

# Cooperative Centre of Operations (CCO)



## Creating CCO Capabilities

**Scrutiny – 17<sup>th</sup> December 2014**

Presented by:

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# What are we looking to achieve?



- A shared understanding of what the CCO Programme will deliver and how this contributes to us becoming a brilliant cooperative council
- Agreement on what the Scrutiny approach to the CCO Programme will be going forwards.

# Why do you need CCO and what will it deliver?



A brilliant cooperative council needs to assure the delivery of high quality services regardless of who delivers them and to make strategic decisions which consider the needs of all our citizens, customers & partners.

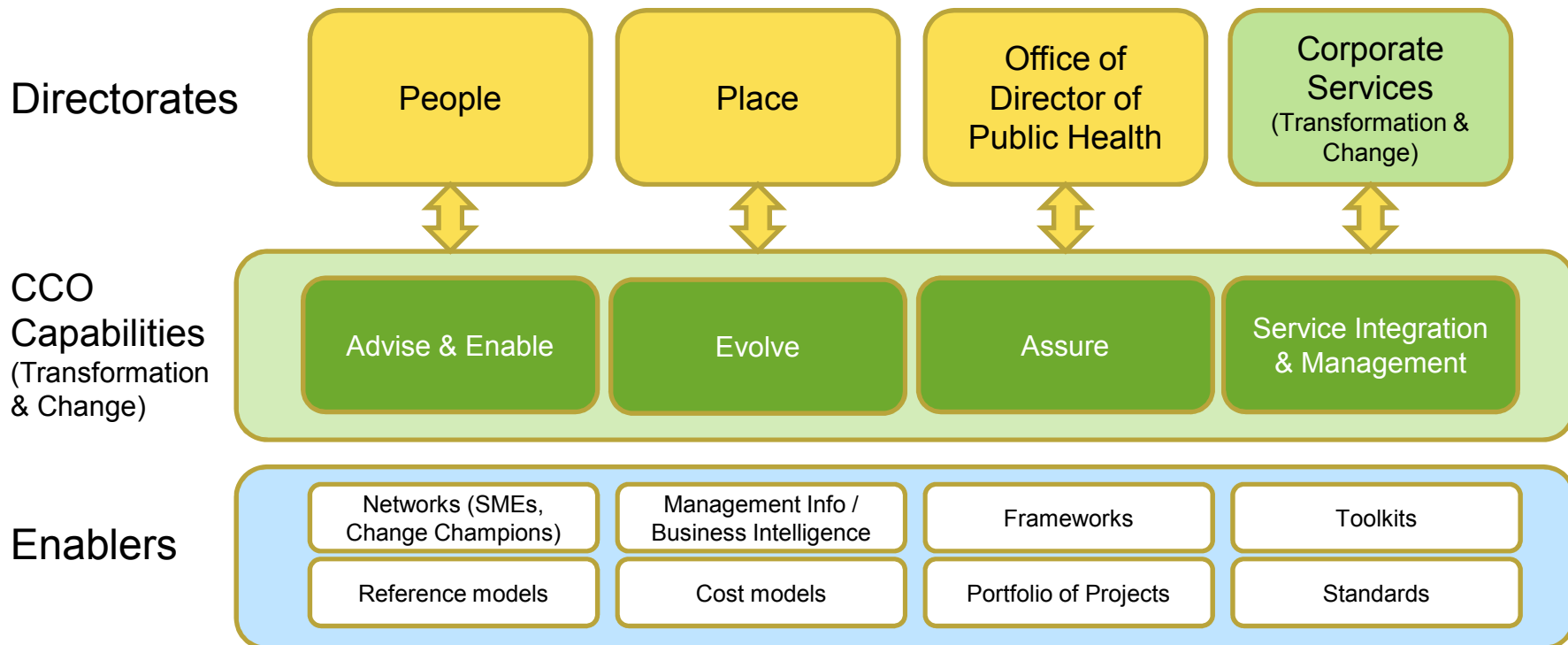
3 CCO Project areas will make this possible, creating a series of 'capabilities', backed by tools, guidelines & support teams.

- One will help us **Evolve, Assure, Advise and Enable** PCC as an organisation.
- One will facilitate high quality **Service Integration & Management**, with consistent processes & tools.
- One will **transform** selected corporate services (HR, Finance, Legal, Support, etc.) improving efficiency & effectiveness.



"The CCO is a Programme - it is not going to be an 'entity' in the future, it is purely a mechanism for delivery"

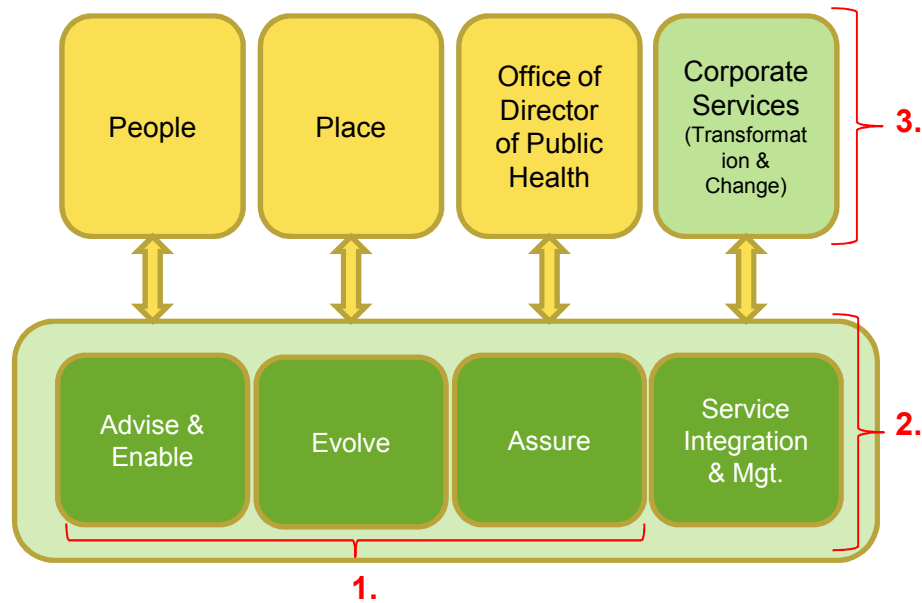
# How will this sit within the PCC structure?



