E-government and organisational transformation – lessons from Liverpool and Hertfordshire

A joint NLGN and IDeA publication

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Acknowledgements

This report is the product of many people’s efforts and much of the credit goes to others.

In particular, thanks to everyone at Liverpool and Hertfordshire for hosting the Knowledge Exchange Visits, making us so welcome, sharing your achievements and learning so honestly with us, and contributing to the final report. There are too many to name but you know who you are.

Thanks also to those who participated in the visits. The 24 hour sessions were intensive but the groups worked very hard to ensure that the reflections were thoughtful and considered. The combination of politicians, managers and private sector partners worked well and gave a richness of perspective to the conclusions.

Thanks to Richard Derham for facilitating the days, to John Williams for providing clarity to the conclusions, and to Dr Jane Martin, David Agnew and Matt Wolsenholme at IDeA for comments.

Particular thanks go to Duncan Taylor and Anna Randle for recording the evidence from the visits, shaping the key themes and writing up the case study material.

I hope that this final report properly reflects all the contributions that went into it. If it fails, the responsibility is mine.
Foreword

The modernisation of our public services is probably the biggest challenge of our generation. We depend on public sector managers to deliver this change.

I welcome this report. It highlights practical lessons drawn from the honest experiences of councils who are delivering real improvements for the public. These are lessons we can all learn from.

The case studies show the possibilities of e-government. They show how the benefits of technology can support better service delivery, but only if the needs of the public are put at the centre. It is a real focus on the customer that creates the drive to change.

Change is not easy. It is hard work. It can be messy and unpredictable. It depends on staff at all levels being prepared to give up old certainties, take risks and behave in new ways. And it depends on being honest and open – in assessing one’s own performance and in building relationships with staff, with partners and with the public.

Most crucially, leadership is essential in times of change. We need to build leadership capacity at every level. The case studies demonstrate that it is the skills of leadership – establishing direction through vision, aligning people through effective communication and motivating and inspiring through personal integrity and energy – that are the key to making change happen. Last year the Performance and Innovation Unit published a report on leadership which said “Fundamental to improved leadership is a clearer shared understanding of what leadership behaviours work in delivering today’s public services.” This report is helpful because it spells out what leaders need to do.

If we are serious about change, we need to learn together. The Innovation Forum is a good example of a peer group of councils who have come together to learn from and support each other. I particularly welcome the way that the messages from this report are being taken out to managers through a series of two-day masterclasses. It is by working them through together that these lessons can be built on and put into practice.

Dr Wendy Thomson
Prime Minister’s Advisor, Office of Public Service Reform
1 INTRODUCTION
This report is the first output of NLGN’s Innovation Forum Knowledge Exchange Programme. It identifies key lessons about e-government and organisational transformation from two leading councils, Liverpool City Council (LCC) and Hertfordshire County Council (HCC), and presents and illustrates these lessons in a practical way. It is intended to be of use to managers facing similar challenges in their own organisations. The case studies were explored through Knowledge Exchange visits – intensive 24 hour programmes with a working group of peers.

2 ESTABLISHING THE NEED TO CHANGE: KEY POINTS FOR CHANGE LEADERS
There are always many good reasons not to change. Change leaders need to create the conditions for change by working on perceptions of the current state, a vision of how things could be and the confidence that change can happen. To do this, change leaders need to develop and encourage self-awareness, keep the focus on the community, be courageous and truthful, build a coalition for change and take time at the start to build commitment to change and the energy to sustain it. Strategies to remove barriers to change include: listening to the objections; allowing emotion to be expressed; tackling systems; challenging practice; winning over objectors; clarifying the deal; moving people around; and encouraging and supporting people to leave.

3 APPROACHES TO CHANGE
The case studies suggest and inform the key ingredients in any change strategy.

3.1 Leadership
Political and managerial partnership is essential. Politicians need to back managers and be prepared to make brave decisions. The managerial leadership needs to operate effectively as a team. There needs to be clarity of roles and responsibilities so that decision making is effective. Leadership by managers at all levels should be encouraged. The key behaviours that leadership needs to exhibit include: high visibility and effective communication; leading by example, decisiveness, and a supportive, no blame, approach. A new model of transformational leadership, based on extensive research, identifies the most important characteristic for leaders trying to effect change in organisations as a genuine concern for others.

3.2 Vision and strategy: clarifying the endgame
State the vision in clear language that is easy to understand. Powerful images based on metaphor and comparison are motivating and easy to remember. As well as the big picture, leaders need to clarify the steps along the way.

3.3 Organisation and culture
Support and encourage different behaviour by: organising differently – creating new organisations, working with partners or using project management techniques; managing the process of change through performance management systems, championing change from the top or establishing a central project team to act like an internal consultancy; and introduce different ways of doing things; through bringing in new knowledge, new people and skills, or investing in staff and manager development.

3.4 Understanding customers
Make sure you are asking the right questions about what your community and customers want. You need to understand customer expectations and behaviour. Talking to hard to reach groups is essential. Developing a customer access strategy can be complex. You need to think through the issues, but don’t expect to solve them all. Learn as you go along. Your
immediate and longer term objectives might differ as technology becomes increasingly embedded.

3.5 Looking for wins: keeping momentum

Be clear about who needs to support change and how they will judge its success. You may need to ensure high profile and visible changes to maintain motivation, commitment and support. Don’t forget to engage the public in change, communicate success, consider hard to reach groups and give credit for wins.

3.6 Working with partners

Benefits from partnerships with the private sector include: Culture – partners can bring new values, beliefs, attitudes and ways of working; Capacity – partners bring new knowledge, competencies and skills in essential areas; and Cash – where you are prepared to share risk and reward partners can bring new investment.

Partnerships can take different forms. Criteria that will affect the approach that is right for you include: how a partner can compliment your strengths and weaknesses, your vision and objectives, attitude to risk and innovation and political support. Consider whether you are ready for partnership by using the NLGN checklist (Fig 4: Checklist – Are you ready for partnership? p. 31)

3.7 Affordability: funding change

Lack of resources is often cited as a barrier to change. Ways to fund change include: reducing inefficiencies in processes; researching the market to find cost effective solutions; rationalising property and introducing flexible working; entering a strategic service partnership; sharing costs with other public sector partners; accessing the national funding strategy for e-government; and reducing management or staffing levels.

3.8 Joined-up services

Joining-up is essential but difficult. Factors that help develop joined-up services include: always taking a customer perspective; co-locating staff; creating joint teams; sharing information; and recruiting and seconding staff to and from partners.

3.9 Maintaining momentum: where do we go from here?

Change is not a one off – changes delivered so far are seen as stepping stones along the way to a bigger vision.

4 INNOVATION

The final section presents some approaches to innovation based on research – including SOCITIM’s nine sources of innovation and drawing on Warwick Business School’s research in the Beacon Council scheme, factors that help to create a learning culture.

The Innovation Forum has developed eight criteria for identifying an innovative council:

1 Vision and priorities
2 Customer focus
3 Action orientation
4 Grip on improvement
5 Learning culture
6 Staff development
7 Partnership
8 Intelligence

These are being tested through the Knowledge Exchange Programme with a view to benchmarking innovative councils.
Introduction

The purpose of this report is threefold:

- First, it aims to identify the key lessons about e-government and organisational transformation from two leading councils.
- Second, it aims to present and illustrate these lessons in a practical way that will be of use to managers facing similar challenges in their own organisations.
- Third, it aims to provide material for a series of Leadership Masterclasses being delivered jointly by NLGN and IDeA.

This report is the first output of NLGN’s Innovation Forum Knowledge Exchange Programme. The Innovation Forum is a small group of leading authorities who have been brought together by NLGN to network, learn from each other and influence the debate about modernisation and change in local government.

The Knowledge Exchange Programme has been developed in partnership with IDeA to support the learning aspect of the Innovation Forum’s work. It involves a series of Knowledge Exchange visits to Innovation Forum councils, dissemination and discussion of the learning through published reports and the IDeA Knowledge website, seminars and meetings with partners, such as the BT Technology Showcase, and a series of two day Leadership Masterclasses for senior managers.

E-GOVERNMENT AND ORGANISATIONAL TRANSFORMATION

“It is generally recognised by government politicians of all parties that there is only one way in which to make a step-change in the quality and responsiveness of public services without substantial additional public expenditure – e-government.”

John Thornton, Director of E-government, IDeA

E-government provides an enormous drive to achieving truly customer focussed local services, and a means to make it economically viable through new technology. Councils are increasingly seeing the possibilities to deliver better services in new ways and forge improved relationships with citizens.

The Innovation Forum councils are seizing the new challenges and opportunities of e-government with enthusiasm, but they are aware that there is a huge amount of new learning to do. We are embarking on a journey, but no one council has all the answers so the only sensible approach is to learn from each other.

It is becoming increasingly apparent that the real challenges of e-government lie not in the technology, but in the human aspects. How to overcome fear of change and motivate and energise people to do things differently are major challenges common to any major effort to change.

The changes involved in e-government will mean a transformation for local authorities. A truly customer-focussed local authority will be a very different organisation from the traditional, hierarchical form we are used to. The bureaucratic form of organisation has value in that it brings certainty and safety, but in many local authorities the pathologies of bureaucracies have become rampant and the organisations have become rigid, inward focussed, unresponsive, risk averse and unclear about their purpose.
We are therefore talking about a need to create new kinds of organisations and that is why we have used the term ‘organisational transformation’.

**LEARNING FROM LIVERPOOL CITY COUNCIL AND HERTFORDSHIRE COUNTY COUNCIL**

These two councils were selected because of their recognised achievements in introducing more customer-focused services. Both have developed call centres, for example. But they also provide contrasting approaches. LCC is a unitary city council serving diverse and deprived communities with a history of poor service delivery and high costs which is transforming itself. HCC is a county council covering a mix of villages and small towns on the edge of London with a good record of sound financial management and effective service delivery.

The case studies were explored through Knowledge Exchange visits to the two authorities. Each Knowledge Exchange is an intensive 24-hour programme where a group of 10 or so peers work together to explore the area of innovation under study, meet with staff, managers and politicians, and visit service provision sites. They then reflect together on the learning for others in what was witnessed and feed this back to the host authority.

The purpose of the visits was to learn how LCC and HCC have transformed their councils, whether the pace and style of change are embedded in the organisation and how they can be maintained.

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**Focus of Liverpool City Council visit**

1 Whole organisational change

LCC’s vision is expressed simply as a city ‘moving from sea port to e-port’, striving to be a premier European city. This is developed through a set of key objectives, e.g. becoming the UK’s most customer friendly and business friendly city, placing the customer at the heart of everything it does.

E-government within LCC is not just about the delivery of services, it is about positioning the city in the minds of others as a forward thinking, imaginative e-marketplace.

This is a huge leap from the reality that faced the city when the Leader, Cllr Mike Storey OBE and Chief Executive, David Henshaw, took over. The transformation requires an enormous shift in attitude and confidence across the council.

2 Liverpool Direct

Liverpool Direct started operation in April 1999. It is now the largest council contact centre in the UK. There has been a transfer of various services into the call centre. 18 months ago there were just 40 staff. Now there are 200 seats and this will be expanded to 500 seats by April 2003. They handle 30,000 calls a week and the call centre now operates a 24/7 service. The call centre has also trialled outbound calls, promoting leisure passes and carrying out satisfaction surveys. Many of the staff did not have a call centre background, and staff turnover is 2% with sickness levels of 7%, which is less than the average call centre (20%). The call centre has bought about higher performance, higher customer satisfaction and has developed staff.

The City has committed to three Local Public Service Agreements (PSAs) in this field, with targets including 80% of all Council calls to be handled at one point and 95% first point resolution by 2004.

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1 The background information, working group programme and the list of participants are given in the Appendices.
The Council has established a series of Liverpool Direct customer contact centres, in the city centre, in the refurbished town hall centre, and in neighbourhoods. (To date) 6 have opened with a further 3 this year 2002/03. The city has opened its first back office, referred to as ‘Customer Focus Centres’, to support this agenda.

A Joint Venture Company (JVC) has been established with BT, and is investing some £57m into supporting the major re-engineering of services.

Focus of Hertfordshire County Council visit

1 Integrated children’s service

HCC describes Children, Schools and Families as a ‘new vision for child services’. With the over-arching aim of ensuring that all of the 250,000 children in HCC realise their full potential, the service represents the first ever joining together of education and social services by a local authority. Supported by an Oracle database, joint teams of education and social work professionals operate a department with a new vision: the child at the centre; improved case work; responsive and inclusive services; and colleagues aligned on behalf of the child.

Children, Schools and Families is designed to provide a unified casework service, local preventative strategies and increased capability in schools. All systems will be integrated within the next 18 months – 2 years, including pupil database and social services data.

2 Call centre – ‘HertsConnect’

HCC’s Call Centre was the first integrated local authority call centre and opened in 1999. It has now been extended to cater for all council services and is achieving between 91% and 96% public satisfaction. The centre is open 12 hours a day throughout the week and 7 hours a day on Saturday, and offers a consistent speed and quality of response – on average, calls are answered within 15 seconds. HCC’s target is for high level first time resolution and accurate referral.

The call centre is staffed by ‘professional’ call centre personnel, as opposed to local government or public sector experts. All employees are employed by Capita Group Plc, which runs the call centre through a strategic partnership with the local authority.

STRUCTURE OF THIS REPORT

This report draws on the learning that came out of the two visits and compares and contrasts the approaches adopted in LCC and HCC to identify those factors that seem to be most critical in achieving and sustaining change.

Section 2, ‘Establishing the need to change: key points for change leaders’, is about the work you need to do to prepare the ground for change – identifying the most compelling reasons for change and building support and commitment.

