review in Darlington in 2000. Other sources of opinion or evidence that were similarly useful were less voluntary. We had an Ofsted Inspection, Joint Review and six Best Value Inspections within a year. All of this gave us a fairly detailed picture of how Darlington looked to others and helped us launch the next phase of improvement.
 - (c) **Striving for excellence** - This was the stage in organisational development where we stepped up a gear. Striving for Excellence was launched as a holistic means of development, encapsulating people management, performance management and communications. This reflected our view that to deliver real improvement, the culture must support members and employees to perform. Developing this culture required visible leadership, managerial and member buy-in and an openness to communicate the key challenges.
8. Evidence of delivery and therefore of the effectiveness of our chosen improvement route can be seen across all of our major services. Even those for which improvement is still required, the story over the past few years is positive and the direction of travel is right. In early 2005 we were rated as an excellent authority, which was maintained in December 2005 and again in February 2006.
9. Having become an excellent authority, we were aware that simply continuing to deliver services in the way we do now will not enable us to remain excellent for long. We need to change to address our areas for development, to free up resources to bridge our budget gap and for investment in frontline services.
10. One of the major factors in the successful implementation of Striving for Excellence was the contribution and participation of employees, members and trade unions in both the development and implementation of the strategy. This led to widespread staff recognition and understanding of the phases that the organisation had gone through and their appreciation and understanding of what the current phase meant for them in their own roles. This understanding has been continued into the current phase by a similar approach.

11. **Appendix 1** summarises, at high level the rationale behind Leading Edge and identifies the main priorities for improvement across the organisation. It gives strategic direction to the five constituent strands of the organisational development strategy which have more detail within them.

National Context

12. Lead up to the white paper has stated that unitary or all-purpose local authorities are best placed to deliver services. There has been a presumption (from civil servants) that the most effective authorities serve populations over 250,000. Darlington can demonstrate that size does not prevent us being excellent and that, contrary to received wisdom, it is actually a key reason why we are a high performing authority. We will need to continue to demonstrate that we can meet any shortfalls in capacity through other mechanisms, while remaining closely connected with our community.
13. A thread that runs through the development of policy in local government generally, and one that is already particularly visible in education, social care and health is the greater personalisation of services to meet individual need, leading to greater citizen choice of service (and provider).
14. Gershon requirements are contributing to pressure to reduce costs. Increasingly authorities are being judged on their abilities to share services. Certainly in our case, it would be seen as anomalous if sharing services were not at least one means by which we maximise capacity.
15. As indicated in the covering report to this part of the agenda the white paper encourages greater community engagement and focus on neighbourhoods. Other agencies e.g. the police are being required to have more formal local or neighbourhood arrangements. Whilst there is not a prescribed 'one size fits all' model for the form of neighbourhood arrangements in place in any authority area, there must be a well thought out approach. Although there would appear to be some degree of tension between "localism" and Gershon efficiency models, it must also be recognised that the idea of 'co-production' is gaining ground. Co-production is the name given to a form of service delivery that recognises the need for and encourages the active involvement of citizens and customers in service delivery. For example, it is recognised that service delivery in health improvement, community safety and education can only have limited effect if local communities are not actively involved in the process.
16. CPA's harder test places new emphasis on user involvement and diversity. It has been designed to test an authority's knowledge of the communities it serves and seek evidence of how this knowledge has shaped service improvement.
17. The emergence of City Regions reflects government thinking that even larger authorities must think outside their boundaries when planning the infrastructure needed to support economic regeneration. The five Councils in the Tees Valley have already made the case to Government for devolution of powers relating to transport, economic development, regeneration to a new form of partnership. It will be vital that Darlington proves itself to be up to the task of punching above its weight when negotiating with bigger players.