## ■ CCO Capabilities

- Ensure consistency of decision making, service delivery and commissioning across the Council
- Coordinates and supports Subject Matter Experts (SMEs), Change Champions and Knowledge Networks
- Provides common tools, frameworks, data and processes for use by staff within the directorates and guidance and mentoring in their use

# What Projects will CCO comprise?



## CCO will have 3 key Project Areas:

### 1. Establishing this 'Strategic Layer'

- To **enable** us to make brilliant co-operative decisions with sound advice and smart information.
- To **evolve** of PCC with proactive design, planning and business change functions.
- To **assure** we comply with standards, learn lessons and continuously improve quality.

### 2. Developing our Service Integration & Management capability

- To **manage** services to a consistent high quality, whether in-house, traded, partnered or outsourced.
- To **integrate**, providing a bridge between strategy and delivery, making our decisions live and breathe.

### 3. Transforming Corporate Services

- To generate income, improve efficiency and the reduce overall delivery cost of services.
- To improve and optimise the quality of our HR, Finance, Legal and Other Support Services.

And will deliver 3 kinds of project:

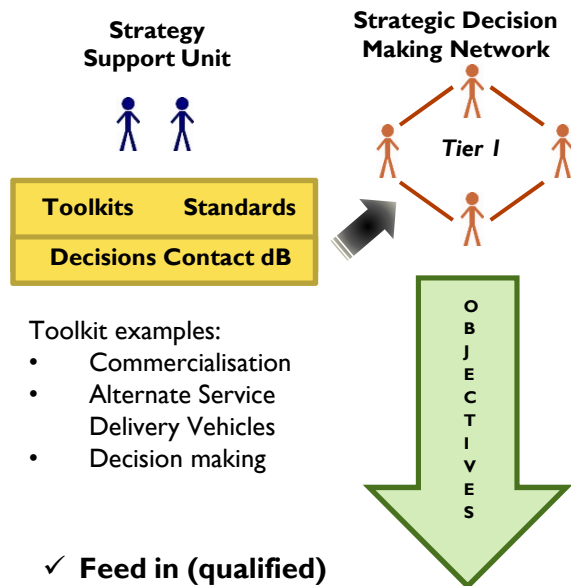
- **A. Quick wins** – money-saving tactical fixes, consistent with our strategy (3-6 months)
- **B. Foundation** – core building blocks of our Target Operating Model (6-18 months)
- **C. Maturity** – further work to deliver the full value in our benefits model (3-12 months)

# How will the 'Advise & Enable' Capability mature?



## Early State

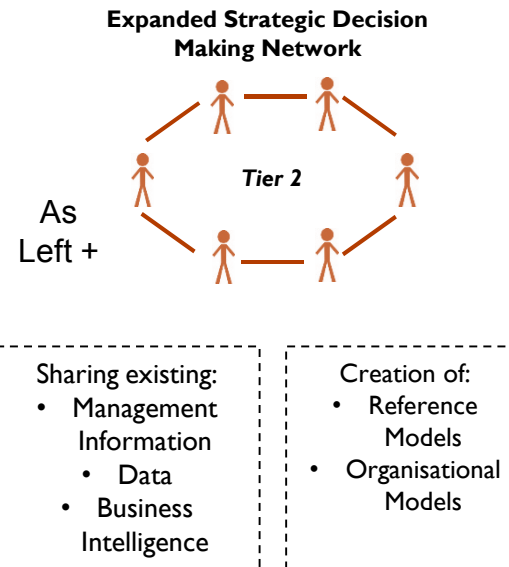
The key people in our existing Decision Making Network (our Peer Subject Matter Experts (SMEs)) will be formally recorded in a database which can be maintained by a small Strategy Support Unit. The Unit will provide standards & toolkits to support decision making. To begin the culture change, our SMEs will have formalised objectives to ensure active participation.



- ✓ **Feed in (qualified) problems/opportunities in your area**
- ✓ **Give SME advice on impacts & decisions in other areas on their area**

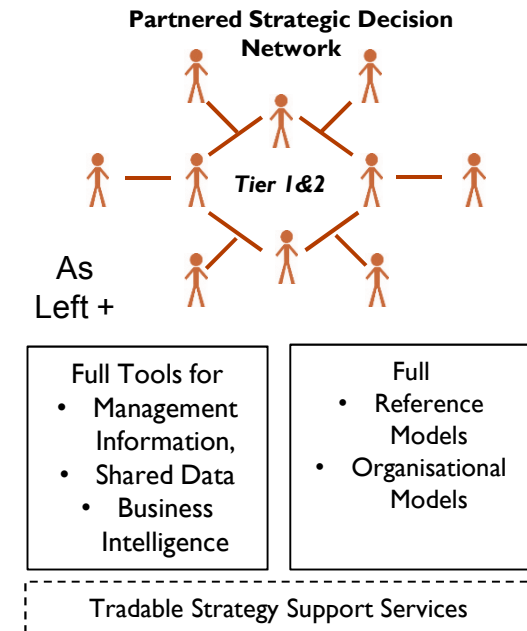
## Interim State

With the support of our SMEs, we will expand the database into progressively more detailed areas of subject matter expertise. We will also begin the process of sharing our (siloes) Information & Intelligence to understand the past consistently & develop models to predict the future.



## Mature State

The capability matures when we are able to include all our Partners within our Network. We will have full Management Information (MI) and Business Intelligence (BI) Tools and Reference Models in place and could generate an income from trading the services of our Strategy Support Unit with our partners.