Section 3, ‘Approaches to change’, discusses key aspects of successful change: leadership; vision and strategy; organisation and culture; understanding customers; looking for wins; working with partners; affordability; joining-up services and maintaining momentum. The key factors we have identified here are supported by other recent research, particularly the IDeA/SOCITIM series ‘local e-government now’ and the IDeA’s work on drivers for improvement.

Section 4, ‘Innovation’, presents some different ways of thinking about innovation and identifies key characteristics of innovative authorities.

Appendices and suggestions for further reading are given at the end in Section 5.
Establishing the need to change: key points for change leaders

“We’ve always done it like this – what’s the problem?”
“That’s all very well for them – they’ve got lots of resources – but it wouldn’t work here.”
“We’ve done customer surveys and they show that we’re doing a good job.”
“We’ve got the Audit Commission visiting next week and we’re focussing on that.”

There are always many good reasons not to change. To make change happen you need to build up the energy and momentum for change and remove the barriers that stop change happening.

Developing a dynamic for change is a major challenge, but without it change will simply not happen. To drive change forward in a sustainable way there needs to be a compelling reason to change which can be clearly articulated and understood across the organisation.

Sometimes a driving force for change is clear and apparent, as with LCC, although it may need a new leadership to articulate it clearly. More often the leadership has to create the need to change by finding ways to create a gap between what is required in the future and what exists now. This may mean analysing current service quality, researching customer views and inviting feedback in order to identify problems with service delivery. Alternatively, or in addition, it may mean working on a view of the future which will create dissatisfaction with the present and motivate people by giving them something to aim for.

Without dissatisfaction there will be no incentive to change. It is easy to be complacent if your focus is inward and upward – focussing on getting your plans produced, satisfying Government departments and inspectors, feeding the councils processes. But what if your focus is outward? Do your citizens think the council is perfect? What do they really expect? What do they need that they haven’t thought of yet? What do other organisations have to teach you? How can you deliver better services more economically?

LCC and HCC illustrate two different approaches:
- the externally driven crisis
- an internal improvement dynamic – change from within

The externally driven crisis

In Liverpool the need to embark on a radical change programme was clear. Before the new administration took over in 1998, LCC was a byword for incompetence, bureaucracy, over-staffing and political in-fighting. Council Tax was the highest in the country and services among the worst, with OFSTED having just delivered a very critical report into the whole education service that recommended its wholesale privatisation.

The new Chief Executive, David Henshaw, joined the council in October 1999 and immediately inherited a £23m deficit. A Local Government Improvement Programme visit had taken place, which produced a damning report. LCC then had a decision to make: did they want to improve in order to catch up with the ‘average’ authorities or did they want to leapfrog those in search of excellence?

LCC chose the latter and began to take a hard look at the existing systems and re-design them from the beginning. The new Chief Executive reduced 11 directorates to 5 Portfolios, with only one of the original directors remaining in post. The majority now are new staff in post at senior and middle manager levels, with an innovative and radical organisational structure, and a different...
An internal improvement dynamic

The drivers for change within HCC arose from political and managerial ambition to raise standards of service provision beyond an already solid base, improve access, integrate similar activities to eliminate duplication and waste, embrace changing technology and save £40m per year from a cost base of £800m. Creating and maintaining the drive to change from a relatively stable position was one of the biggest challenges facing the council. The start point for the process was a council-initiated Whole Organisation Review in 1997, which included consultation with staff through workshops, and local residents through focus groups, about their experience of council services and how these could be improved. The review proposed a re-focussing of services for the customer through a re-modelled ‘Gateway’ with improved access, enhanced productivity, and maximised assets. Council staff were encouraged to take ownership of the change agenda through the internal consultation process and practical involvement in designing change concepts and staff training. This level of involvement supported wider culture change within the organisation, ensuring that the drive for change and improvement was internally sustainable.

ESTABLISHING THE NEED TO CHANGE: KEY POINTS FOR CHANGE LEADERS

■ **Create the conditions for change** For people to feel the impetus for change there needs to be dissatisfaction with the current situation, a vision of the desired future state and an ambition to do better. Think about how you can create these conditions:

  - **Are people basically content with the current state?** If not, focus on analysing how services are failing to deliver – against national performance indicators, against benchmarks of upper quartile authorities and most importantly against what your customers and citizens need.

  - **Is there dissatisfaction with the present state of services but no clear view about what to aim for and where to start?** If so, focus on building a vision for the future and clarifying the steps to get there.

  - **Do people believe they can change?** If not, try and build confidence that things can be different. Find out how others have done it. Emphasise past achievements. Focus on manageable steps.

■ **Develop and encourage self-awareness** Think about how you can do a 360-degree appraisal of your organisation. Use external audit and inspection, the CPA process, peer review, customer feedback and complaints, undertake a SWOT analysis to build a clear picture of your strengths and weaknesses.

■ **Keep your focus out towards the community** Speak to people in the locality and listen to what they say. Talk to front-line staff and find out what the problems are. Spend time working with them.
Be brave and speak the truth to encourage honesty in others. Use simple language. Stick to your guns and repeat the truth again and again. Often the key problems are not complex but they require real commitment and bravery to tackle them in the face of resistance.

Build a coalition. Think about who needs to share this dissatisfaction and feel the need to change. How can you create a guiding coalition for change, with the power and authority to support and drive it through?

Take time at this stage to build dissatisfaction, confidence, ambition and commitment. You will need energy to make the change happen.

Remove barriers to change

You will meet resistance. Leaders and managers need to find ways of dealing with it honestly. Expect heightened emotions and don’t be afraid to confront them. People need to feel secure and supported if they are to embrace change.

Strategies suggested by the case studies include:

- Listen to the objections and see if they can be met. Staff will see problems you have not thought of. Take their concerns seriously – they will often be making good points.

- Allow emotion to be expressed. Change can be frightening and you may find that you release other unresolved issues. Take time to pull these into the open, hear them and address them. You may be able to do nothing about them but if they remain unresolved they will tend to block change.

- Tackle systems and conventions. Often the existing organisational systems, for example financial approval, undermine the change you are seeking. You need to understand what these barriers are and make sure they are transformed.

- Challenge practice. Sometimes people invent their own barriers based on ‘the way things are done’. You need to encourage staff to challenge ‘the way things are done’.

- Win over objectors. Look for ways of turning the energy of resistance into positive energy for change. Spend time explaining ‘what’s in it for them’. In LCC one of the managers in the change team was the Secretary of the Joint Trade Union Council who was initially negative about the changes. She is now one of the biggest enthusiasts and her history and credibility is a powerful influence on others.

- Clarify the deal. Be prepared to listen but make clear that no-change is not an option.

- Move people around. Some people are never going to commit to what you are doing and where they are in a position to stop things happening you need to move them. Sometimes these people are in senior positions, which can be difficult. In some cases people are in the wrong job and a move can give them a new lease of life.

- Encourage people to leave. Sometimes people have just been in the job too long (or are in the wrong job) and need to do something different. Look at what you can do to help people find a new job. Perhaps you can offer secondment opportunities or re-training.
Approaches to change

This section identifies the key ingredients in any change strategy and draws on the lessons from LCC and HCC to identify the different ways in which these factors can be developed depending on personality, context and circumstance.

3.1 LEADERSHIP

“I can’t do it all. You need to ensure that the politicians and staff can deliver – you set out your strategy and enable people to go and do it. Utilise the people around you. The greatest strength as a leader is to know your limitations.”

Cllr Robert Ellis, Leader, Hertfordshire County Council

“Leadership is not just about sole individuals. It is about teams, leading teams, creating teams and building teams of leaders.”

David Henshaw, Chief Executive, Liverpool City Council

Research suggests that the most effective leadership style to effect change is not the heroic or charismatic style, but rather demonstrating integrity and a genuine concern for the well-being of others.

Key messages from the case studies

- **Political and managerial partnership is essential** Both councils emphasise the importance of good relationships between senior managers and politicians. This is a consistent finding about effective councils from the Local Government Improvement Programme. There needs to be mutual respect, trust and an understanding of each other’s roles. The relationship between chief executive and leader is pivotal. There is no cut and dried definition of who does what – for example in LCC David Henshaw takes a very high profile role with regard to external business partners, whereas in other councils this would be the role of the leader. But the key is that chief executive and leader work effectively together in pursuit of common aims, that there are good communication channels, which are regular and informal, and they are able to constantly negotiate their relationship to ensure effective leadership is provided – upwards to government, outwards to the community and partners, and inwards through the organisation. This relationship needs to be mirrored across the strategic leadership teams.

- **Brave decisions from politicians** There is repeated reference to the need for politicians to be prepared to make decisions and stick to decisions which are not necessarily easy. Change requires hard choices – for example reducing staff numbers or entering major partnerships.

- **Effective managerial leadership team** The managerial leadership team needs to operate effectively. With LCC there was an emphasis on the fact that the strategic management team – all of whom had been appointed by David Henshaw – had a shared agenda and decisions were made quickly and with conviction. This was seen as
essential to maintaining the momentum for change. Managers stressed the value of knowing that if something went up for a decision, a clear answer would come back usually by the following week. This team had a high degree of delegated authority from the political leadership so did not need to consult politicians needlessly on minor or operational issues. This contrasted positively with past experiences of putting decisions through a committee process which would take months.

- **Clarity of roles and responsibilities** There needs to be clarity about the responsibilities of strategic and operational managers so that accountability is clear and people can get on with the job.

- **Leadership by managers at all levels** Leadership is not just a function of those in a particular position within the hierarchy. Attention needs to be paid to encouraging leadership at all levels.

**Lessons for leaders**

LCC and HCC exhibit different styles of leadership, but the case studies enable us to identify the key tasks that leadership needs to engage in – the behaviours that leadership needs to exhibit.

- **Visibility** In both case studies staff and managers emphasised that the leadership was highly visible. The Chief Executive would regularly visit front-line staff. Bill Ogley, Chief Executive, HCC spends time working with staff in different sections. David Henshaw, Chief Executive, LCC holds a series of roadshows throughout the year. This visibility is critical and reinforces to staff that the leadership cares and that they mean what they say. Actions and behaviour are far more powerful than words.

- **Communication** Good communication is essential. In LCC the communication is high profile and personal – from the Chief Executive direct to staff, reinforced through a high impact media strategy focussed on ‘talking up’ the city and building confidence. It is direct rather than cascaded. One strategy used in LCC is a Friday moan session where staff are encouraged to state how the organisation process or rules have hindered them in doing a better job. In HCC communication about the vision and priorities takes place though a cascade briefing system and the performance management system, and staff are involved in developing the change programme.

- **Leading by example** The worst thing for the leadership to do is say one thing and do another – this will undermine the whole message of change. If your message is, for example, put customers first, then the leadership needs to demonstrate action to put this into practice – for example making systems in your own office a model of good customer care, taking a personal interest in resolving a customer’s complaint or asking for regular analysis of customer complaints. Many staff will assume a new change effort is just the ‘latest fad’ and wait for it to go away. Your behaviour as a leader is what will make people believe you mean what you say. In both cases staff believed in the leadership because they saw how they behaved.

- **Decisiveness** Decisive actions linked to stated priorities helps build confidence and ensure that energy is maintained. Staff in both councils could see the action taken as a result of their input. The leaders were also seen as being prepared to take on and deal with difficult issues.

- **Supporting, not blaming** Through change you are asking managers and staff to do difficult and new things. Not everything will work and things will go wrong. A feeling that risk-taking was supported was essential in both councils. Leaders need to support staff and encourage them to learn from mistakes.
Strong ‘personal’ leadership in LCC

The Chief Executive has built motivation in the organisation through a style that emphasises high visibility and communication – holding ‘roadshows’, sending letters and emails to all members of staff setting out the vision, making impromptu visits to service outlets and holding meetings with groups of staff at all levels to explain the vision.

LCC has a strong member/officer relationship which is essential to initiate, lead and manage change. Chemistry between Leader and Chief Executive is important in delivering change and this is particularly evident in this case. The politicians empower the officers to allow them to make real change, and enable management teams to take risks. There is also a high degree of delegation and trust between the administration and the executive directors. This results in decisions being taken far more quickly and there is a real feeling of empowerment.

The Chief Executive makes his managers feel challenged and supported. The ‘blame culture’ has been broken down so that managers feel that they are allowed to fail, and take risks, and that the lessons learned are taken forward. Senior management support this learning culture by themselves being willing to learn as they go along – they are bold and courageous and not afraid to make mistakes. LCC’s political leadership allows the council to get on with projects rather than draw up detailed plans. The Chief Executive’s view is that if it is 60% right, go ahead and refine as you proceed and learn.

The Chief Executive in LCC gets ‘out and about’ – he is very visible to all staff. Staff are communicated with directly so that they know what the practical implications of the change are for them. The staff get a significant amount of support from managers who make themselves accessible. Staff can email the chief executive with their concerns and ideas at any time. The ‘Have Your Say’ Scheme is the equivalent for the general public. Last year some 30,000 emails were received.

Devolved leadership in HCC

Political leadership and ambition were crucial to the drive and delivery of the change process in HCC. The political leadership was prepared to take risks, determined to succeed and focussed on the experience of the customer. Politically brave decisions were taken in the early days, such as the integration of social services and education, and the emphasis on phone and internet contact over traditional face to face contact. The drive of the political leadership was empowering for the managerial leadership of the council and a strong working relationship and shared vision between the Leader and the Chief Executive was critical to success. A strong emphasis was placed on delegating responsibility to managers so that ‘leadership’ through ownership of responsibility was spread across the organisation. Staff at all levels within the organisation demonstrably share the vision and understand the motivation behind the change process. The Chief Executive’s approach is relatively relaxed and he is personally visible and accessible to council staff. This approach could be seen to characterise the council’s wider approach to change: the emphasis has been to deliver real service delivery improvements, rather than to create a ‘story’ around the work being done.
A new model of transformational leadership

Recent research into transformational leadership in the public sector reinforces the lessons from these case-studies. Based on thousands of interviews with staff across a range of organisations Professor Beverly Alamo-Metcalfe discovered that, contrary to the traditional ‘great man’ model of leadership which identifies charismatic and inspirational qualities, the most important characteristic for leaders trying to effect change in organisations is a genuine concern for others.