What Leading Edge means

18. The definition of a leading edge authority, one that can rightly claim to offer a model for others is one that:
 - (a) has an ongoing dialogue with its people about the vision for the town/borough and quality of public services;
 - (b) absorbs the learning from that dialogue into the design and delivery of public services (those it delivers, or commissions, or seeks to influence in its community leadership role);
 - (c) continuously challenges and reviews its own performance to enhance the quality of services and drive efficiency; benchmarking and drawing from others to identify scope for improvement;
 - (d) provides leadership to the community, nurturing the engagement of all public services, of business and the voluntary sector in delivering prosperity and equality;
 - (e) is obsessively customer focussed in its interactions with the public;
 - (f) promotes and celebrates the town as a place to live, invest in, visit and move to;
 - (g) acknowledges that the organisation cannot succeed without a committed, well trained and highly motivated workforce that is clear about its purpose.
19. Expressed more simply, Leading Edge is about:
 - (a) Putting people first;
 - (b) Providing value for money;
 - (c) Leading the field.
20. The attached strategy has been designed to enable us to become a leading edge organisation against this definition.

Outcome of Consultation

21. This strategy has been shaped by consultation. Focus groups of members, trade unions and staff at all levels of the organisation have been involved in its development. Staff road shows and talk time discussions have been instrumental in its design. Public perceptions captured through our annual surveys and consultation exercises such as that conducted for the Tesco proposal have influenced the strategy.

Legal Implications

22. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

23. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

24. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Decision Deadline

25. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Recommendations

26. It is recommended that:
- (a) That the ambition for Darlington Borough Council to become a Leading Edge local authority, as defined within paragraph 18 of the paper, be endorsed;
 - (b) That the organisational development strategy attached as **Appendix 1** be agreed;
 - (c) That the priorities for improvement to the capacity, skills and resources of Darlington Borough Council, to include five strands of work: communications, community engagement, business transformation and improvement, human resources and ICT, be endorsed.

Reasons

27. The recommendations are supported by the following reason: to ensure that the Council has the capacity to deliver its ambitions.

Ada Burns
Chief Executive

Background Papers

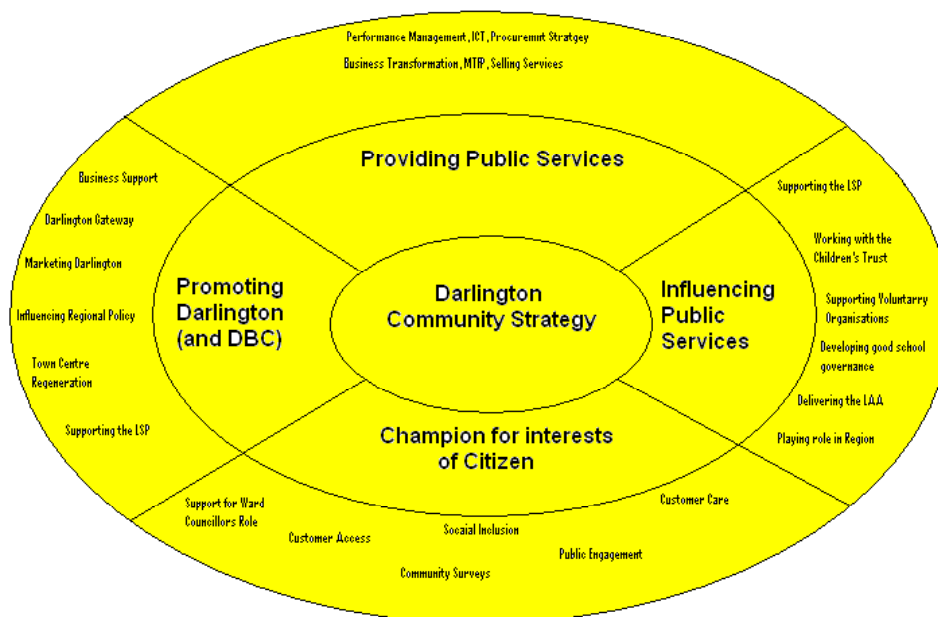
No Background papers were used in the preparation of this report.