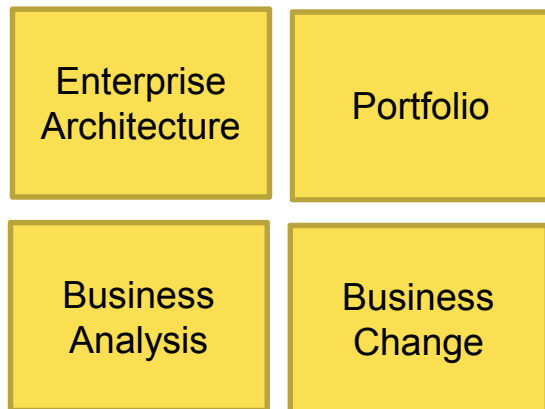
# How will the 'Evolve' Capability mature?



## Early State

We will start with the Transformation-Led Evolve function that we have in place today. Analysis conducted, possible structure changes are designed, plans drawn up and the business prepared for change from within the Transformation team.

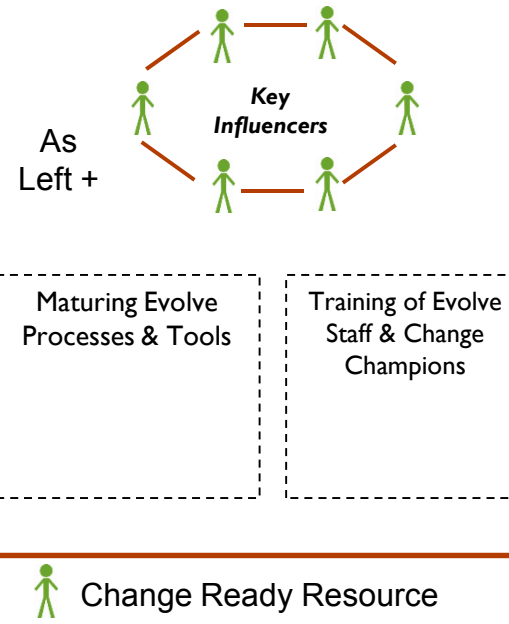
### Transformation-Led Evolve Function



## Interim State

We will establish a network of Change Champions from within the business; trained and fully bought in to prospective new ways of working, and ready to support the adoption of these within their business areas. Processes, Tools and Training levels of staff involved in change will start to mature.

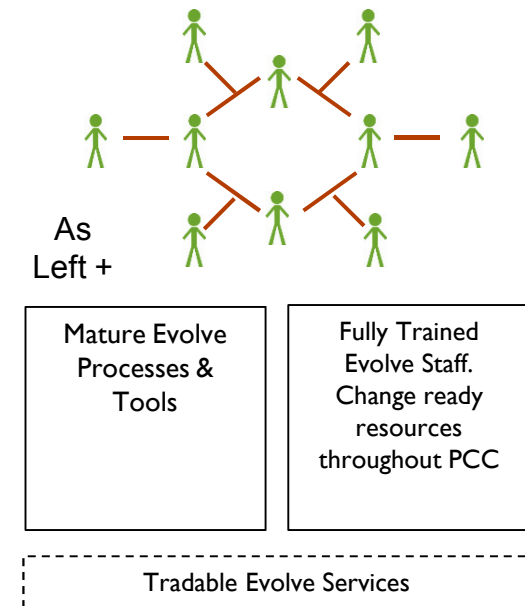
### Change Champions Network



## Mature State

The capability matures when the organisation is accustomed to change and ready to adopt new ways of working. Processes, Tools & Staff involved in change will be sufficiently mature that we could be able to offer their services to the marketplace.

### Change Ready Workforce



# How will the 'Assure' Capability mature?



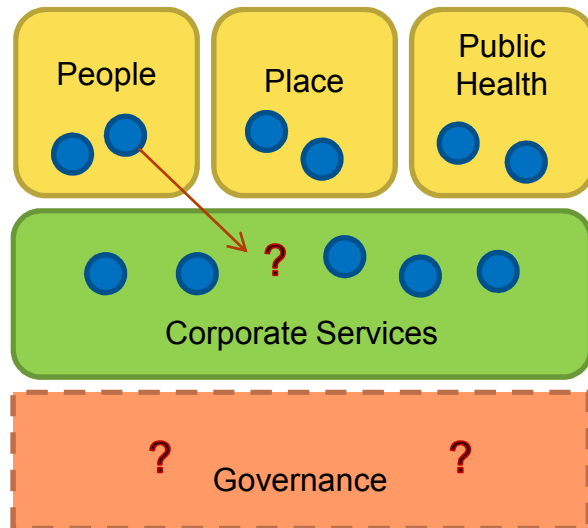
## Interim State

Today's siloed Assurance functions will be reviewed and tactical reorganisations may be made (e.g. the statutory complaints reorganisation after Ofstead, shown below). Governance arrangements for the Integrated Assurance Capabilities will be reviewed.

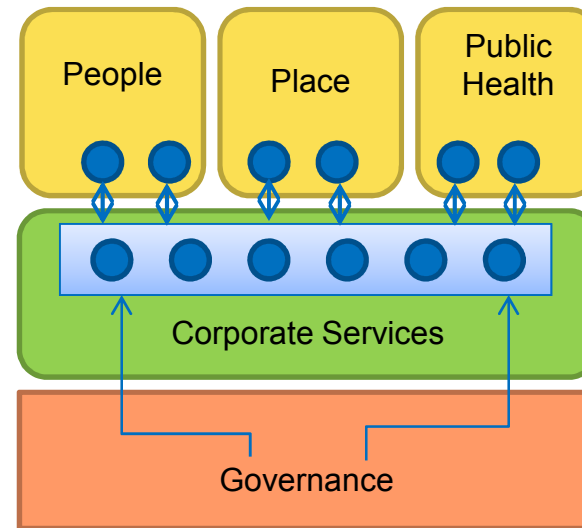
## Mature State

The capability matures when the Governance of Integrated Assurance is fully established, strategic reorganisations of any assurance functions better delivered from Corporate Services are completed and information / integration links established with the assurance functions that remain within the other Directorates are established. It would also be possible to generate an income by offering certain elements of our Integrated Assurance function to partners and other councils.