This new model characterises the leader as servant and partner and emphasises a sense of openness, humility and vulnerability and a greater sense of connectedness and inclusiveness.

The Transformational Leadership Questionnaire (Fig. 1), which is being used by the IDeA, identifies the following as the key characteristics of transformational leadership:

Fig 1: Characteristics of transformational leaders

1 Leading others
- Genuine concern for others’ well-being and development
- Empowers: delegates thoughtfully, maintains interest
- Accessible, approachable, in-touch
- Encourages questioning and critical and strategic thinking

2 Personal qualities
- Transparent: honest and consistent
- Integrity: open to ideas, criticism and advice
- Decisive: takes risks
- Charismatic and in-touch
- Analytical and creative thinker

3 Organisational skills
- Inspirational communicator, networker and achiever
- Clarifies team direction: team-orientated to problem-solving
- Unites through a shared vision
- Creates a supportive learning environment
- Manages change sensitively and skilfully

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3.2 VISION AND STRATEGY: CLARIFYING THE ENDDGAME

“The key to high performance in the local government sector is close alignment between political leadership and managerial leadership. Without that in place, nothing can be done.”

David Henshaw, Chief Executive, Liverpool City Council

One of the key roles of leadership is to clarify and articulate where the organisation is going so that staff understand why change is required and their role in it. Both councils had much bigger visions of what they wanted to achieve, and the innovation that we witnessed through the visits was just a part of what needed to happen to achieve it.

Both stated the vision in simple language that is easy to understand and conjures up a picture of how things would be if the change was achieved – “as good as Tesco” (Bill Ogley, HCC) or “a premier European City” (David Henshaw, LCC) create powerful images that are easy to remember. Metaphor and comparison are helpful in creating a picture in people’s minds. Visions are important symbols that staff need to be able to hold on to and understand. The big vision – the Big Hairy Audacious Goal (BHAG) – is almost impossible to achieve or quantify but it keeps everyone moving in the right direction.

As well as a big picture, leaders need to clarify the steps along the way towards achieving it. Staff need clarity about near term objectives – what’s happening when. In Liverpool the JVC (Liverpool Direct Limited), the opening of one-stop-shops, the move to the 24-hour opening of the call centre, are all important milestones along the way. David Henshaw is very insistent that change should not be “grand-planned” – don’t spend ages strategising, there are too many unknowns. There is an onus on getting on and doing it and learning as you go along.

In both councils, staff are very clear about what the vision was and how their work contributes to the overall aims. High level objectives are clearly set out in the community plan and corporate plan. It is the job of managers to make the links between the big vision and the day to day work of their team.

“From sea-port to e-port”

The vision for Liverpool is ambitious and taps into the fierce local pride in the city. The aim is to develop Liverpool into a premier European City which is customer friendly and business friendly. The vision is captured in the slogan “from sea-port to e-port” which respects a proud past while pointing to a modern future. The changes to the council’s customer access channels are part of a wider strategy to provide seamless, accessible services to the citizens and businesses of Liverpool, and to build skills and expertise in call centres to attract new investment. Liverpool Direct is seen as regional service provider and a showcase for what the city can do in e-enabled service delivery. The leadership is putting great energy into securing the redevelopment of the city centre and attracting major investments such as a new sports stadium. High profile changes to the council are used to help to build confidence in the city as a good place to do business.
3.3 ORGANISATION AND CULTURE

“Cultural change is vital because it’s people who deliver services, not structures.”

Bill Ogley, Chief Executive, Hertfordshire County Council

“If you can’t take your staff with you, you can’t do anything.”

Cllr Robert Ellis, Leader, Hertfordshire County Council

All organisations have an existing culture and any change will challenge this culture and require change in attitudes and behaviour. The conventional approach to introducing change tends to be to re-structure. This can be helpful in encouraging different ways of working, but it can be a distraction unless you are clear about what you are trying to achieve.

Clarity about the sorts of attitudes and behaviours that you want to encourage can be very helpful, especially if this is linked to the vision of the new kind of organisation you are planning to create. Many Innovation Forum authorities emphasise the need to recruit and manage staff against competency and attitude rather than skills and experience.

Investing in staff is critical. The bulk of time and resources should be devoted to people rather than technology.

In both LCC and HCC there was either explicit or implicit support for cultural change. LCC is investing substantial resources in a ‘culture change’ strategy which will provide development and training for staff across the organisation. This £3m investment will touch every member of staff within a 2 year period. It focuses on individual behaviours and values, and the blockages which exist hindering improvements in performance.

Organising differently

■ New organisations Sometimes it can be easier to create a new organisation than to change an old one. LCC established a new organisation, ‘Liverpool Direct’, through a joint venture with BT. Although employing existing LCC staff (who are seconded), it enabled a new sense of identity and commitment to be built around a new vision and ethos for the company. As more services are taken on by the call centre, Liverpool Direct increases in size relative to the rest of the council. It recently included education awards to add to ICT, HR and Payroll and Revenue and Benefits.

■ Working with partners Service delivery partnerships with the private sector can introduce a new working and service delivery ethos. HCC’s call centre is run by professional call-centre staff employed by Capita Group Plc. The staff bring in new attitudes and ways of working
which are picked up by council staff. HCC runs their teams separately. Culture change may happen more quickly if teams are integrated.

- **Project management** Change is best managed as a series of projects. The disciplines of project management introduce new ways of working and emphasise mixed teams and varying accountabilities. Project teams are effective in helping staff to learn and in breaking down traditional hierarchical relationships and departmental divisions. Both HCC and LCC use a project management approach.

**Managing the process of change**

- **Performance management linked to staff development** An effective performance management system is essential to ensure that work is linked to overall strategic objectives. Both councils have an expectation that managers will meet their staff regularly to review performance and discuss development opportunities. In Liverpool the Chief Executive meets monthly with each Senior Manager to discuss Key Performance Indicators (KPIs).

- **Champion change** HCC’s change programme is lead by the Chief Executive and the 6 service directors on the Strategic Management Board, and it is driven by a network of e-champions across the organisation at all levels. The e-champion on the frontline is as celebrated as the e-champion on the board. The ‘HertsConnect’ Vision sets out the principles by which this devolved organisation acts to achieve change including: ‘place individuals at the centre of all we do’, ‘prevent problems before they happen’ and ‘make organisational boundaries and processes invisible to the service user.’ The vision sets out the way in which the organisation will act, the political priorities, what it will do, as set out in the County Council promises which are consulted upon every year.

- **Central project team** LCC has established a central project team to drive change. Staff from across the council have been seconded to the team which is responsible for carrying out improvement projects, reengineering processes, working with service areas, building commitment within the organisation, and acting as champions for change. The team is enthusiastic and dominated by women with a long track-record of front-line service delivery in the City Council. The energy and credibility of this team (including an ex-full time Trade Union official) is critical to building and maintaining momentum for change. They work closely with the Chief Executive and the strategic management team, and they pride themselves on being pragmatic and delivery-focused.

**Introducing different ways of doing things**

- **New knowledge** New ideas about how to do things differently are essential triggers to change and innovation. In both councils the senior managers are outward-looking and value networking opportunities with both the public and private sector as sources of new knowledge. Partners and procurement processes are a good source of knowledge, as are local communities. Staff are encouraged to ask questions, find things out and think for themselves.

- **New people and skills** Change usually involves staff turnover. New staff, particularly if they arrive with different experiences and skills to the rest of the organisation, can begin to change the prevailing culture. In Liverpool staff have been redeployed across the organisation which has created opportunities to develop new skills. It has also improved morale with absence and sickness now operating at upper quartile levels – a 40% reduction in one year.

- **Staff development and training** Creating sufficient time and opportunity for staff to learn new ways of doing things and develop their understanding of what the council is trying to achieve is an essential part of change. Both councils are investing in staff development and focusing on creating the right attitudes, behaviours and competencies.
Management development: Middle management is a particularly important group because without their active support change will not be implemented in a sustainable way. Many councils are investing heavily in whole organisational management development programmes to build consistent management capacity.

Involving staff in designing change
HCC regards the active involvement of staff in developing and designing change programmes to be an essential ingredient of success.

The simple drive for the integration of education and social services was to ensure that ‘all the children in HCC realise their full potential’. The question, “If I started from the child, would I create an Education Service and Social Services?” was the starting point for thinking differently about the organisation of services. Children, Schools and Families was launched in April 2001, designed from the child upwards with a view to providing the opportunity and support to attain the best levels of health, education and development. Staff were consulted in the development of the new service throughout, involving 15 workshops for over 500 staff, and the council perceives one of the biggest benefits afforded by the new system to be the developing pride which staff take in being part of a professional, caring and continually improving organisation and service. Wider support for the change process was achieved through consultation with stakeholders, including parents, carers, young people, head teachers and governors, voluntary organisations and others.

Performance management in Liverpool
Like many other local authorities, LCC has established a performance management framework. Perhaps the difference in the way LCC approaches Performance Management is the level of commitment to its outcomes. It is a concept referred to as ‘intelligence-led local government’. The Chief Executive holds senior managers personally accountable. Every KPI has to be upper quartile within 2 years.

Success is widely broadcast, but under-performance is given equal attention. It is considered in the context of: What went wrong? What can we do to turn it around? How can we support? What are the lessons learned?

To help staff and encourage new thinking, LCC has an in-house MBA (in general management), and the ‘Liverpool Way Programme’, a graduate training scheme (modelled on BT’s successful programme).

The e-government agenda has been embraced with a significant Business Process Re-Engineering (BPR) agenda supporting it.
3.4 UNDERSTANDING CUSTOMERS

“The only reason local authorities exist are to serve ‘them out there’ – our customers, clients, citizens, users, whatever you care to call them, but the simple point is that they are the reason for our existence. Understanding their needs, wants, demands and anxieties is critical to driving performance using intelligence.”

David Henshaw, Chief Executive, Liverpool City Council

Fundamentally a local authority’s reason to change has to be driven by the needs of its customers and communities. HCC spent time consulting the public to understand the needs of the people they serve. In Liverpool the council was clearly failing and the emphasis was on taking action to meet the needs of customers.

To do this the authority should put itself in the shoes of its customers and understand how the world looks from their point of view.

Gathering intelligence

Make sure you ask the right questions.

- **What does your community want? What are the requirements of different communities?** The priorities of the community are expressed through the community strategy, but there are different communities of geography, interest and need. Are you clear what these are? Which communities are excluded and in what way – geography, language, knowledge, technology? Which of your current services reach these communities? What information do you have about them?

- **What do customers and non-customers want?** What are your customers saying to you – through complaints and customer feedback surveys? What does data on customer contact (telephone, email, letter and in person) tell you? How do customers behave, for example are they by-passing main access channels? What about those people who are not using your services? Why not? Understand why people don’t access and use your services – this knowledge can be a real source of innovation.

- **What can front-line staff tell you about customers?** Talk to front-line staff who work with your customers every day. Staff at the front-line can often see the problems and solutions clearly. Remember your staff are customers too and will have a wealth of experiences from family and friends about accessing and using services from the council. If possible get out and hear from customers yourself.

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**Understanding customer needs**

HCC’s approach to its change process was driven by its consultation process with customers. For a large, densely populated county, with no main urban base, high mobility and relatively high levels of access to phones and PCs, the review found that customers: had a relatively low understanding of what body provides what service; were frustrated with slow responses and referrals; were used to dealing with call centres; recognised the growth of the internet and new technology but didn’t want to use touch tone telephone menus; expressed a preference for extended hours (8am to 8pm weekdays plus 9am to 4pm Saturday); and didn’t want to visit the County Council.
The priorities in designing the services in response to this consultation were placed on:

- phone contact
- internet contact
- face-to-face contact

The change process for Children, Schools and Families was driven by clients’ experiences of repeating their story many times over to a wide range of professionals who did not always appear to communicate with one another. Through a series of workshops for professionals, parents, carers, young people and other stakeholders, three key features were identified for the new service:

- Unified casework services
- Local preventative strategies
- Increased capability in schools to ensure all children succeed.

Client experience is reflecting ongoing progress in each of these areas.

**Access channels**

There are a range of possible access channels for your services including: home visit, face-to-face contact, telephone, post, email, internet, digital TV, mobile phone (text messages).

The Government has set targets for customer access (BVPI 157) which require 100% electronic service delivery by 2005. This includes access by telephone if this is what customers prefer.

Both HCC and LCC have prioritised telephone contact, and both emphasise the importance of ‘talking to real people’. Both use unscripted approaches and emphasise the value of personal relationships and good customer care practice. This requires a clear definition of the values of the council and substantial investment in developing front-line staff.

Both councils have built multiple channels into their contact strategy. The aim is to use generic approaches/processes to deliver the service to ensure consistency across the different channels.

Think about how you can move your customers into more cost-effective channels over time. Call centres should be able to deal with other access channels. Websites can be developed as a tool for front-line staff as public usage is gradually built up.

Consider what characteristics of your area affect access. The experience of LCC and HCC highlight the different issues that are relevant:

- **Social exclusion** LCC considered the needs of its deprived communities and developed a strategy that included face-to-face contact in neighbourhoods as an important part of their approach, even though this is relatively expensive. The council is committed to higher levels of web interaction. It is due to launch its Citizen Portal and Business Portal this year.