L O'Donnell Ext. 2013

Organisational Development Strategy – Leading Edge

Introduction

The vision for what Darlington needs to look like in 5-10 years time will be set out in our new community strategy. Our existing community strategy has driven services and priorities for the past 5 years and now needs to be updated. However, we already know, through a period of reflecting on future demands and opportunities, that we will need to work differently in the future to provide better customer services, collaborate more with other organisations and to meet ever rising public expectations. This is summarised in the ‘egg’ below which shows 4 key ways in which we need to work if we are to deliver the vision: promoting the borough and the council; influencing public services; providing excellent services and championing the needs of communities and customers.



What this means for us as an organisation is that:

- Influencing services** outside of those we directly provide will become much more important in the future. For example, the proposed CAA does not inspect and rate organisations; it will examine how **all** organisations in Darlington work together to improve the quality of life of local people. This is a continuation of what we have experienced under best value and CPA. Under best value, services and parts of services were inspected. Under CPA, the whole organisation was inspected. The harder test CPA which we face in March 2008 adds new challenge because, in this system, **we will only be as strong as our weakest link**. Under CAA we will be as strong as our weakest partner. Our existing community strategy and Striving for Excellence positioned us well to meet previous challenges. Our new community strategy and Leading Edge must similarly position us well for the future.

- **Championing communities and the customer** to ensure a **bigger say and a better deal** for Darlington’s residents is a key driver of our community engagement strategy and a new style of working for us. We have recognised the need to do more to spread existing good practice on engagement and to consistently plan engagement thoroughly and make sure we feedback on how decisions have been influenced by resident and stakeholder involvement. At the same time customer expectations of services is increasing and we need to make sure that we can respond to changing needs and expectations to provide more personalised services. Empowerment and engagement is also required to enable citizens to meet their own needs e.g. to realise the importance of education, to take pride in their neighbourhood etc. Engagement means working in partnership with communities.
- **Promoting the borough and the council** is also something we need to do more of and better. We have good examples of this already e.g. in securing economic regeneration funding to enhance the borough’s infrastructure and attracting investors to Darlington. However, as local government reorganisation changes the shape of authorities around us, we will need to do more to ensure that regional and national decision makers hear Darlington’s voice.
- Our culture so far has been to “do” rather than to network or concentrate on influencing others but direct provision or **providing services** will form a smaller (though still large) part of what we do. The services we choose to provide need to be lean so that we can make the most of the capacity we have and provide excellent value for money.

Our thinking on the egg is already influencing much of what we are currently developing or doing, for example:

- Sustainable Community Strategy preparation
- CAA preparation
- New look LAA preparation
- Voluntary sector strategy
- Establishment of the Connecting with Communities team
- Procurement Review
- Leading Edge projects e.g. Street Scene

This list is by no means exhaustive. Leading Edge is not designed to capture everything that is in the sustainable community strategy or other strategies. That is not its purpose.

An organisational development strategy is a planned and coordinated programme of development to ensure that the organisation has the capacity, capability and systems to enable it to achieve our new vision.

In other words:

- Ensuring that we remain fit for purpose as the environment changes
- Making sure our aspirations are deliverable and realistic
- Continuing to evolve as a high performing organisation
- Making the most of our capacity

So how do we remain fit for purpose and work differently?

If we are to **promote Darlington** effectively we need a compelling unique selling point (USP) that we own with our partners. We need to spend time networking and coordinating with external stakeholders to make sure that regional and national decision makers understand Darlington's priorities. Some implications of this are:

- We need to develop a new and compelling USP that is shared and communicated widely (which has major communications and community engagement implications)
- We need to identify a new focus and skills for senior managers (HR implications)
- We need to identify and realise opportunities to work with other agencies as we are already doing in the case of the Darlington Stockton partnership and adult services integration with health (business transformation and ICT implications).

If we are to **influence other public services** in Darlington we need to ensure that our common vision is translated into the plans and performance management frameworks of other agencies. This will mean:

- We need to understand more fully the agendas of our partners (communications)
- We need to ensure that all partners understand the needs and aspirations of Darlington's residents (community engagement).
- We need to identify joint working practices and procedures (business transformation, HR and ICT).