### Tactical Reorganisation



### Full Integrated Assurance Capability



● Assurance Function

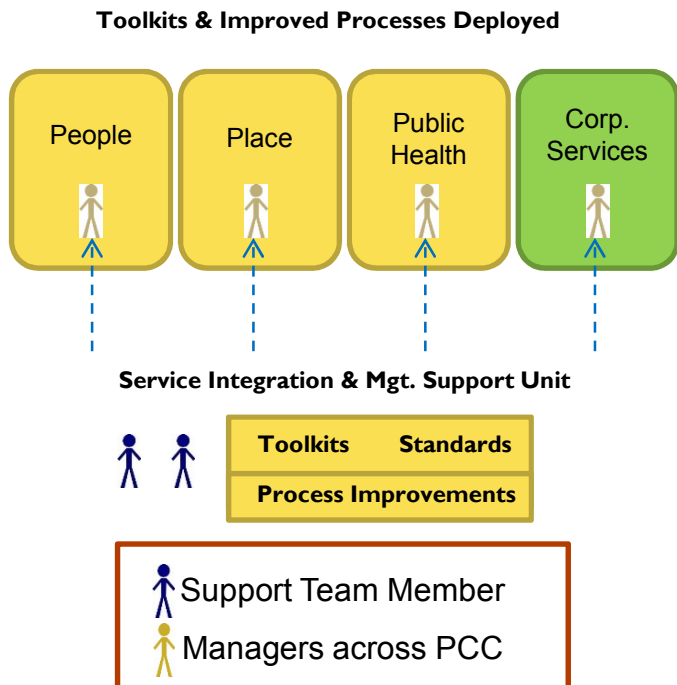


# How will the 'Service Integration & Mgt.' Capability mature?



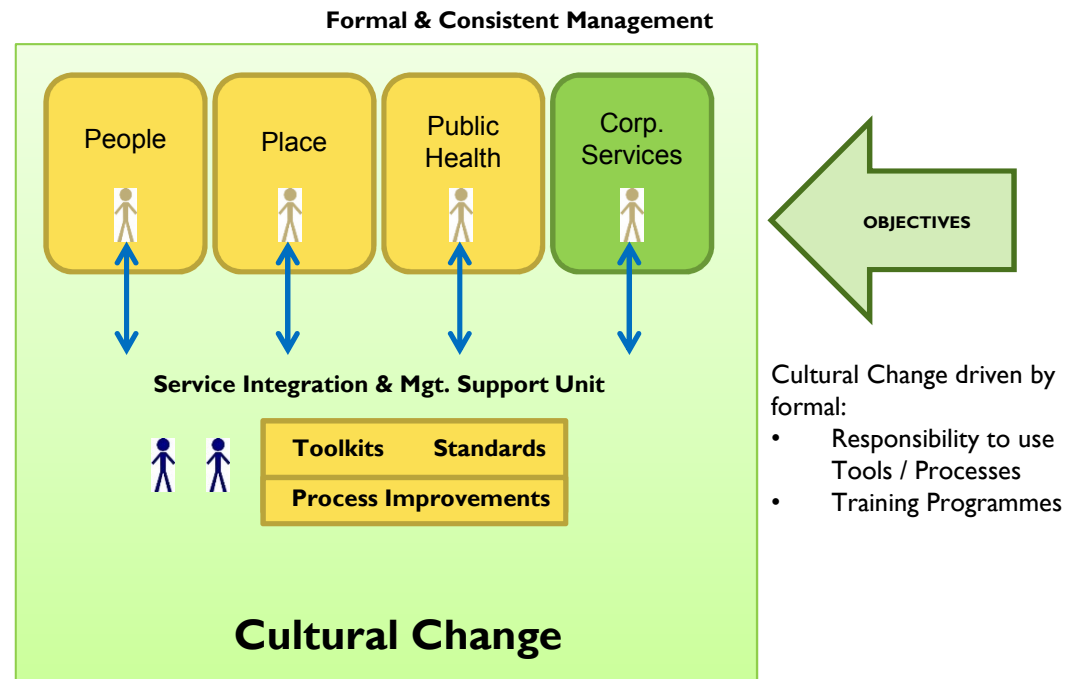
## Interim State

The processes, tools and support available to managers across PCC (in the areas of Commissioning & Procurement, Intelligent Customer, Contract Management & Category Management) are being improved to help them be more efficient & effective. At this early stage, use of these support toolkits is optional and being 'pushed' out to managers by Transformation.



## Mature State

To affect cultural change amongst managers, we will need to provide training and set formal objectives which give them a responsibility to use the Service Integration & Management support function & associated toolkits, to make their services more efficient and effective. This will drive consistency and improve quality over time, and, consequently, make it easier to change the 'delivery vehicle' (e.g. In-house, Outsourced, Traded, Partnered) that a service uses.