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3 Best value Performance Indicator 157 – to reflect authority performance in electronic service delivery.
Fig 2: Developing your customer access strategy – key issues

<table>
<thead>
<tr>
<th>Issue</th>
<th>Approach</th>
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</table>
| **Which services?**                        | Approaches to prioritisation usually emphasise services with high use, services with standard transactions or services where there is an opportunity to move quickly. The IDeA Electronic Service Delivery (ESD) project can provide information on high transaction services and the services which other councils have chosen first.  
  4                                                                 |
| **Which channels?**                        | Most strategies involve multiple channels with an emphasis on telephone. Think about your customers preferences – home visit, in person, phone, email, letter, web. You may need to research preferences and habits. Think about life events, what happens at the same time, what is convenient?  
  5                                                                 |
| **What to be resolved at first point of contact?** | Understand customers’ expectations and what you are able to provide. Be clear to staff, stakeholders and customers what you will provide immediately and what your longer-term aspiration is. Be clear when responsibility shifts to another organisation.  
  4                                                                 |
| **Where should contact contact centres be located? How can you co-locate with partners?** | Define your approach to face-to-face contact based on an understanding of current behaviour and the needs of your communities. Look at where can you achieve efficiencies and improved customer service through co-location.  
  4                                                                 |
| **What about hard to reach groups?**       | Identify who you might be excluding. Think about how you can develop approaches to reach different groups.                                                                                                                                                      |
| **How to put power at front line? How to ensure training, skills and information are in place?** | Many councils are looking to create a new cadre of excellent front-line staff. You will need to resource the investment to develop these staff, and give them the support and confidence to push change. For example, the London Borough of Lewisham has created a ‘Frontline Academy’.  
  5                                                                 |
It is driving down unnecessary calls (2 million in eighteen months) and committed to its call centre dealing with 80% of remaining calls. The e-agenda is a longer-term strategy which will require efforts to build confidence and access to technology in the community. LCC have developed outbound calling to try and promote particular services to particular communities (e.g. telephoning the parents of truants, debt collection, benefit campaigns and public consultation).

- **Identity of communities** The location of one-stop-shops can be controversial and needs to reflect an understanding of how communities work and where the divisions lie. You may want to consider targeted access channels for particular neighbourhood, ethnic or religious communities – perhaps working in partnership with community groups.

- **Branding of local authority** Effective branding based on communicating the values of the organisation and building confidence in the service is an important pillar in developing access channels. Both HCC and LCC have chosen to use the ‘Direct’ branding associated with one of the first and most successful telephone access services, First Direct. LCC has an advantage in developing a clear brand for their access channels because of the strong sense of public identity with the city. In mixed rural areas the issue of branding is complex and can be difficult to resolve between tiers of authorities and partners. HCC’s call centre currently provides access to county services, and the county and districts are currently working together to look at options for fully integrated access channels.

- **Language issues** Technology offers cost-effective mechanisms to provide access to different language communities.

- **Access to technology** HCC has higher use of the internet among its communities and is therefore putting effort into trying to develop web access routes. In the long term internet access can bring real cost efficiencies as well as improving the service to customers. However, HCC recognises that in the short-to-medium term most customers prefer to access the council by telephone.

- **Physical accessibility** For vulnerable and excluded groups face-to-face contact with the council is important, particularly for complex claims such as housing benefit or care assessments. In developing new one-stop-shops, or utilising existing offices or libraries, you need to carefully consider geography, transport routes, and location of communities.

- **Home visits** HCC’s integrated children and families service aims to reduce the number of different home visits required. Which of your staff are undertaking home visits? Could they assist with access to a broader range of services? Consider how you can equip your staff with personal digital assistants or other technology that can enable them to access information systems remotely.

- **Usage of facilities** Which are the locations with a high usage? For example do a lot of people use the libraries? It may be more effective and efficient to locate your service access points there rather than developing new ones. LCC has some of its one-stop-shops located in libraries which allows longer opening hours for the library as a side benefit.

- **Relationships with partners** Who do you have good relationships with? Where is co-location possible? Which of your services might customers need access to when the visit their GP, local hospital, or police station? Make sure you consider all the possibilities – for example do any of your partners have existing locations you can share? Can you work with local retailers or the post office?

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6 Connecting with communities toolkit on IDeA Knowledge has further information on branding at www.idea.gov.uk/knowledge
Resolution

A key issue is the definition of ‘resolution’. Both councils aim to provide resolution of a customer’s problem in one call. Resolution from the customer’s point of view means that their problem has actually been solved. In reality only some services achieve this. LCC call centre staff can resolve some problems – for example book time slots for the removal of heavy household items or pest control visits, complete blue badge (disabled) applications, send recruitment packs and take payments. But for other services the call centre staff re-direct the request to another part of the council and depend on that service providing full resolution to the customer.

Different definitions of resolution are applied, such as: the service has been requested, an appointment has been booked, the service has been delivered. It is often not possible to solve the problem as a customer would wish, but full resolution should include ensuring that the most appropriate service has been delivered correctly and if possible the customer is satisfied.

Transforming customer access in Liverpool

LCC have proceeded with an ambitious programme of one-stop-shops and a call centre, even though back office processes are not yet fully automated. The one-stop-shops are strongly branded with the Liverpool Direct colours; there are comfortable waiting areas and no barriers between staff and customers, making them far more welcoming and inviting than previously.

Their website had taken a lower priority, which reflects the demands of the service users who are more likely to telephone or use a one-stop-shop to access services. However, the Council is committed to having a fully transactional website by end of 2002.

We visited two one-stop-shops: one in Kirkdale, north Liverpool, in a former housing office, and a larger one in the City Centre. All one-stop-shops have opened within the last year and further one-stop-shops are being developed in a library and a market as well as other sites. It is expected that a network of 12 will be completed by the end of 2003.

The shops currently deal mainly with housing and council tax benefits, but also provide a service for: education awards, disabled blue badge applications, housing enquiries, reporting of service failures, service faults (e.g. lighting or pot holes) and planning enquiries. They are gradually moving more services into the one-stop-shops and Liverpool Direct call centre. Surgeries are held twice a week at Kirkdale by the local police officer. In the City Centre there are joint surgeries with the Benefits Agency.

People can either make appointments or just turn up. There is someone who performs a ‘meet and greet’ triage function at each...
site. Staff are gradually being trained to be multi-skilled, and information support will improve as back office systems are automated. Staff investment has a high priority. Initial staff training involves a 13-week off-site programme. Staff are well paid compared to traditional front-line ‘troops’. Shops are all open at least 8.00am - 6.00pm Monday to Friday and open on Saturdays. All are City Council employees.

LCC have also invested in the ICT platform to sustain change, capture customer information and gain a 360-degree view of their customers. This view will then inform which services go into the one-stop-shops and which into the call centre. This is the focus of a £57m investment from BT.

### 3.5 LOOKING FOR WINS: KEEPING MOMENTUM

“Too many change programmes fail because they run out of steam.”

Making change means you are in for the long haul. You will need to maintain motivation and commitment to change by ensuring there are visible signs of difference. It is important to be clear what it is that needs to change and how success will be judged.

Ask yourself:

- **Who is the change for?**
- **Who needs to support the change?**
- **Who are the people you need to convince?** Staff, customers, politicians, partners?
- **How will people see and understand that change has happened?**
- **What do they care about, what will they notice?**
- **Do you need quick wins to convince sceptics?**

Be clear what you’re aiming for and make sure people know.

In both case studies there was a sense of momentum created by making changes in the working environment – integrated teams, improved office environments, new technology. Making it feel like a different place to work is motivating and helps create a sense of possibility. Change breeds change. Even simple things like regular visits from the leader or Q&A sessions with senior managers can make a big difference.

Overcoming professional concerns was a big issue in HCC which they tackled by involving staff in designing new processes – giving front-line

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**HCC’s approach to customer access**

HCC’s call centre is run by Capita Group Plc in office space rented by the authority. The centre, which opened in 1999, deals with all council services and is open 12 hours a day throughout the week and 7 hours on Saturday. It is achieving 96% customer satisfaction rates, and answers all calls on average within 15 seconds. There are a limited set of branded numbers for different services. HCC have developed a knowledge based model where staff can handle calls based on their training to identify and understand the callers needs, and then to search for the appropriate information. Responses are unscripted. Staff, who are all employed by Capita Group Plc, are ‘professional’ call centre operators rather than county council staff.
teams and managers the power to make decisions. They listened to concerns but did not allow them to stop change happening. A sense of success and motivation is created when the barriers to change are overcome and something, that perhaps some staff felt would never happen, is achieved.

Early changes people will notice

LCC explicitly identified some ‘quick wins’ that could be used to build confidence and create momentum for the change programme:

Social services staff were struggling to manage the issuing of blue badges for disabled persons. Long waits and queues for disabled persons were commonplace in the five area offices from where the badges were issued. The five separate systems were quickly merged into one and for the first time the size of the problem was really known – 9000 blue badges issued during the year. This enabled the council, for the first time, to be more proactive by sending out reminders before the date of re-issue and making appointments for interviews. Similar problems were encountered and overcome in the processing of further education awards.

Another example concerned the placing of recruitment advertisements by different departments in a totally uncoordinated and unprofessional way. Here a new centralised process with much higher standards of quality (e.g. recruitment packs) helps to convey a much more positive image of the council being a professional place to work, and in so doing started to break down the strong departmental silos that mark the past.

The quick wins were seen to be essential for improving morale and therefore were widely promoted. Visits by groups of employees to the call centre and strong media publicity were just a couple of ways that everyone found out about the things that were improving. Regular newsletters are produced to keep staff informed. There is also information available on the intranet.

Doing things differently for customers

HCC’s approach has been to focus change on the areas where the Organisation Review consultation process informed the Council that change could make the most difference to service delivery and the customer’s experience. The change process began with the organisation review, with public and internal consultation, which enabled informed service analysis, re-design, procurement and implementation.

Significant changes have been made, but with relatively low impact internally across the organisation. This is partly the result of the pragmatic approach taken to culture change: internal silos have been broken down and different working practices encouraged, informed and supported by staff workshops. A premium was placed on communication with staff throughout the process. Staff were ensured that savings in the first period of change would be reinvested in improving the quality of services. HCC’s approach to change has not been delayed by technology; this has been developed along with the new processes that have been put in place. The change process is not just ‘hype’. There is real evidence of substantial change. The call centre provides consistency of response and service; more than 70% of calls resolved without...
referral, improved public access and participation and improved internal information management. The joining together of education and social services through Children, Schools and Families places the child at the centre of the service, enabling a single procedure for referral, an integrated assessment process co-ordinated by one worker, and a single electronic case file.

Challenges

It is important to maintain momentum through identifying and communicating wins. Some key challenges emerged from the two visits:

- **Engaging the public** The public can be a big ally in change. If you can convince them that you are serious about doing things differently, the feedback from the public becomes a further spur and incentive to improve. The public are not interested in the changes you are making, but rather what difference it will make to them. Don’t be afraid to communicate your long-term vision and explain clearly how interim improvements are steps along the way. Call centres can be used, for example through outbound calling.

- **Communicating success** No-one is going to communicate for you. You may have the most wonderful initiative but it is no use if your customers don’t know about it. Make sure you put enough effort into communicating success, and marketing new access channels. Tell your customers how you have responded to what they have told you.

- **Hard to reach groups** Often these are neglected. What will these groups notice? How can you communicate success to them?

- **Getting credit for wins** Change involves a lot of hard work, and often there is little visible sign of change, improvements only take place slowly or changes are quickly taken for granted. Make sure you clearly identify the successes and keep reminding your staff, customers and key stakeholders what you have achieved.

- **Involving communities and citizens** If you can win commitment to your vision and people can see you are serious, you will find increasing energy and ideas you can tap into. Making efforts to engage the public from the start is vital to create the conditions for direct involvement. In the longer term the challenge will be to help the community become ‘co-producers’ of their own services.

3.6 WORKING WITH PARTNERS

“The distinctions between public and private are eroding rapidly. As these boundaries crumble, we are moving into conditions where partner working between private and public is the norm rather than the exception. Partner working for the future must involve co-sourcing the joining together in a solutions focus, rather than high specification legal contracts where, when things go wrong, the first response is to contact solicitors. Collaborative joint venture partnerships, where the partners are focused on outcomes, success and solutions are inevitably the future.”

David Henshaw, Chief Executive, Liverpool City Council

Private sector partnership will inevitably be a part of any change involving new technology, but the benefits from partners can be broader. Issues that partnerships can help to address include:

- **Culture** Partners can bring new values, beliefs, attitudes and ways of working.
Capacity Partners bring new knowledge, competencies and skills in essential areas like project management, understanding and re-engineering processes, business planning, risk management and staff development, as well as technology.

Cash Where you are prepared to share risk and reward partners can bring new investment for your services which they recoup by increasing the efficiency of service delivery.

The case-studies illustrate two very different strategies:

Major strategic, big bang LCC/BT created a new JVC, Liverpool Direct, characterised by shared risk and reward, high trust, broadly defined outcome targets and private sector investment. This ‘true partnership’ approach brings more risk and uncertainty as well as greater potential for innovation and generating value, and helps leverage culture change. It depends on extremely good relationships, shared values and vision and high levels of trust. Staff are stakeholders – they are seconded to the JVC but remain City Council employees with a contractual right of return. The fact that they have not been TUPE’d is intended to demonstrate real partnership for all.

Specific relationships HCC has high internal capacity and a good understanding of what they need and how to move forward. The council contracted with Capita Group Plc for the design, implementation and operation of the customer service centre. Capita Group Plc sub-contracted with Oracle (to provide the database) and e-Loyalty (to integrate the Oracle application with the council’s voice and data applications). Their approach is lower risk, involves less rapid change and creates specific partnerships for specific purposes. The procurement approach is more traditional, with detailed specification of required results and the local authority is in control. It does not require such high levels of trust.

Think about what sort of approach you need:

Fig 3: Criteria for deciding what kind of partner you need

- Strategic fit
What are your strengths and weaknesses? What sort of partner would compliment these?