Providing excellent services where we consistently need to do more for less requires us to....

- Know exactly what the public want and need (community engagement)
- Share this throughout the organisation (communications)
- Empower our staff to deliver (HR)
- Become leaner, more effective and efficient (business transformation)
- Exploit all technological opportunities (ICT)

Championing the needs of communities and customers requires us to....

- Equip our staff with the means of serving the public (HR)
- Focus all efficiencies on improving frontline services, for example by moving resources from processes that do not add value to the customer experience (business transformation)
- Enable customers to serve themselves wherever possible (ICT)
- Persuade the public that we mean business (communications)
- Develop the capacity in communities and within the council to translate customer requirements into delivery and to raise aspirations (community engagement).

Working in the way summarised by the egg, therefore requires us to develop new strategies and projects in the following areas which have been identified as **5 key strands** of the ODS:

- Community engagement
- HR
- ICT
- Communications
- Business transformation.

It is important to realise however that none of these strands can be developed in isolation. Bringing our growing programme management expertise to this area will help us ensure that we get more than the sum of the parts from our ODS. This is clear from the table below where we have listed the 3 main priorities for each strand. Even a quick examination shows that all the strand priorities have HR implications; all have communications implications etc.

Priorities of the 5 strands

Communications	HR	ICT	Community Engagement	Business Transformation
Develop and communicate a shared, compelling USP for Darlington	Ensure managers manage and leaders lead	Facilitate first rate intelligence through data and knowledge management	Build capacity in the organisation and communities to translate customer needs into action	Maximise the talents of our staff in the support and delivery of projects and design of services
Foster genuine two-way communication internally, externally and with partners	Empower staff to deliver excellent customer services	Support our staff to help customers through maximising mobile working	Ensure customer services become first class	Eliminate waste, duplication and processes that do not add value or are not necessary for the public
Develop a prioritised, resourced and coordinated approach to raise Darlington and DBC’s profile regionally and nationally	Develop relationship management as a core competency	Increase opportunities for self service	Engage staff in the development of plans and services	Transform service areas in priority order of potential to improve value for money

Consultation on the ODS

The process of identifying these priorities involved both consultation and challenge. We consulted staff, senior managers and members in focus groups. Our priorities were shaped by the following outputs from these focus groups¹. A full day workshop on mapping the relationship between the egg and the 5 strands enabled us to identify linkages and produce detailed actions that form the action plan supporting this strategy.