# How will the 'Corporate Services' mature?

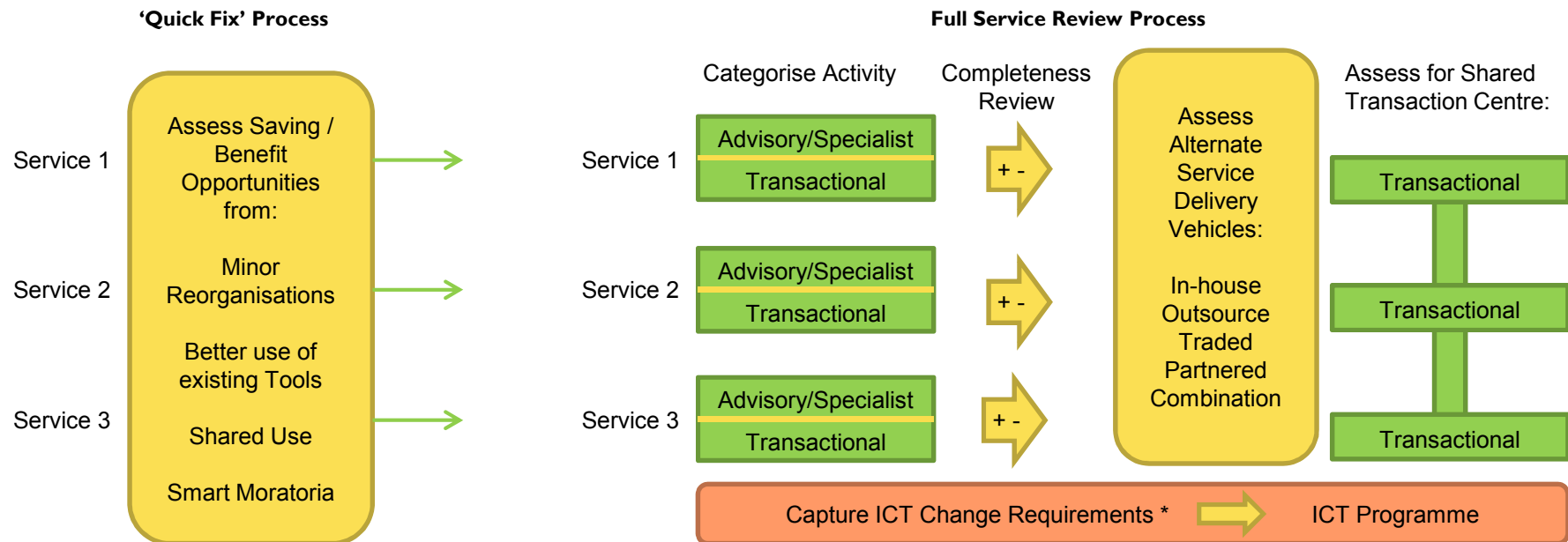


## Tactical Solution

We are assessing opportunities to save money and improve effectiveness in a range of ways. In particular putting service functions together where they can be more efficient, using the tools we have better, sharing tools and support services and driving good behaviours by stopping inefficient ones (e.g. holding online meetings instead of travel).

## Strategic Solution

We will be conducting a full service review of HR, Finance, Legal Services, Procurement, Business Support, Democratic Support, Executive Support, Health & Safety Delivery and Facilities Management, to ensure they are as efficient and effective as possible. This will involve a division of the tasks they perform into 'smart' advisory/specialist tasks and 'simple' procedural transactions. We will check we are doing the right things and nothing we shouldn't. We will check if the best value is achieved doing it ourselves, with a partner, outsourcing, or selling the service to others – or a combination. And, we will group transactional tasks to save money.



\* All IT change requirements will be passed to the new ICT Programme for coordinated delivery

# Closing Summary / Q&A



The last month:

- Has seen significant progress both with the design process, and, with our plans for what needs to change and when. This means we are now able to deliver the right, customer focussed outcomes both for our citizens and within the Council, in the coming months and years.

The next 3 months:

- Will see 5 projects within CCO refocused into 3 complementary, closely-related project areas
- All our tactical 'quick win' projects will be prioritised and progressed, and most importantly...
- The maturity within the organisation to manage change from its existing resources will grow as the systems, tools and knowledge is put into place, ensuring CCO will more ably support the other Programmes in implementing critical changes that benefit our city.

Do you have any further questions that you would like us to address?

## 1. What will feel different after CCO creates these capabilities?

- Scenario 1: Change in Legislation / Local Policy
- Scenario 2: Change of Service Delivery Model

## 2. CCO Delivery & Dependencies

- Project 1 – Establishing the Strategic Layer
- Project 2 - Establishing the Service Integration & Management Layer
- Project 3 – Transforming Corporate Services
- Managed Dependencies from across the Portfolio

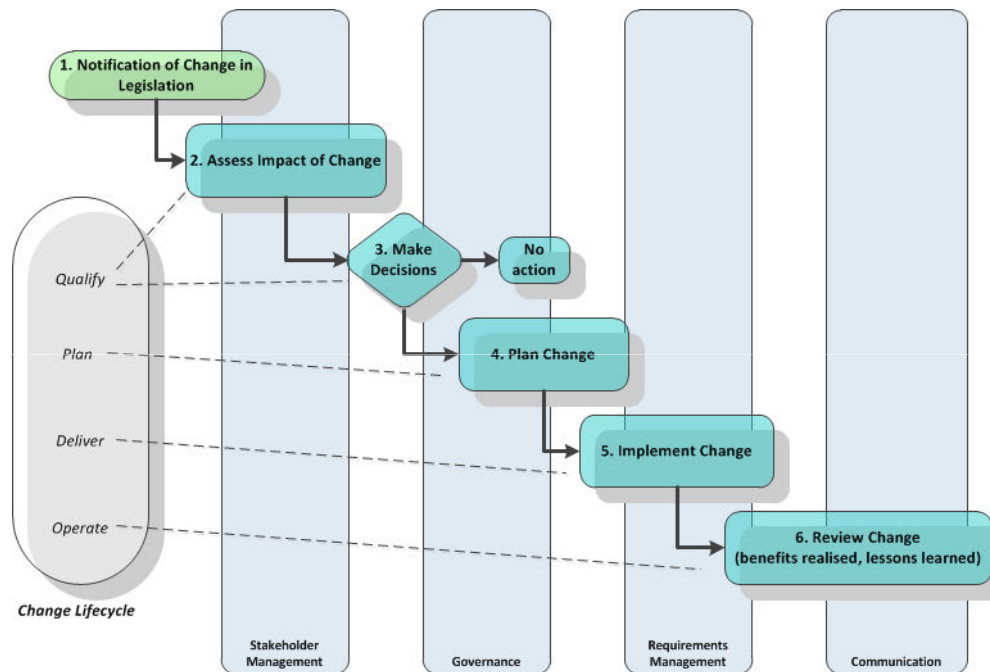
# What will feel different after CCO creates these capabilities?