- Vision and objectives
What are you trying to achieve overall? How could a partner help?

- Attitude to risk and innovation
What are the risks? What are you prepared to accept? How good are you at managing risk?

- Political support and ambition
What is the attitude of the politicians? Do they see the value in partnership? Will they back you?

Are you ready for partnership?

Partnership is a two way process and it is helpful to understand what the private sector is looking for in a local authority partner. A recent NLGN publication Managing Strategic Service Delivery Partnerships: from governance to delivery has identified six key characteristics of a good partner (Fig. 4) and deals with managing a partnership once it is up and running.

### Fig 4: Checklist – are you ready for partnership?

<table>
<thead>
<tr>
<th>Vision and purpose</th>
<th>Authority has stability in policies and programmes capable of transcending political swings in both national and local policies</th>
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<tr>
<td></td>
<td>Gives suppliers confidence in developing innovative solutions and long-term relationships</td>
</tr>
<tr>
<td>Leadership</td>
<td>Strong sponsorship for the partnership across the authority</td>
</tr>
<tr>
<td></td>
<td>Vision well articulated and linked to local, regional and national agenda</td>
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<tr>
<td></td>
<td>Effective in developing the right culture for the partnership to thrive</td>
</tr>
<tr>
<td></td>
<td>Sustained over life of partnership</td>
</tr>
<tr>
<td>Commercial awareness</td>
<td>Clear understanding of what is important to the contractor</td>
</tr>
<tr>
<td></td>
<td>Recognition of the different motivations and drivers of different partners</td>
</tr>
<tr>
<td></td>
<td>Able to agree mutual objectives and common agenda</td>
</tr>
<tr>
<td>Management structures</td>
<td>Realistic and competent managers</td>
</tr>
<tr>
<td></td>
<td>Flat, flexible structures</td>
</tr>
<tr>
<td></td>
<td>Managers deal with strategic and cross-cutting issues and supported by high quality policy teams</td>
</tr>
<tr>
<td></td>
<td>Able to procure solutions and manage resultant contractual relationship</td>
</tr>
<tr>
<td></td>
<td>Open approach to communication and representation</td>
</tr>
<tr>
<td></td>
<td>Emphasis on measuring outcomes and user satisfaction rather than throughput and contract compliance</td>
</tr>
<tr>
<td>Culture</td>
<td>Strong, well-articulated culture visibly espoused by leadership and senior management and supported by lateral networks</td>
</tr>
<tr>
<td></td>
<td>Excellence sought after and celebrated</td>
</tr>
<tr>
<td></td>
<td>Achievement-centred with total focus on public service excellence</td>
</tr>
<tr>
<td></td>
<td>Attractive to people and providers and seen as desirable to be associated with</td>
</tr>
<tr>
<td>Role</td>
<td>Open and flexible approach to service delivery based on the principle of commissioning, not doing everything in-house</td>
</tr>
<tr>
<td></td>
<td>‘Steering not rowing’</td>
</tr>
</tbody>
</table>
Liverpool Direct joint venture

BT already had good links with the majority of local authorities through their telephone systems. BT Retail are the arm of BT charged with looking at new ways in which BT can engage with authorities. Contact with LCC had been minimal until the new Chief Executive arrived in October 1999 and published an OJEC for a strategic partner to assist him in the change process.

BT became the preferred partner which led to Liverpool Direct Ltd. being formed. The process had begun with a Best Value Inspection review for their ICT service, which recommended that it be outsourced. LCC did not want to outsource it and so considered other available options. That led to the idea of creating a JVC. LCC value the maintenance of direct contact with the customer which is possible with this arrangement, and which is usually lost through outsourcing.

The JVC is owned by both organisations and each project that it takes on will go through an affordability study, whereby any profit will be apportioned depending on how much each organisation put in at the start of the project. BT will put in £57m into Liverpool, with £30m in the first two years. It is interesting to note that BT are not the partner for all projects in Liverpool – projects can go out to tender in the normal way.

LCC have used BT because of their skills in managing large-scale change programmes, access to ICT architects, and strong supplier network skills, which LCC would not necessarily have had themselves. BT however do realise that this successful relationship would not work in all authorities; it needs a strong style of leadership which empowers individuals and does not punish them if things don’t always go to plan.

BT see LCC’s brand as an authority that takes risks and therefore has been successful in attracting innovative staff, innovative thinking, investment, media attention and good relations with central government.

BT considers that the constant role of the visionaries in both organisations within the contract negotiations was vital in negotiating the JVC and keeping the project managers and lawyers on track with the vision that they had. Continuity of people from both sides through all the different stages of the project was also seen as important.

Both LCC and BT also saw the need to get the front office services right first, as they felt the only way to get the back office systems right is to have the customer involved. The current CRM project aims to recognise the vision of one customer – one record.

The JVC has a Board of Directors of 6. Of these, 2 are from the City Council – the Leader and Chief Executive. The company is managed by a City Council secondee. There is a high level of integration at all levels. For example staff still receive ‘Council People’ magazine, attend City Council roadshows and engage in the MBC programme.
3.7 AFFORDABILITY: FUNDING CHANGE

“That’s all very well for them – they’ve got lots of resources – but it wouldn’t work here”

Lack of resources is often cited as a barrier to change but, as these cases illustrate, there are lots of different ways of finding resources.

CHECKLIST: HOW TO FUND CHANGE

- **Reduce inefficiencies in processes** David Henshaw discovered that 13 people were involved in the decision-making process for one simple service, and as a result he stripped out excess layers of management. By understanding and re-engineering your business processes to simplify them, the service can improve at the same time as reducing inefficiency. One of the reasons the private sector is interested in partnering with local government is because it can see the inefficiencies in local government processes and they will make money by reducing them – or ‘extracting value’. Why not do it yourself? When looking at your processes always start with the customer and work back.

- **Research the market** Find out what other organisations are doing and how much it costs. Approach ‘pathfinder’ authorities who have already developed systems that could meet your needs. For example Salford City Council has developed a systematic and cost-effective approach to business process reengineering. Torfaen County Borough Council is introducing a basic customer relationship management (CRM) system at a cost of £12,000. The London Borough of Brent’s Pathfinder CRM is now available for a base cost of £25,000.8

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8 For more information contact e-gov@idea.gov.uk
Look at property and flexible working

Local authorities have huge value tied up in buildings and offices. HCC released enormous value from its buildings by using them more efficiently. Flexible working can be good for your staff (especially working families), help you to service customers better and enable you to reduce office space or use it more efficiently. LCC have invested heavily in the office environment, closing buildings across the city and investing in teleworking, mobile working, hot desking and shared ‘touch down’ areas with fully networked facilities.

Strategic service partnerships

As LCC illustrates, large scale service partnerships, particularly if they cover several services and offer scope for innovation and greater efficiency, can be a means of funding investment. The gains are likely to be greater if you are the first in a region to embark on such a partnership and you can work with your partner to provide services to other organisations.

Partnership working to spread cost

Finding ways of working with other local authorities (particularly counties working with districts) and other public sector service providers will help to share costs of investment. HCC has recently commissioned a report to consider the potential for a countywide partnership with all the local authorities to develop integrated public access. A staged model is being considered which begins with joint procurement of compatible core ‘e’ enablers of content and knowledge management systems.

National strategy funding strategy

The national strategy for local e-government – e-gov@local* sets out how the Government plans to fund local e-government implementation on a national scale. The 2000 Spending Review made £1bn over three years available across government to support e-government implementation. Of this, £350m is available for local e-government. The 2002 Spending Review will consider the additional resources that councils require to deliver on the 2005 Electronic Service Delivery target. Allocation of the £350m is controlled through the Local Government On-Line (LGOL) Programme – managed by the Office of the Deputy Prime Minister in partnership with the Office of the e-Envoy, the Treasury, LGA, IDeA and other stakeholders. The LGOL funding strategy facilitates developments in 5 key areas:

- dissemination of learnings from the Pathfinder projects (begun in Spring 2001)
- pump priming of individual authorities’ plans for implementing e-government (IEG)
- support for authorities working in partnership
- delivery of national e-government projects around the key ‘building blocks’ of local e-government
- support for skills and capacity building

A breakdown of the funding plans is given in Fig. 5.

Reduce management or staffing levels

LCC took tough decisions to substantially reduce staffing levels across the organisation. The processes were managed sensitively. There was a co-operative relationship with the unions, all redundancies were voluntary and there was a major programme of redeployment across the council. This approach requires substantial up-front investment to release savings in the longer term. Some 300 employees left the organisation.

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*e-gov@local: Towards a national strategy for local e-government consultation paper was published on 8 March 2002 and is available from www.local-regions.odpm.gov.uk/consult/egov/pdf/lgol_main.pdf The final version of the strategy is due to be published in Autumn 2002.
LEADERSHIP
VISION AND STRATEGY: CLARIFYING THE ENDGAME
ORGANISATION AND CULTURE
UNDERSTANDING CUSTOMERS
LOOKING FOR WINS: KEEPING MOMENTUM
WORKING WITH PARTNERS
AFFORDABILITY:
FUNDING CHANGE
MAINTAINING MOMENTUM
WHERE DO WE GO FROM HERE?

**Fig 5: LGOL funding strategy**

<table>
<thead>
<tr>
<th></th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
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<td>1</td>
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<tr>
<td><strong>National projects</strong></td>
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<td></td>
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<tr>
<td>Technology/infrastructure</td>
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<td>6</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>Priority service transactions</td>
<td>-</td>
<td>14</td>
<td>15</td>
<td>29</td>
</tr>
<tr>
<td>Contingency for further projects</td>
<td>-</td>
<td>5</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td><strong>Partnerships</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Partnership projects</td>
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<td>49</td>
<td></td>
<td>73</td>
</tr>
<tr>
<td>Capacity support for partnerships</td>
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<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Support for local authorities</strong></td>
<td>-</td>
<td>80</td>
<td>80</td>
<td>160</td>
</tr>
<tr>
<td>IEG plans</td>
<td>- 2</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Support and capacity building</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Contingency</td>
<td>- 2</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25</td>
<td>135</td>
<td>190</td>
<td>350</td>
</tr>
</tbody>
</table>

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**Hertfordshire County Council’s asset strategy**

HCC aimed to extract £40m from a cost base of £800m. As part of the wider drive to change working practices across the organisation, the council developed an asset strategy and turned to its property portfolio as a means of making savings and driving new income.

Prior to the change process, there were over 1 million calls coming into over 100 locations across the county. Office space has been reduced by 25%, with staff encouraged to embrace new working practices such as home working and hot-desking. The Chief Executive himself used a desk in the call centre office during the day of the visit. The council has not been afraid to re-locate services to more convenient and appropriate office space and locations. The customer call centre is co-located with Children Schools and Families in an office rented by the council.

Further savings have been made through increased efficiencies in re-engineered service delivery practices and processes.

**Gaining financial control**

LCC were able to finance the change programme by:

- Gaining control of the council’s budgetary position through firm management action.

- The agreement of large-scale voluntary redundancy scheme, initially involving some 2,500 staff and savings of around £63m. 11 Directorates were condensed into 5 portfolios, LCC saved £\(\frac{3}{4}\)m on this head count alone. Human Resources used to have 206 staff; it is now 100 and will be eventually reduced to 60. This has produced savings of nearly £3m.

- Stripping out efficiency, for example staff that were involved in procurement have been moved into a single e-procurement team, bringing about savings of £5m.

- Setting up the JVC which shares the rewards as well as risks for both LCC and BT. The call centre has been set up as a joint venture with BT, which has funded a significant part of the capital costs of equipment – £60m in the first two years.

- Over 3 years taking out £100m per annum out of the cost base and in 2002 cutting Council Tax by 3%.
3.8 JOINED-UP SERVICES

“Our partnerships are all about doing things better for our customers rather than sitting around in endless ‘strategic meetings’”

A major effort is needed to truly join up service delivery around citizens’ needs. Joining-up needs to take place across the council’s own services and with your partners outside the council. Some of these efforts will take time and you need to keep working at developing good relationships based on trust. Make sure you keep looking outwards and maintain and develop relationships with other organisations with common interests.

Factors that help develop joined-up services

■ **Take a customer perspective** Focus your conversations with your partners around outcomes for customers. Work at building a joint commitment to meet customer needs. When things get difficult always go back to what you’re trying to achieve. Try not to get deflected by differences in approach and regulation – but concentrate on how together you can create better service outcomes. The Government is strongly encouraging public services to organise around ‘Life Events’ – Knowsley Metropolitan Borough Council, the London Borough of Lewisham, Tameside Metropolitan Borough Council and UKOnline are examples of this.

■ **Co-locate staff** A good starting point is to get your staff working together in the same location. Customer one-stop-shops or neighbourhood offices are a good way of bringing different services together under one roof. LCC invites different services to work with staff in a call centre and provide regular surgeries – on crime, health, benefits, education or employment. Try and create opportunities for staff to learn from each other and think about how services can be improved or better integrated.

■ **Create joint teams** Within Children, Schools and Families, HCC has created integrated front-line teams involving different professional disciplines from the previous education and social services departments. There are growing examples of joint-work with health involving pooled budgets and jointly managed staff.

■ **Share information** HCC’s Oracle database which supports the Children, Schools and Families service is the basis for effective joint-working as it provides a single picture of a family. For example information about a child can be held together with records of all other contact with the child or its family, giving a much more holistic view of the situation and background circumstances. The move toward customer relationship management is an effort to build a unified picture of a citizen and their relationships with different services in different parts of the council. The Kingston-upon-Hull City Council e-government pathfinder is developing a data sharing protocol across most public services. The aim is to develop a hub and spoke system to enable joined-up access, without breaching data protection legislation.