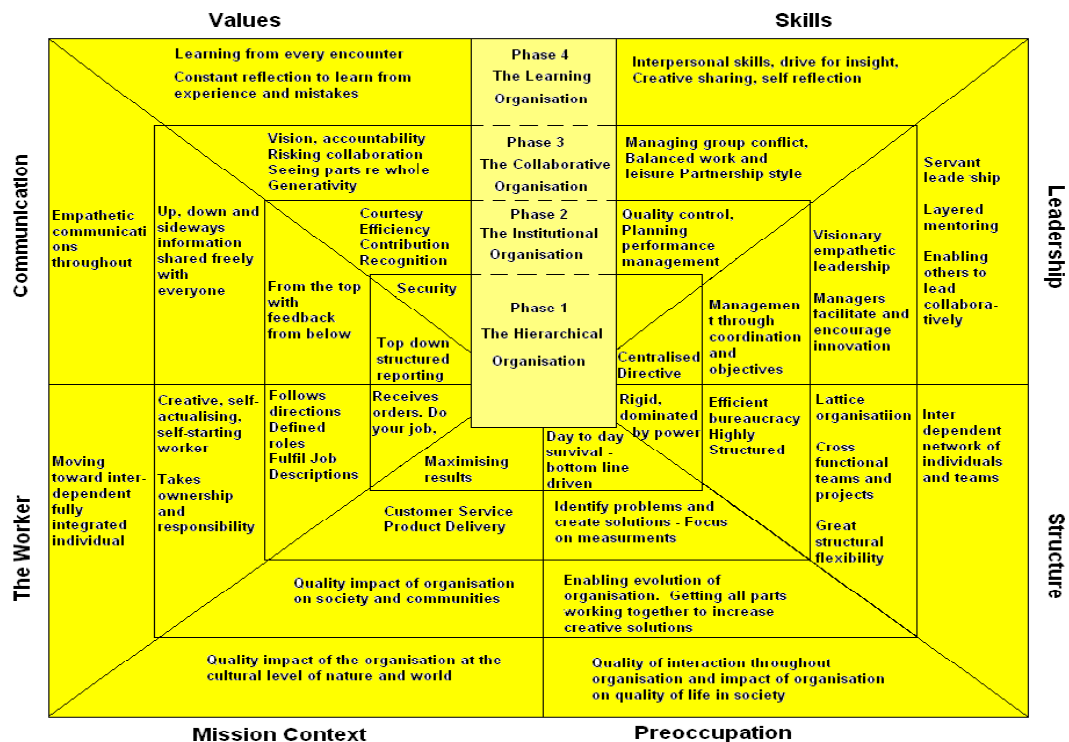
Challenge

We challenged our thinking on the ODS in two ways. Firstly by testing whether achieving our priorities would help us deliver the ‘egg’. Secondly by applying a theoretical model map of organisations, which charts the phases of organisational development from the hierarchical organisation, through institutional and collaborative phases to the goal of a learning organisation. We found that our priorities work well on both counts.

Consider the ‘egg’ first. The 5 strands contribute to the egg in the following way (shading indicates main area of contribution²). The diagrams attached on page 6 show that contribution is required across all 5 strands of the ODS to ensure that we work in the new way.

¹ Output from these focus groups has been summarised in a report by CPRC.
² For simplicity each priority was allocated to a single section of the chart to reflect its major contribution. In practice, the effect of each priority will be wider.

Secondly consider the theoretical model of organisations.



For most areas we are currently somewhere between level 1 and level 2. Our aspiration is to become a learning organisation that is capable of operating at any level given the circumstances required. For example, at times of crisis, hierarchical behaviours work best. Our view is that a learning organisation is able to adapt its style to the prevailing needs, whilst a hierarchical organisation is not capable of such adaptation. Again, the diagram on page 7 shows that we need contribution across all the strands to develop holistically across all the aspects of structure, skills, leadership etc.

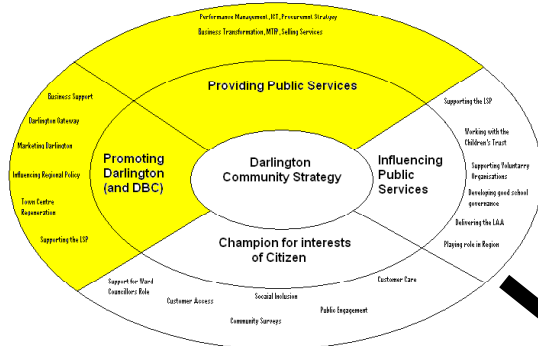
Implementing the ODS

Further detail to supplement the high level statements in this overarching ODS are/will be set out in the following documents:

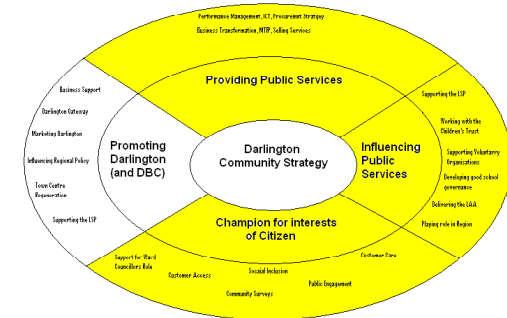
- Community engagement strategy
- Communications strategy
- HR strategy
- ICT strategy
- Blueprint for business transformation.