To begin our explanation of CCO, first we want to share how things will feel different once we have created the capabilities outlined above:

- We are using Scenarios to illustrate the path through certain key processes and illustrate how things will operate in the future
- More than a dozen scenarios have been explored by the CCO programme team
- Two key scenarios are presented below
  - **Change in legislation / local policy**, showing how a Strategic Support team would support the business in assessing the impact of new legislation
  - **Change of service delivery model**, showing how a Service Integration and Management team would support the business in commissioning and managing services
- Further detail of the processes illustrated in the scenarios will be included within the CCO Blueprint (targeted for Dec 2014)

# How PCC want it to work – Scenario 1: Change in Legislation / Local Policy



**Key**  
 R – Responsible For  
 A – Accountable For  
 C – Consulted On  
 I – Informed About

High Level of Involvement (Red)  
 Low Level of Involvement (Green)

Process Stage	Enterprise	Business	Portfolio Office	Project or Subject Matter	Members	Officers	Citizens
Assess Impact of Change	A	C	R	R	C	C	C
Make Decisions				R	R	C	I
Plan Change	A	R	R	R	R,C	R,C	C
Implement Change	R		R	A	I	I	I
Review Change		R	A,R	R	C	C	C

**Current State** - A robust, efficient and fully resourced change management framework does not exist, so the cost and quality, and success, of managing and implementing changes in legislation can vary.

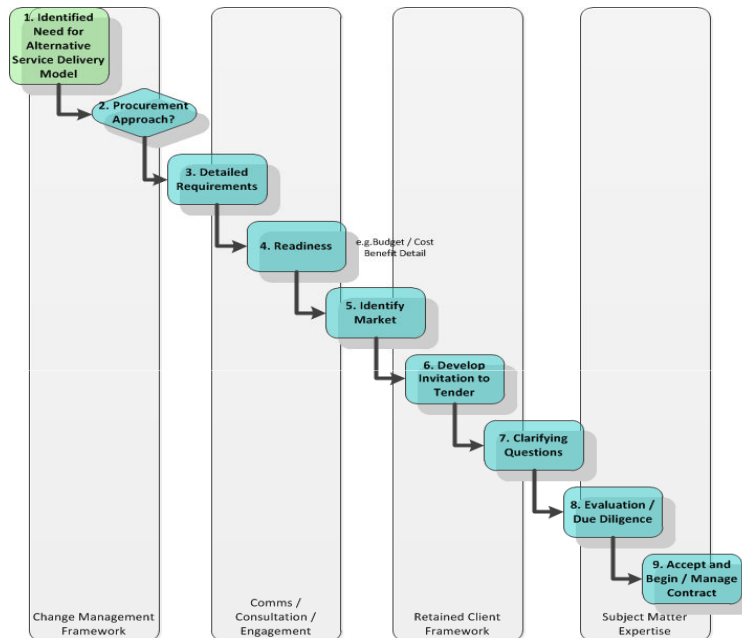
**Solutions** - Significant benefits arrive with the development of structure and standardisation through EA (which includes service reference models, data warehouse, and change management, governance, and decision support frameworks for example), the governance and management of projects through an established Portfolio Office, defined processes, relevant tools and templates, and dedicated roles and responsibilities.

**Benefits** -These benefits include - informed decision making, flexible and cost efficient processes for managing legislative change, transparency of communication, measurement and monitoring of change, learning from experience, and generally ensuring change is robust, is implemented with minimal disruption and ROI.

The structure, standardisation, and capabilities mentioned above also address the more fundamental underlying issue of a lack of integrated intelligence and decision making, as highlighted in the EY blueprint.

**Other** - Other relevant deliverables from the transformation programme include – People and Organisation Development (POD) ‘management development through change’, ‘leadership’, and ‘behavioural competencies’ frameworks.

# How PCC want it to work – Scenario 2: Change of Service Delivery Model



**Key**  
 R – Responsible For  
 A – Accountable For  
 C – Consulted On  
 I – Informed About

High Level of Involvement  
 Low Level of Involvement

Process Stage	Enterprise Architecture	Service Integration	Business	Portfolio Office	Subject Matter	Change	Requirements	Members	Officers	Citizens
Identify Need for Alternative Service Delivery Model	R	R,C	C		C		R	C	R	
Decide on Procurement Approach	C,I	A,R								
Detailed Requirements	C	C	C		C	I	R		C	C
Identify Market		R			C					
Develop Invitation to Tender	C	R			C	CI	C	I	C,I	
Clarifying Questions	C	R	C	C	C	C	C		C	
Evaluation / Due Diligence	C	A,R	C		C	C	C	I	C	
Accept Contract		A,R		C	C	I	I	I	I	I
Manage and Monitor Contract	C	A,R			C	C	C	C	C	C

**Current State** - Currently, there is variance in how services are commissioned across PCC, and no standardised or robust process for co-ordinating the end to end process from identifying need through to contract delivery and management. There is also no formal Retained Client function which considers what knowledge and skills should be retained when a service is shared or outsourced, and there is a subsequent (known) risk of losing this expertise to contract providers.

This lack of process and governance and, in particular, a lack of robust requirements management has led recently to services being shared which had not considered interfaces with existing PCC systems and processes (e.g. procurement requirements).