■ **Recruit and second staff to and from partners** Improve understanding by encouraging a flow of staff to and from your partners. LCC has consciously recruited staff at a senior level, for example appointing an Assistant Chief Constable to lead the crime strategy.
Common standards and co-location to promote joint-working

The e-government programme in Liverpool has resulted in a greater joining-up of services. Buildings are being refurbished to modern standards and staff co-located with other disciplines e.g. social care staff, antisocial behaviour unit and environmental services. This is to encourage joint-working. Break out areas for informal meetings with coffee tables and whiteboards are being used to aid this. All desks will have a PC on them, with hot-desking areas. The refurbishment also gives staff the feeling that they are being valued. LCC are running ‘getting to know you’ sessions for staff moving into the new buildings.

18 months ago it took 10 people to authorise the collection of an abandoned vehicle. Today the first person that a customer speaks to can authorise the pick up. This process was created jointly with the police, highlighting the advantages of LCC working with different agencies.

Joined-up working is assisted in LCC by the fact that everyone is now using the same hardware and software. Staff will be able to walk up to any PC in the council and point a handheld device, which will configure the PC to their personal settings. This could reduce the number of PCs needed in the council by an estimated 60%.

When LCC condensed their 11 directorates into 5, the new executive directors as well as having responsibility for a portfolio area, were given responsibility to manage across and join-up the whole business. This assists in breaking down the departmental silos that existed before the change programme began.

A focus on the customer experience

The Chief Executive Bill Ogley used a chart which illustrated the number of different care agencies and individuals one child with special needs and her family might have expected to encounter before the re-design of Children, Schools and Families. The chart (see appendix ‘Carole and Family’) illustrates multiple agencies with a role to play, from across 4 different sectors – social services, education, health and the voluntary sector – with Carole and her family situated at the centre of this myriad of service providers. The aim was to simplify and join-up these different services and roles to provide a better and simpler service for the child and her family.

The Children, Schools and Families Service brings all front-line social care and education professionals together into mixed teams and ensures that each child has a single case co-ordinator who co-ordinates all the issues previously dealt with separately. The multi-professional teams put the child back at the centre, aiming to provide a responsive, joined-up service designed around the needs of the users.
3.9 MAINTAINING MOMENTUM: WHERE DO WE GO FROM HERE?

“The chief executive is always moving the target – as soon as we’ve achieved one thing he’s got the next challenge ready”

Change is not a one off but will increasingly become a way of life for public services, striving to respond to complex communities and customers with diverse and changing needs.

In both cases the changes delivered so far are seen as stepping stones along the way to a bigger vision – for LCC “moving from sea port to e-port”, for HCC “being as good as Tesco”.

Delivering real service improvement

LCC has transformed customer access but more has to be done. Some services remain slow to respond. Their priority is to re-engineer services to improve performance.

LCC’s next steps are:

- Getting the back office systems re-engineered to catch up with the front-end
- Opening customer focussed centres
- Opening more one-stop-shops and street kiosks
- Intelligence-led government with its newly launched CRM system and single database – ‘one-customer-one record’
- Business re-engineering more services so that they can move into the call centre, one-stop-shops and online
- Building up resolution centres

Deepening partnership

HCC regards partnership working as crucial for the change process to deliver its full potential. Key aims for the future include partnership working with health, the local district authorities and the voluntary sector.

Aims for the further development of work undertaken so far include broadening access, developing web services so that all services are available on-line and increasing take up, and developing access through digital TV, PUSH technology and other means.

The key challenges at this stage in the process include maintaining momentum, ensuring change processes are deeply embedded throughout the organisation, making realistic assessments of achievement so far, and identifying the next steps.
Innovation

“Innovation is critical to improvement, but it will only happen where people feel confident to act, where risk is understood and managed, and where we look to reward failure (as approximate success).”

Martin Horton, Director for Knowledge and Learning, IDeA

The renewal of public services will increasingly depend on a capacity to innovate. The NLGN Innovation Forum brings together authorities with a commitment to innovation. So what do we mean by innovation and what are the factors that breed innovation in local authorities?

What is innovative about these cases?

Liverpool is an extremely ambitious council starting from very low base. The most innovative aspects of their approach are:

- **The first 24-hour council call centre** The call centre went 24/7 in December 2001 and received 300 calls on Christmas Day. Many of the calls which occur outside of normal office hours tend to be from the police and students. LCC sees the 24-hour call centre as a major statement about the attitude of the city to customer service. The call centre is envisaged as a city-wide resource for all of Liverpool’s citizens (for example linking up with travel companies to help with taxi bookings) – rather than simply a council call centre.

- **‘In-sourcing’** The JVC is innovative in that it is a ‘true’ joint venture that brings substantial private sector investment to improve LCC’s services. The company is owned by both organisations and each project that it takes on will go through an affordability study whereby any profit will be apportioned depending on how much each organisation put in at the start of the project. The risk is shared as well as the reward. Staff are part of the partnerships.

- **Branding** LCC has taken a very pro-active approach to create the new unified Liverpool Direct brand. The one-stop-shops are strongly branded with the ‘Liverpool Direct’ colours. These make them far more welcoming and inviting. Large pieces of artwork depicting city scenes add a professional feel, and show a pride in the city.

- **Using technology to support inclusion** The one-stop-shops are equipped with video conferencing facilities and touch-screen kiosks as well as telephone conferencing for the translation unit to assist those for whom English is not their first language.

- **Customer focussed culture** HCC’s practice demonstrates a real commitment to putting the customer first and a quiet determination to get on and make changes which will make this a reality. Managers and staff seem to have internalised a commitment to improvement for customers. There is a realistic sense that becoming customer-focussed requires sustained, determined change over time.

- **One case-worker, one child** HCC is the first council to develop its casework within an integrated referral, assessment, review and case management system supported by a comprehensive client database shared between education and social work staff.

- **Bring different professions together** Integrated multi-professional teams who deliver the unified casework framework and local preventative strategies.
What is innovation?

The dictionary definition of innovation is “to introduce as something new – to introduce novelties, to make changes”.

As Charles Leadbeater points out in Innovate from Within, innovation does not necessarily require new ideas, it can often be the application of old ideas to new problems, or applied in new ways.

Large-scale innovation can be risky and in local government some councils will be better able to manage this than others. Innovation is about starting to do exciting new things, but also stopping doing some of the exciting old things.

In marketing, an innovation curve (Fig. 6) is used to describe the way that people take up new products. The innovators are risk-takers constantly searching for new ways of doing things. They are first to try something new and become the users who shape new products. Early adopters seize on new products before they become widely adopted. The majority wait until a product is tried and tested before using it, and the laggards will resist adopting new products at all.

We can apply this thinking to whole councils (for example Innovation Forum councils want to be the first to try new things) but also to different kinds of people within councils. While not all councils will want to be wholesale innovators, all councils will need to introduce new approaches and ways of doing things. It will be difficult for your organisation to change if you do not have innovators within it who constantly search out and bring in new ideas, and if you do not encourage and give room to these people.

Where does innovation come from?

IDeA/SOCITIM have recently published research on international lessons for local e-government using Drucker’s analysis of sources of innovation. For Drucker, systematic innovation depends on “purposeful and organised searches for changes, and… systematic analysis of the opportunities such changes might offer for economic or social innovation”. 

Building on this the research identifies nine sources of innovation for local e-government.

**Fig. 6 Innovation curve**

<table>
<thead>
<tr>
<th>Numbers adopting</th>
<th>Innovators</th>
<th>Early adopters</th>
<th>Mainstream</th>
<th>Laggards</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIME</td>
<td>INNOVATORS</td>
<td>EARLY ADOPTERS</td>
<td>MAINSTREAM</td>
<td>LAGGARDS</td>
</tr>
</tbody>
</table>

10 Innovate from within: An open letter to the new cabinet secretary, Charles Leadbeater, DEMOS (2002)
11 Local e-government now: a worldwide view, IDeA/SOCITIM/SAP Research (July 2002)
### Fig 7: Nine sources of innovation for local e-government

<table>
<thead>
<tr>
<th>Source of innovation</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Seek out the unexpected and look for new opportunities to make progress with local e-government solutions</td>
<td>Learn from failure, e.g. low use of website leads to focus on intranet and CRM</td>
</tr>
<tr>
<td>2. Uncover incongruities between reality and perception to ensure that customers’ real priorities drive the implementation of local e-government</td>
<td>Research uncovered poor customer experience in HCC</td>
</tr>
<tr>
<td>3. Consider customers’ needs in order to realise the promised shift of resources from back office, process administration to front-line service delivery</td>
<td>LCC identified poor service on Blue Badges and transformed service; HCC identified poor service to vulnerable families</td>
</tr>
<tr>
<td>4. Consider facilitating an environment in which local e-government can flourish through changes in organisational structure</td>
<td>Liverpool Direct JVC created a new organisation with a customer-focussed culture</td>
</tr>
</tbody>
</table>
| 5. Consider demographic and social changes in approaching service design | Organising services around life events 
Liverpool language service |
| 6. Consider the role and capacity of citizens and customers to innovate | Give citizens and communities the tools to meet their own needs |
| 7. Determine the trends in perception, mood and meaning in your situation and consider the role you and your partners can play in changing and accelerating them | LCC tapped into latent city pride and created a new vision linked to technology ‘e-port’ |
| 8. Identify the disruptive technologies currently emerging that could radically transform services and relationships with citizens | The Internet can transform the distribution of information to communities and partners |
| 9. Ensure your organisation is up to date with emerging knowledge of best practice and potential opportunities | Networking with other public and private sector organisations keeps you tapped in to new ideas |
Innovation as part of the day job

As Charles Leadbeater notes, there is no shortage of innovation in the public sector. National government has a track-record of periods of stasis punctuated by large-scale innovation that has not proved successful – from the Poll Tax to Individual Learning Accounts.

The public sector tends to be poor at achieving a consistent approach to innovation that drives towards improved value for service users. These failures are ill-thought through, top down attempts to drive major change through the system. A better strategy is to encourage many attempts at small-scale innovation and to ensure that change is tested and built upon.

Creating a learning culture

The key to unleashing innovation seems to be strongly linked to creating an organisational culture that promotes learning. Attention within local government has focussed on councils learning from councils, and the importance of successful creation and transfer of knowledge to achieve organisational learning and improvements in service outcomes.

The Beacon Councils scheme has been welcomed as a mechanism for sharing good practice and encouraging inter-organisational learning and change within local government. Independent research into the scheme explored the learning that participants had gained from attending beacon events. The responses highlighted specific learning examples, such as sharing of technical and procedural detail, and broader conceptual learning, such as the role of partnerships and members in supporting change and an awareness of differences in resourcing.

However, the structure of the Beacon learning network and dissemination strategy tends to concentrate on the originating organisation, the Beacon council, rather than on the capacity of the recipient organisation to apply learning. Whilst Beacon councils demonstrate an ability to learn, there are often constraints which actively deter or inadvertently prevent the knowledge acquisition process within those councils which want to learn and improve.

Warwick Business School found that a capacity for organisational learning was a key characteristic both of Beacon councils themselves and of those councils which were able to take best practice from successful Beacon councils.

They have developed the following indicators of an organisation’s capacity to learn (Fig. 8).

Experiences of local authorities engaged with the Beacon scheme suggest that the dissemination strategy requires:

- further consideration to the processes of inter-organisational learning and the conditions that support such learning between authorities; and
- the embedding of new understandings, practices and organisational cultures in the receiving authority.

Characteristics of innovative councils

Building on the concept of the IDeA benchmark of the ideal authority, the NLGN’s Innovation Forum has developed a set of eight key characteristics of innovative councils. These criteria are being developed and tested through the Knowledge Exchange Programme and the Leadership Masterclasses. The aim is to develop a set of measures that can be used to benchmark innovation across the local government sector.

Fig 8: Indicators of an organisation’s capacity to learn

<table>
<thead>
<tr>
<th>Where it resides</th>
<th>Indicator</th>
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</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Creativity</td>
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<tr>
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<td>Systematic, analytical thinking</td>
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<tr>
<td></td>
<td>Openness</td>
</tr>
<tr>
<td>Collective</td>
<td>Dialogue</td>
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<tr>
<td></td>
<td>Diversity</td>
</tr>
<tr>
<td></td>
<td>Group spirit</td>
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<td>Structural</td>
<td>Flat hierarchies</td>
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<td>Small units</td>
</tr>
<tr>
<td></td>
<td>Frequent interaction</td>
</tr>
<tr>
<td>Culture</td>
<td>Values</td>
</tr>
<tr>
<td></td>
<td>Dialogue, openness, trust, risk-taking</td>
</tr>
<tr>
<td></td>
<td>Willing to make mistakes so long as learn from them</td>
</tr>
<tr>
<td></td>
<td>Comparison with the best</td>
</tr>
<tr>
<td>Organisation of work</td>
<td>Emphasis on teams</td>
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<td>Project working</td>
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<td></td>
<td>Monitoring and feedback</td>
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<td>Job rotation</td>
</tr>
<tr>
<td></td>
<td>Limited specialisation</td>
</tr>
<tr>
<td>Leadership</td>
<td>Coaching mentoring style</td>
</tr>
<tr>
<td></td>
<td>Self-review and critique</td>
</tr>
<tr>
<td></td>
<td>Conscious influence on learning</td>
</tr>
</tbody>
</table>

Source: Hartley and Rashman at Warwick Business School (adopted from Finger and Burgin)

14 Leadership Masterclasses are being held through Summer and Autumn 2002 to help senior officers prepare for organisational change and leadership challenges. All enquiries telephone Anna Totten 020 7689 9215
Fig 9: Diagnostic based on eight key characteristics of innovative councils

1 Vision and priorities
- Does the leadership articulate a clear vision of where the council is going? Is it linked to citizen priorities?
  - Is the vision forward looking?
- Are there clear priorities for action? Are they cascaded down to team and individual objectives?
- Is the vision shared by both the managerial and political leadership?
- Is the vision shared and understood by middle managers? Staff? Partners?
- Is the vision shared with customers?