These translate the overall direction into activity in each of the strands. Detailed action plans will be drawn up across the strands and programme managed by the Leading Edge board.

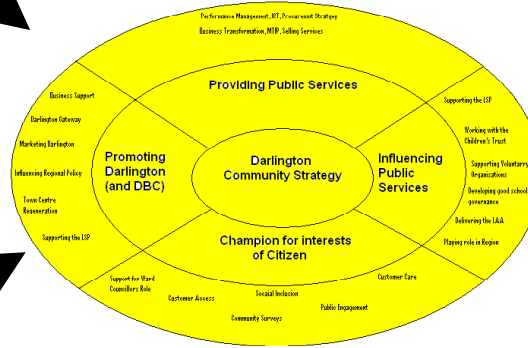
Communication



Developing a USP and a planned approach to influence will help us promote Darlington. Genuine two way communication will help us provide better services

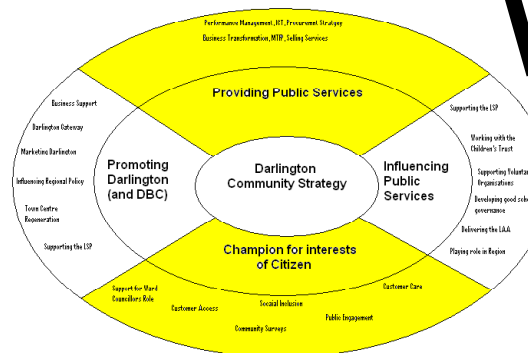


Ensuring that managers manage will enable us to provide better services and at the same time empower staff to serve our customers. Relationship management is key to our ability to influence

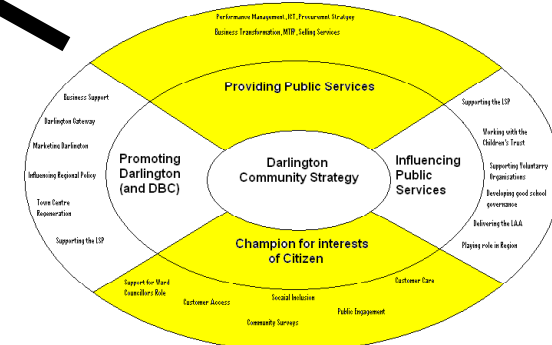


It takes the contribution from all 5 strands to deliver holistically.

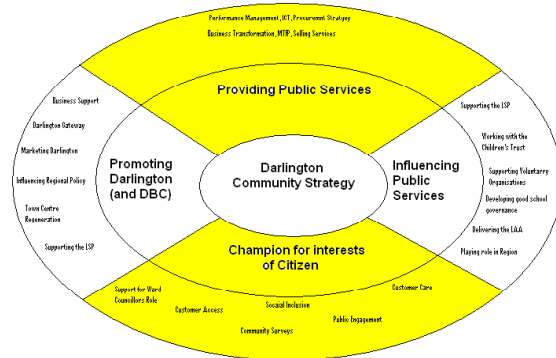
Community Engagement



Most of the contribution of community engagement will be on championing the needs of users. Ensuring that we also engage staff will help us provide better services.



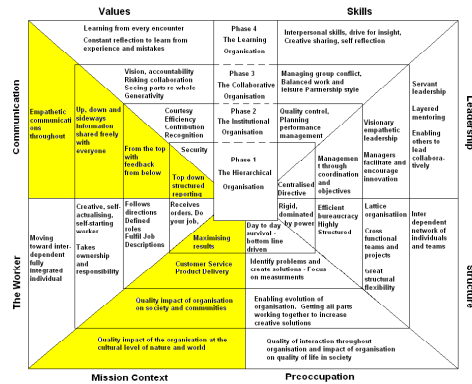
Most of the contribution of business transformation will be on providing better services. However by seeking to invest efficiencies in frontline services means that there is also a strong customer element here.