**Solutions** - Such issues will be resolved, and significant benefits will arise, through the robust management, support and governance of the end to end process of changes to service delivery (or the development of new services) provided via the establishment of 'Requirements Management', 'Business Analysis', 'Service Integration' and 'Change Management' services and processes for example.

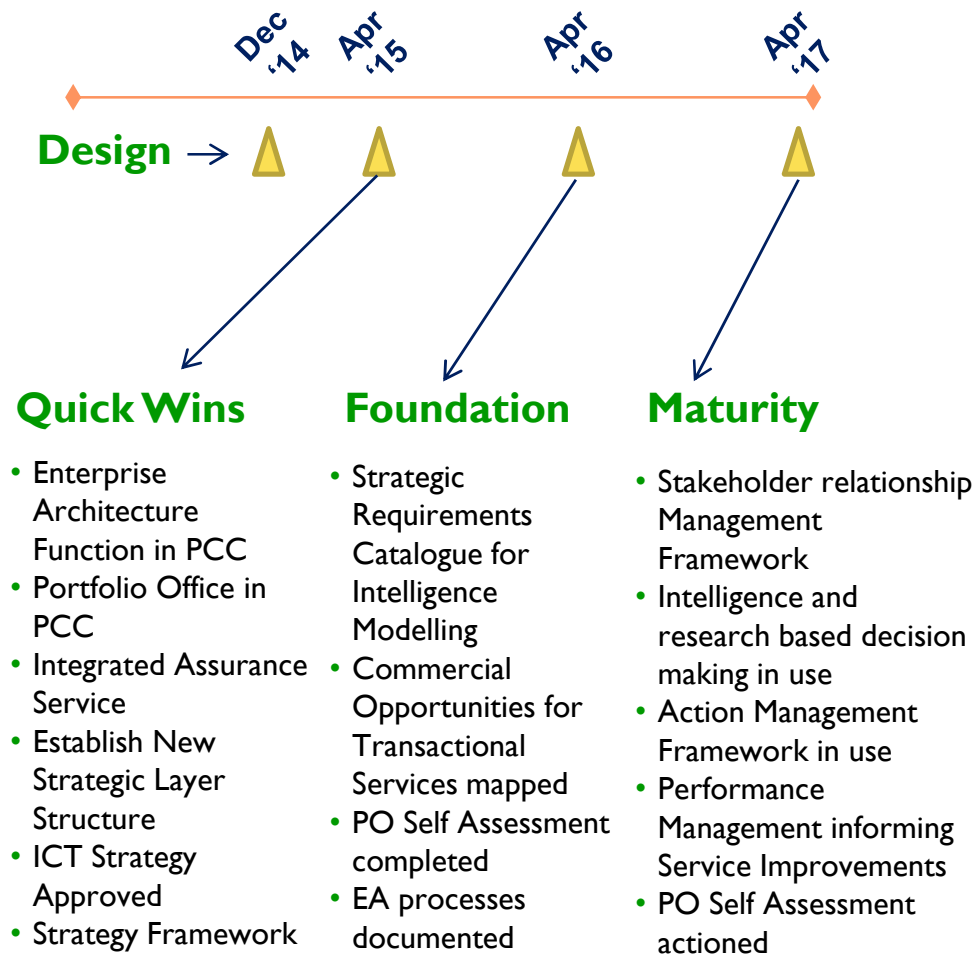
These services (and the overall end to end process) will be supported by the development of structure and standardisation via Enterprise Architecture (which includes service reference models, data warehouse, and change management, governance, and decision support frameworks for example).

**Benefits** - The benefits include efficient and effective processes, informed decision making (including cost-benefit analysis), and ultimately the delivery of maximally cost-efficient and effective service delivery models which meet with key strategic objectives and policies.

# The above is achieved by: Project 1 – Establishing the Strategic Layer



## SCHEDULE & SCOPE



## BENEFITS

Strategic Layer project enables CCO and other programmes to realise benefits.

It delivers the following Organisational Benefits:

### FY14/15

- Capability established to enable Plan, Implement and Manage Change
- Capability to create Intelligence Led Decision Making designed
- Leaner Assurance Service

### FY15/16

- Intelligence led decision making capability established across organisation
- Focus on Lean and continuous improvement through improved performance management and planning capability

### FY16/17

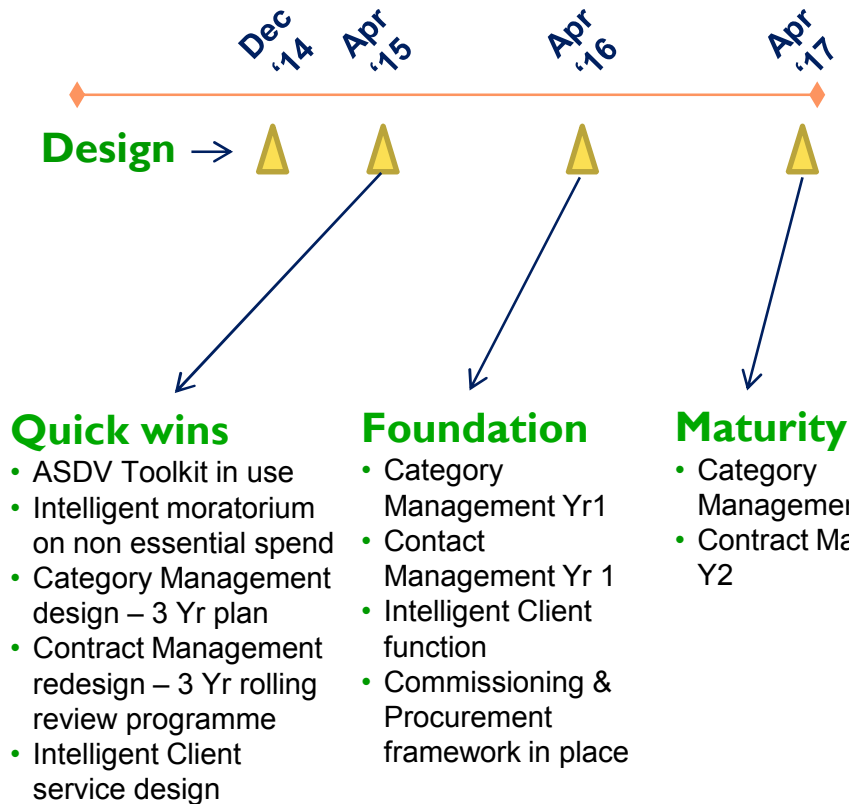
Lean and continuous improvement informed by quality customer and partner insight and targeted research and horizon scanning capability