2 Customer focus
- Does the leadership put customers first in thinking about how services should be delivered?
- Do elected members, middle managers, staff and partners put customers first?
- Is communication with customers a priority?
- Does the council regularly measure public and customer satisfaction?
- Do customers feel they are put first?

3 Action orientation
- Is priority given to getting things done rather than having a good process?
- Is there a focus on outcomes?
- Does the leadership encourage managers to take risks?
- Do managers feel the priority is to get things done? Do they feel empowered to take risks?
- Do staff feel empowered to get things done? Do they feel their managers support them?
- Do staff feel that suggestions are encouraged and acted upon?

4 Grip on improvement
- Do senior managers have a grip on what matters?
- Is there evidence of improvement in:
  - service delivery?
  - public perception?
  - staff satisfaction?
- Is there evidence that processes are being streamlined?
- Are bureaucratic barriers being removed?
### Fig 9: Diagnostic based on eight key characteristics of innovative councils (continued)

#### 5 Learning culture
- Is the leadership self-critical and open to criticism from others – including staff?
- Is innovation and creativity encouraged?
- Is the culture open and honest?
- Do politicians accept that people make mistakes? Are they seen as an opportunity to learn?
- Do staff feel their ideas will be listened to?
- Do the leadership and middle managers show a willingness to learn from others?
- Are there opportunities for staff and managers to move around and gain new experiences?

#### 6 Staff development
- Is there a commitment to invest in the development of staff?
- Has the leadership invested significant resources?
- Are middle managers committed to investing in the development of staff?
- Do staff feel the organisation invests in their development?

#### 7 Partnership and procurement
- Is there a real commitment from the leadership to work openly with partners?
- Has effort been put into building good relationships based on openness, outcomes for citizens, sharing of problems and trust?
- Are there good relationships at leadership, middle management and staff level?
- Is there evidence that risks have genuinely been shared?
- Are there clearly understood mechanisms for resolving problems without undermining the overall relationship?

#### 8 Intelligence and performance monitoring
- Does the leadership understand the importance of capturing information about customers and the community? Do middle managers and staff?
- Is information valued and managed well?
- Is performance management, finance, service and customer information used consistently to monitor and drive improvement?
- Does the council monitor things that matter?
### Appendix 1  Programme of visits

#### NLGN KNOWLEDGE EXCHANGE
#### VISIT TO LIVERPOOL CITY COUNCIL

**Itenerary – Sunday 3 February 2002**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.00pm</td>
<td>Delegation check in at hotel Team introductions and briefing on objectives and programme</td>
</tr>
<tr>
<td>7.00pm</td>
<td>Dinner – hosted by Liverpool City Council</td>
</tr>
<tr>
<td>9.30pm</td>
<td>To set the scene and understand the background and context to change in Liverpool. Attendees: David Henshaw – Chief Executive, LCC David McElhinney – Executive Director, LCC Phil Halsall – Executive Director, LCC Cllr Mike Storey OBE – Leader of the Council, LCC Cllr Richard Kemp – Executive Member, LCC Steven Peel – BT Deborah Lee – BT</td>
</tr>
</tbody>
</table>

#### NLGN KNOWLEDGE EXCHANGE
#### VISIT TO LIVERPOOL CITY COUNCIL

**Itenerary – Monday 4 February 2002**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.45am</td>
<td>Depart from hotel by car for Kirkdale One-Stop-Shop</td>
</tr>
<tr>
<td>8.00am</td>
<td>Visit to Kirkdale One-Stop-Shop to meet with staff and customers to discuss the essentials of customer service Louise Gray, Project Manager – One-Stop-Shops Toni Byrne, Project Manager – Customer Focus Centre</td>
</tr>
<tr>
<td>9.30am</td>
<td>Travel from One-Stop-Shop back to Municipal Buildings</td>
</tr>
<tr>
<td>9.45am</td>
<td>Municipal Buildings One-Stop-Shop to meet with the Manager and Customer Service staff Louise Gray, Project Manager – One-Stop-Shops</td>
</tr>
<tr>
<td>10.15am</td>
<td>Meeting with David Henshaw, Chief Executive, LCC to discuss Liverpool’s objectives and success criteria</td>
</tr>
<tr>
<td>11.15am</td>
<td>Visit to Liverpool Direct Call Centre Pauline Crabtree, Project Manger Graham Storer, Call Centre Manager</td>
</tr>
<tr>
<td>12.15pm</td>
<td>Lunch</td>
</tr>
<tr>
<td>1.00pm</td>
<td>Sue Trafford, Senior Project Manager, Business Process Re-engineering (BPR) Presentation and discussion on BPR</td>
</tr>
</tbody>
</table>
NLGN KNOWLEDGE EXCHANGE VISIT TO HERTFORDSHIRE COUNTY COUNCIL

Itinerary – Monday 25 February 2002

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.00pm</td>
<td>Delegation check in at hotel</td>
</tr>
<tr>
<td></td>
<td>Welcome – Cllr Robert Ellis, Leader, HCC</td>
</tr>
<tr>
<td></td>
<td>Introductions and background to NLGN – John Williams, Executive Director, NLGN</td>
</tr>
<tr>
<td>7.00pm</td>
<td>Political leadership perspective – Cllr Robert Ellis, Leader, HCC</td>
</tr>
<tr>
<td>7.35pm</td>
<td>Setting the scene. The key drivers for change – Bill Ogley, Chief Executive, HCC</td>
</tr>
<tr>
<td>8.00pm</td>
<td>Dinner – hosted by Hertfordshire County Council</td>
</tr>
</tbody>
</table>

Attendees:
- Cllr Robert Ellis, Leader, HCC
- Cllr Derrick Ashley, Executive Member, HCC
- John Metcalf, former Leader, HCC
- Bill Ogley, Chief Executive, HCC
- Andrew Robertson, Director of Community Information, HCC
- Ian Paske, Chief Executive, Stevenage Borough Council

Time Activity
2.00pm Working Group session - NLGN delegates
   What are the main learning points today for us and local government? What do we need to feedback to Liverpool?
3.00pm Feedback to Project Managers
3.45pm Reflections on the day and feedback for future Knowledge Exchange Visits (NLGN delegates)
4.15pm Close
## NLGN Knowledge Exchange Visit to Hertfordshire County Council

**Itinerary – Tuesday 26 February 2002**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.00am</td>
<td>Depart from hotel by coach for Customer Service Centre, Stevenage</td>
</tr>
<tr>
<td>8.30am</td>
<td>Introduction – Bill Ogley, Chief Executive, HCC</td>
</tr>
<tr>
<td>8.45am</td>
<td>Customer Service Centre – Paul Jackson, Gateway Operations Manager, HCC The change process, information management and the customer perspective, including tour of the Centre and opportunity to listen in to calls</td>
</tr>
<tr>
<td>10.15am</td>
<td>Social care referral process – Lou Wakefield, Client Services Manager, HCC Integrating service processes with the CSC and the customer perspective, including tour of the Client Services team and opportunity for dialogue with staff</td>
</tr>
<tr>
<td>11.30am</td>
<td>Client focussed service delivery – Anne Futcher, Assessment &amp; Review Manager, Children Schools and Families, HCC Making and sustaining change for the benefit of the customer Discussion</td>
</tr>
<tr>
<td>12.30pm</td>
<td>Lunch</td>
</tr>
<tr>
<td>1.00pm</td>
<td>Integrated services, the user perspective – Margaret Crennell, Special Education Needs Co-ordinator, Marriotts Secondary School, Stevenage Discussion</td>
</tr>
<tr>
<td>1.40pm</td>
<td>Maintaining momentum – Andrew Robertson, Director of Community Information, HCC</td>
</tr>
<tr>
<td>2.00pm</td>
<td>Working group session – Richard Derham, IDeA Main learning points for us and local government? What do we need to feedback to HCC?</td>
</tr>
<tr>
<td>3.00pm</td>
<td>Feedback to HCC – Richard Derham, IDeA Attendees: Cllr Robert Ellis, Leader, HCC Cllr Derrick Ashley, Executive Member, HCC Andrew Robertson, Director of Community Information, HCC Paul Jackson, Gateway Operations Manager, HCC Anne Futcher, Assessment &amp; Review Manager, CSF</td>
</tr>
<tr>
<td>3.45pm</td>
<td>Reflections on the day and feedback for future Knowledge Exchange Visits (NLGN delegates)</td>
</tr>
<tr>
<td>4.00pm</td>
<td>Close</td>
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</tbody>
</table>
### Appendix 2 List of participants

#### PARTICIPANTS IN VISIT TO LIVERPOOL CITY COUNCIL, 3-4 FEBRUARY 2002

<table>
<thead>
<tr>
<th>Participant</th>
<th>Position/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jo Blundell</td>
<td>Marketing Director, Serco</td>
</tr>
<tr>
<td>Cllr Sandy Bruce-Lockhart</td>
<td>Leader, Kent County Council</td>
</tr>
<tr>
<td>Gill Davies</td>
<td>Director of Environment &amp; Leisure, London Borough of Southwark</td>
</tr>
<tr>
<td>Richard Derham</td>
<td>e-Delivery Manager, IDeA</td>
</tr>
<tr>
<td>Paul Dowthwaite</td>
<td>Strategic Director, Tameside Metropolitan Borough Council</td>
</tr>
<tr>
<td>Alun Griffiths</td>
<td>Director, Atkins</td>
</tr>
<tr>
<td>Abigail Melville</td>
<td>Interim Director, Innovation Forum, NGLN</td>
</tr>
<tr>
<td>Steve Peel</td>
<td>Head of ECRM and Electronic Service Delivery, BT</td>
</tr>
<tr>
<td>Cllr Cathy Pollard</td>
<td>Executive Member, Access, Community &amp; Consultation, Suffolk County Council</td>
</tr>
<tr>
<td>Anna Randle</td>
<td>Head of Organisation, NLGN</td>
</tr>
<tr>
<td>Paul Spencer</td>
<td>Strategic Director of Resources, Dacorum Borough Council</td>
</tr>
<tr>
<td>Duncan Taylor</td>
<td>Client &amp; Content Manager, IDeA</td>
</tr>
<tr>
<td>Alan Ward</td>
<td>Executive Member for Education, Bracknell Forest Borough Council</td>
</tr>
<tr>
<td>John Williams</td>
<td>Executive Director, NLGN</td>
</tr>
</tbody>
</table>

#### PARTICIPANTS IN VISIT TO HERTFORDSHIRE COUNTY COUNCIL, 25-26 FEBRUARY 2002

<table>
<thead>
<tr>
<th>Participant</th>
<th>Position/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natalie Arend</td>
<td>Membership Officer, NLGN</td>
</tr>
<tr>
<td>Phil Barnett</td>
<td>General Manager, E-Business, ITNet</td>
</tr>
<tr>
<td>Simon Berlin</td>
<td>Head of E-Government, London Borough of Lewisham</td>
</tr>
<tr>
<td>Jonathan Carling</td>
<td>Corporate Information Manager, Middlesbrough Council</td>
</tr>
<tr>
<td>Steve Davies</td>
<td>Director of Operations, Epsom &amp; Ewell Borough Council</td>
</tr>
<tr>
<td>Richard Derham</td>
<td>e-Delivery Manager, IDeA</td>
</tr>
<tr>
<td>Richard Goold</td>
<td>Public Services, Customer Management, KPMG</td>
</tr>
<tr>
<td>Andy Hancox</td>
<td>Head of Policy and Performance, Telford and Wrekin Council</td>
</tr>
<tr>
<td>Jeanette McGarry</td>
<td>Corporate Director, Northamptonshire County Council</td>
</tr>
<tr>
<td>Chris Noch</td>
<td>Project Manager for Children Family Learning, Wiltshire County Council</td>
</tr>
<tr>
<td>Mary Pitteway</td>
<td>Marketing Director, Integris</td>
</tr>
<tr>
<td>Anna Randle</td>
<td>Head of Organisation, NLGN</td>
</tr>
<tr>
<td>Cllr Richard Stay</td>
<td>Executive Member for Information Systems, Bedfordshire County Council</td>
</tr>
</tbody>
</table>
Duncan Taylor  
Client & Content Manager, IDeA

John Tizard  
Director of Policy Development,  
Capita Group Plc

Mark Warren  
Customer Services and  
Development Manager,  
Herefordshire County Council

John Williams  
Executive Director, NLGN

N.B. All titles correct at time of visits
Appendix 3 Feedback to councils

In drawing conclusions from the day the working group were asked to consider four main questions:

- The things that are so good they should/could be transferred to other organisations
- The things that strike you as different
- The things that you fear, in terms of transferring them to other authorities
- The things that you think HCC/LCC have missed or could do better

FEEDBACK TO LIVERPOOL CITY COUNCIL – 3 & 4 FEBRUARY 2002

1. The things that are so good they should/could be transferred to other organisations

LCC has created a momentum for change. Many of the following points have contributed to creating and sustaining this momentum.

- There is clarity and strength of vision; it is a vision that creates a sense of motivation and urgency.
- Staff at all levels of the organisation have the same vision, the aims of the Executive have permeated throughout the organisation.
- There is clearly a shared vision between the political and managerial leaders.
- There is a strong political and managerial partnership. Politicians support risk-taking.
- Managers feel challenged and supported - they are allowed to fail and lessons learned are taken forward.
- The Executive get ‘out and about’, they are visible to all staff.
- There is willingness in the Executive to learn as they go along, they are not afraid to make mistakes along the journey. The Executive was seen as bold and courageous.
- The Executive has an attitude which allows the council to get on with projects rather than draw up detailed plans. The Chief Executives view is that if it’s 60% right, go ahead and do it.
- No blame culture exists.
- There is a strong corporate brand.
Even though back office processes are not yet fully automated, the council has proceeded with an impressive programme of one-stop-shops and a call centre. The working group saw this as a good approach, they learn as they go and are not waiting for everything to be perfect before they start.