The major contributions from ICT will be to gaining better intelligence to plan and deliver services. Getting more people in the field and enabling greater self service will help us champion the needs of customers.

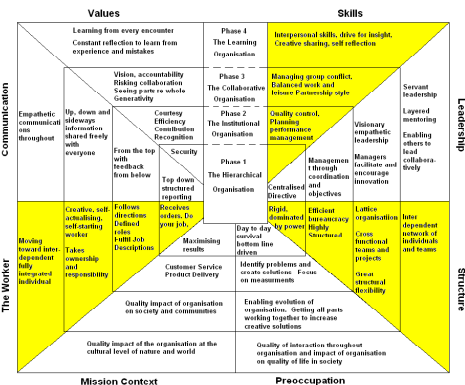
Shading indicates the main area of contribution

Communication



Communications greatest contribution is in the areas of mission and more obviously communication. At higher phases of organisational development, empathetic communications and sharing of information are paramount.

ICT

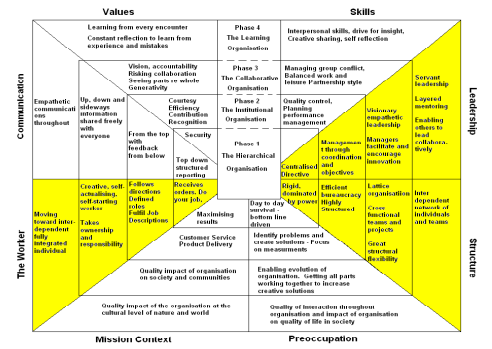


The major contributions from ICT will be to gain better insight to our services and to improve the integration of individuals and teams to support interdependency across services.

Shading indicates main area of contribution

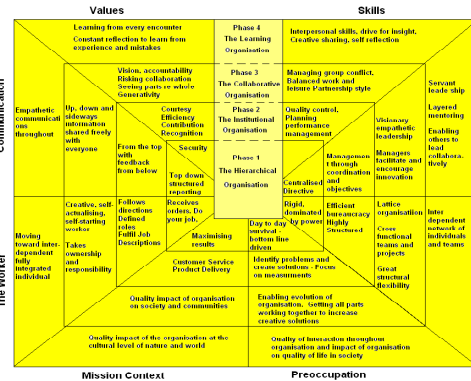
Leading Edge Cabinet

HR



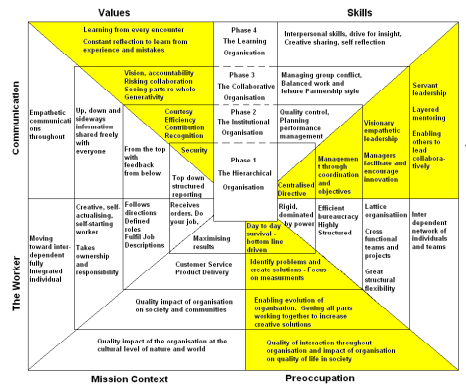
Moving from a command and control to a servant leadership style at the same time as having greater inter-dependent structure and roles will be a major focus for HR.

The ODS



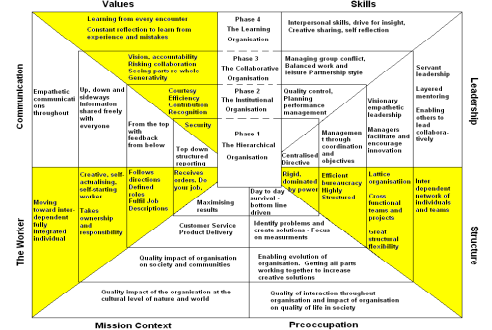
The gap between where we are now and the learning organisation is different in each sector but contribution from all 5 strands is needed to move the organisation through the phases of organisational development.

Community Engagement



Serving the customer will become our preoccupation, bringing with it the opportunity to reflect and learn from our mistakes (values) and encouraging innovation.

Business Transformation



The way in which we conduct business transformation will enable us to learn from every encounter (value) whilst building cross functional teams and projects.