# Project 2 - Establishing the Service Integration & Management Layer



## SCHEDULE & SCOPE



## BENEFITS

### FY14/15

Benefits Summary - £150k (C&P), £605k (DELT)

### FY15/16

Benefits Summary - £100-200k (C&P), £300-404k (DELT)

### FY16/17

Benefits Summary - £200-400k (C&P), £300-404k (DELT)

Work continuing on Category Management – expecting benefits to increase once further along review

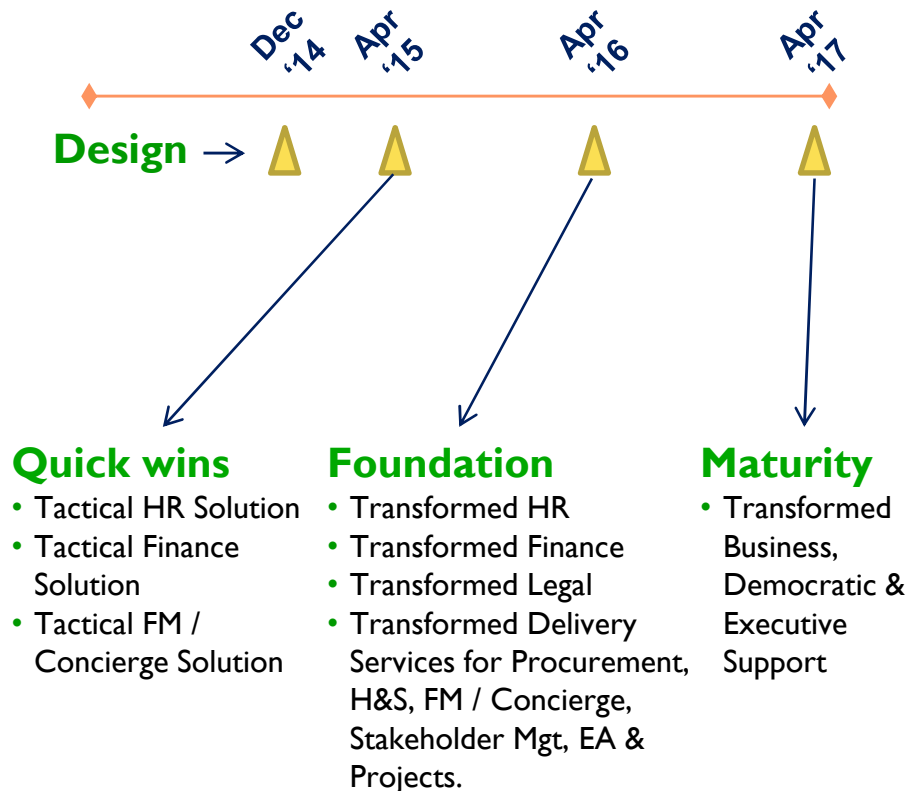
### Other Benefits

- Better and more cost effective service delivery through co-operative partners
- Improved customer satisfaction from better targeted services

# Project 3 – Transforming Corporate Services



## SCHEDULE & SCOPE



## BENEFITS

### FY14/15

Benefits Summary - £60k (HR/Fin/Corp), £100k (BS), £250k (Concierge) & £176k identified against shortfall (Ken Blunt)

### FY15/16

Benefits Summary - £850-1034k (HR/Fin/Corp), £100-200k (Business Support)

### FY16/17

Benefits Summary - £600-784k (HR/Fin/Corp), £150-200k (Business Support)

### Other benefits:

- Improved customer satisfaction from more involvement, ability to influence decisions and better targeted services
- Services better tuned to needs of customers
- Better decisions for local needs due to better intelligence
- Internal services better tuned to business strategy and staff needs
- More flexibility and choice, tailored to local needs, in access to services

# And, we are actively managing Dependencies across the Portfolio



We also want to reassure you that we are actively managing dependencies with the other programmes to ensure we are all aligned & supporting each other:

## **Customer Service Transformation:**

- Sensitivity around demands on HR & Legal in the immediate term with CST Staff Terms Negotiations
- Opportunity to scope Customer Intelligence in a practical context with CST Library Locations Review Jan/Feb
- Opportunity to scope process for feeding requirements into DELT with CST Website Project Dec/Jan

## **Integrated Health & Well Being:**

- PCH TUPE for 172 staff in April – HR/Finance/ICT Tactical Solution will need to accommodate and facilitate this
- ASDV support for PACLS & Ed Catering from Service & Integration & Management support (1-3 months)

## **Growth Assets & Municipal Enterprise:**

- Tactical ASDV for Playground Management may require Service & Integration & Management support (3 months)
- Strategic ASDVs for Street Services will require Service Integration & Management for support (6-12 months)
- Opportunity to prototype & develop Commercialisation Framework through GAME projects
- Strategy Centre support for impacts on PCC of Growth in Assets (e.g. Home building) & Commercialisations

## **People & Organisational Development:**

- CCO will need to work with Workforce Delivery wherever staff job roles, etc. are impacted by Transformation
- FM strategy will depend on wider Asset Strategy being developed within POD