- Council premises are welcoming to customers and signage is clear.
- Streamlining services by re-engineering them, leading to increased efficiencies with handling queries within the council.
- Clearly and boldly stated front office and back office split.
- LCC have used an iterative approach, going for ‘quick wins’ such as streamlining the distribution of disabled parking badges and education awards.
- Resources have been shifted to priority areas.
- The Executive have empowered staff which has enabled them to move ahead more quickly.
- The Executive have created a ‘can do’ culture and a highly motivated workforce. Staff believe themselves to have a better working environment than previously.
- The joint venture model was praised, as was the bravery of BT in their investment into the process.

2 The things that struck the working group as different

- LCC had an imperative to change as the savings were clear to all and there was money to be saved from implementing the change as soon as possible.
- There is clear corporate ownership, and staff are speaking with one voice.
- The strong corporate brand.
- The way that staff have picked up the change challenge.
- The authority does not write reports, it just gets on with it.
- The strong relationship between the politicians and management.
- The speed of decision-making from the Executive.
- The secondment arrangements with Liverpool Direct.
- The pragmatic Executive who are prepared to take risks.

3 The things that the group fear in terms of transferring them to other authorities

- Perhaps there is too much activity.
- LCC has invested a lot in the face to face contact with customers, i.e. the one-stop-shops, when this will be less and less the way that citizens will contact the council in the future.
- The group felt that Business Process Re-engineering is not a ‘Holy Grail’ and it needs to be carried out in line with other initiatives.
- Potential that the Joint Venture initiative would not be commercially viable in the long term.
- The group felt that the one-stop-shops are very applicable for services like Benefits; however they may not be viable for other authorities where Benefits is a minor part of the services provided.
- Some of the group also had the fear that they might not get such a ‘buy in’ from their council as quite clearly LCC has had from its staff and members.
4 The things that the group feels that Liverpool City Council may have missed

The following are items that LCC may have already addressed but were not clear from the team’s short visit.

- Concentrating on ‘quick wins’ may have meant the easy things have been tackled and the process could get bogged down as the more complex areas are reviewed.
- Delivering against the raised expectations that have arisen out of the improved front office services. Linked with this is the fact that the front-line staff will have to bear the brunt of the customers of any failing services while the back office catches up.
- Investigating locations for the one-stop-shops other than council offices.
- More involvement with other agencies within the one-stop-shops.
- A more robust mechanism for tackling failing services to tie up with the impressive front offices systems currently in place.
- Greater exploitation of the infrastructure to enhance LCC’s e-learning and e-democracy offerings.
- Improving the way that they share with others the learning that LCC has acquired through their change programme.

FEEDBACK TO HERTFORDSHIRE COUNTY COUNCIL – 26 FEBRUARY 2002

1 The things that are so good they should/could be transferred to other organisations

HCC has created a momentum for change. Many of the following points have contributed to creating and sustaining this momentum.

- Staff at all levels of the organisation have the same vision; the aims of the Executive have permeated throughout the organisation. HCC have achieved this through collective involvement and bottom up planning.
- It is not just hype, there is a lot of substance behind the change process within HCC. It is backed up with real examples.
- HCC have a pragmatic approach to the change process. They haven’t been held up by technological barriers and haven’t tried to fix everything at once.
- The success in HCC has been built on the strengths of both the public and private sector. HCC recognised that they didn’t have the skills and capabilities to manage this scale of work. Strategic partnerships were formed with Oracle, Capita Group Plc and e-loyalty.
- HCC have successfully managed the risk involved in the change process.
- HCC have set up a successful contact centre and there are a number of useful lessons that can be learned from the way HCC went about the exercise.
- The transfer of services within the change process has been seamless to the users.
- The Executive ‘walk the talk’, they are visible to all staff.
- Contact centre staff have been trained to be multi-skilled.
The contact centre accommodation is very impressive.

HCC have challenged professional practices. Processes have been re-engineered based on necessity or cost effectiveness. The ‘silo culture’ has been successfully challenged.

2 The things that struck the working group as different

- There is a strong political and managerial partnership, combining strong political leadership with officer drive.
- Within HCC there is a strong focus around the customer. The contact centre has reduced inefficiencies of handling queries within the council. It also allows staff to get on with their job, instead of handling telephone calls.
- HCC have not let technology hold them up. They have moved forward in the change process while continuing to work on the technology which will support the new processes that have been put in place.
- The contact centre staff are customer service professionals who are being trained to deal with local government issues.
- HCC have attempted to develop a partnership with the health sector.
- HCC have appointed a Director who is directly responsible for the change process.
- HCC has, through the sale of property, obtained the finance to be able to develop various projects such as the contact centre.
- The contact centre staff are unscripted and deal with the various different clients confidently. Local government staff have been taken and made into customer service staff, rather than vice versa.
- HCC have not forgotten the basic ‘hygiene’ factors, i.e. moving accommodation, decorating offices, regular communication with staff.
- Capita Group Plc were selected on the basis of being able to take the council forward, rather than whether they would finance the changes required. The partnership with Capita Group Plc is on a relatively small scale and very targeted.
- HCC have used a ‘best of breed’ outsourcing approach.

3 The things that the group fear in terms of transferring them to other authorities

- HCC have made the change process affordable. HCC have done this by rationalising its property portfolio, an option that may not available to other authorities. HCC however did highlight the fact that they are not eligible for the support funding accessible by other authorities.
- Keeping staff motivated when some of the changes being implemented could lead to job savings may be hard for some authorities. HCC made a commitment to staff that any savings from the first phase would be reinvested to improve the quality of services.
- Using the call centre for the transfer of non-County Council calls - the contact centre is at present a call centre but does not act as an advocate of callers who want district council services. HCC are concerned that the districts may see this as an undesirable ‘Trojan horse’.
- Dealing with district council services may make the districts feel like the County is trying to take over.

4 The things that the group feels that Hertfordshire County Council may have missed

The following are items that HCC may have already addressed but were not clear from the team’s short visit.

- Greater collaboration with the district councils within HCC, e.g. using the contact centre for district council services. Not joined-up as
APPENDICES

'Hertfordshire' rather than HCC. It was explained to the working group that HCC had invested a large amount of time and working with the districts, but were yet to see the benefits at the time of the visit.

Greater collaboration with the private sector business community.

Promotion of what HCC has done regarding the change process to the wider local government community.

Extending the services that the contact centre deals with, housing/planning etc.

The contact centre tends to be used for call management, or as an intelligent messaging service, rather than problem management. Would like to see contact centre staff acting as advocates for the callers and council services rather than just passing them on. Tends to be reactive rather than proactive.

Definition of ‘resolution’ therefore sometimes questionable.

Use of other technology such as video, minicom, and translation services.

Further consultation regarding channel planning. Contribution to the social exclusion agenda, investigating other ways of accessing hard to reach citizens who often represent the most vulnerable citizens in order to validate claims or any other type of service. HCC feedback to the group that they do have area offices and a HCC newsletter which assists with this.

The use of libraries as community access points.

Promotion of web services to citizens. Focus on external community

Further investigation of HCC’s customers’ view of the change.

Solutions which have been devised according to consultation can limit the possibilities of changing people’s expectations. Consultation through focus groups is relatively limited.

Confidence and ambition for the future: move from information giving to proactive approach; scope for ambition after addressing basic services. Challenge continually from the customer’s point of view.
Appendix 4 ‘Carole and Family’

Hertfordshire County Council’s ‘Carole and Family’ diagram
Appendix 5 References and further reading


Allen E. 2002 Managing Strategic Service Delivery Partnerships: From governance to delivery London: NLGN

Benchmarking of the ‘ideal’ local authority 2001
This work forms part of the local government improvement programme, IDeA website www.idea.gov.uk

Connecting the Community IDeA knowledge toolkit website www.idea.gov.uk/communications/

Department for Transport, Local Government and the Regions e-gov@local: Towards a national strategy for local e-government Consultation paper issued 8 March 2002 London: DTLR

Drucker P. 1999 Innovation and Entrepreneurship Oxford: Butterworth Heinemann


IDeA/SOCITIM/SAP Research 2002 Local e-government now: A worldwide view

Information on the productivity panel including staff motivation and performance management is available on www.hm-treasury.gov.uk


Leadbeater C. 2002 Innovate from within: An open letter to the new cabinet secretary London: DEMOS

Leadership Toolkit available on www.idea-knowledge.gov.uk


Partners

NLGN

NLGN is an independent think-tank that seeks to advance a new localism through the transformation of public services, the revitalisation of local political leadership and the empowerment of local communities.

NLGN works closely with individual local authorities, national agencies, Government and the private sector to develop and promote innovative ideas about how our objectives can be achieved in practice.

NLGN places a high value on its independence and has developed a reputation for producing challenging work that pushes the boundaries of debate and influences public policy.

For more information, visit www.nlgn.org.uk

I&DeA

The IDeA was set up in April 1999 to support self-sustaining improvement from within local government.

The agency provides practical solutions to improve councils’ performance by offering tailored support packages to individual authorities and by developing innovative solutions to problems affecting the whole of the local government.

For more information, visit www.idea.gov.uk
GOVERNING EDUCATION FOR COMMUNITY REGENERATION
Dr Jane Martin and Liz Allen
ISBN 1903447 23 2 £20 (1-19 copies) or £10 (20+ copies) +p&p
Schools operate at the heart of their communities and have the potential to play a central role in neighbourhood regeneration. The forthcoming Education Act 2002 will allow schools increased freedoms to innovate and create local learning communities, which are responsive to local needs.
This joint NLGN & IDeA report by Liz Allen and Dr Jane Martin, argues that school improvement and neighbourhood renewal must go hand in hand for both to be successful. The report looks at six case studies where schools are putting local learning at the heart of their communities.
‘This report seeks to open up the debate, which I believe should now be had to foster a mutually beneficial relationship between schools and their communities as an integral part of the modernisation of local government. It is both thought provoking and practical and it will, I hope, generate lively discussion and new thinking.’
David Bell, Her Majesty’s Chief Inspector of Schools, OFSTED

BEYOND SW1: ELECTED MAYORS AND THE RENEWAL OF CIVIC LEADERSHIP
An NLGN collection
ISBN 1 903447 22 4 · £20 (1-19 copies) or £10 (20+ copies) +p&p
May 2002 saw seven local authorities in England vote for their first Directly Elected Mayor, and with other places having voted ‘Yes’ in mayoral referenda on the issue they will be followed shortly by a further four. With executive mayors now part of the reality of local government in the UK, the debate is now moving on to questions about their capacity to truly make a difference to the communities they serve and their ability to deliver on behalf of the people to whom they are directly accountable. In short, how can mayors bring fresh and effective forms of leadership to our boroughs, towns and cities.
Bringing together experts on crime and social exclusion, education, health, transport and urban regeneration, this new collection of essays assesses the role to be played by directly elected mayors in the renewal of civic leadership. Taking a range of approaches, the essays include analysis of international experiences of executive mayors, observations of Ken Livingstone’s tenure as Mayor of Greater London and consideration of how the mayoral model, through its new representatives, might yet capture the broader imagination of politicians and the public at large.

ADVANCING A NEW PUBLIC SERVICE ETHOS
Rod Aldridge OBE and Professor Gerry Stoker
ISBN 1 903447 21 6 · £10 (1-19 copies) or £7 (20+ copies) +p&p
This new pamphlet explores how we might develop a broad consensus about the cultural values that underpin the performance of our public services. In doing so the authors recommend five elements of a new public service ethos to be adopted by all public service providers: a performance culture, a commitment to accountability, a capacity to support universal access, responsible employment practice, and a contribution to community well-being.
‘We must not lose sight of the core belief that guided us to create public services – to their role as social justice made real... we know reform will not be easy or comfortable for everyone, but we also know that no change is not an option. The challenge is for Government to find the best ways to reform public services so that they meet the needs of the modern age. This pamphlet is an important staging post in that process.’
Rt Hon Charles Clarke MP, Minister without Portfolio and Labour Party Chair

MANAGING STRATEGIC SERVICE DELIVERY PARTNERSHIPS: FROM GOVERNANCE TO DELIVERY
Enid Allen
ISBN: 1 9034 472 0 8 · £20 (1-19 copies) or £10 (20+ copies) +p&p
Strategic service delivery partnerships between the public, private and voluntary sector have recently emerged as a new and innovative form of partnership designed to bring about a step change in service access and quality for local communities. In this timely report, NLGN explores a number of major public/private partnerships to identify the role of local government as the intelligent client, working collaboratively to address the challenges and provide a flexible environment for the future.
‘This research concentrates on the nuts and bolts of making innovation through partnerships work. I hope that leading members, managers and their private and not-for-profit sector counterparts will absorb its messages and indeed become pioneers themselves.”
Rt Hon Nick Raynsford MP, Minister of State for Local Government and the Regions, ODPM
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The delivery of e-government and its role in achieving organisational transformation is one of the key challenges facing local authorities today.

This report identifies key lessons about e-government and organisational change from two leading local authorities – Liverpool City Council and Hertfordshire County Council. Starting from very different points, these two authorities have used e-government as a vehicle for driving ambitious change programmes through their organisations to deliver more customer-focussed services.

The case studies were explored through ‘Knowledge Exchange’ visits to both local authorities – intensive 24-hour programmes where a small group of peers work together to explore an area of particular innovation, meeting with staff, managers, politicians and customers, and visiting service provision sites.

Including detailed case study evidence, this report presents and illustrates the lessons learned in a practical way that will be invaluable to managers facing similar challenges in their own organisations.

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