

Case study



↓ 01 A partnership of equals

Pioneering agreement between Arvato and Chesterfield Borough Council delivers rapid results and lasting improvements

↓ 02 Challenge

To develop an equal partnership.

Chesterfield Borough Council faced the dilemma of how to deliver an excellent service to local residents and businesses, while simultaneously making financial savings. The Council was open to looking at new ways of working but protecting the jobs of its workforce was also a major consideration. It decided it could best meet the challenge by taking advantage of Arvato's extensive public and private sector outsourcing experience.

In October 2010, Arvato agreed a 10-year outsourcing partnership worth £40m with Chesterfield Borough Council to deliver a range of key services, including customer services, revenues, benefits, human resources, payroll, ICT, accounts payable and invoice processing; with sub-contractor Kier providing engineering services, facilities maintenance, and asset management.

Over the course of the contract, Arvato will make savings of £4m and is investing £1.7m in technology and infrastructure, including £250,000 for the redevelopment of Chesterfield's customer service centre. Chesterfield was one of the first borough councils in the UK to outsource its services and this pioneering partnership of equals has already delivered outstanding results.



Services

Looking after people and property:

- Customer services
- Revenues and benefits
- Debt recovery
- Collection of rent
- Accounts payable
- Invoice processing
- Strategic & transactional HR
- Payroll
- Organisational development
- ICT
- Reprographics
- Asset management
- Engineering maintenance
- Facilities maintenance





↓ 03 Solution

To empower staff and engage citizens.

Initially, the partnership had to ensure the seamless TUPE transfer of over 200 staff from the Council. So successful was the transition, the partnership retained 100 per cent of transferred employees during the process and achieved 98 per cent of Key Performance Indicators.

Investors in People Excellence 2011 report praised the transition, stating: "One of Arvato's key attributes is the ability of management at all levels to manage change. At Chesterfield the transition has been remarkably smooth, with staff starting to feel very much a part of Arvato and comfortable with working for a 'private' employer."

The partnership worked with an organisational development company to develop leaders with the right capabilities and facilitate employee engagement in the transformation process. To give staff the skills to engage actively in improving services, Arvato trained all transferred employees up to White Belt standard in Six Sigma methodologies. A further 15 per cent were accredited to Yellow Belt, while a selected group is being developed to Green Belt practitioner level. Lean Reviews conducted across all transferred services enabled employees to use their new Six Sigma skills to identify process inefficiencies, streamline workflows and reduce costs.

Following on from these engagement activities, 'Champions' have now been appointed in each service area to promote continual improvement. This deep staff involvement helped ensure a smoother process of change and exploits employees' first-hand knowledge of where service efficiencies can be made. Working on the improvement projects also strengthened working relationships across the partnership and raised morale. Further driving the continual improvement process and encouraging buy-in from all parties, the partnership developed a gain-share model, where efficiency savings will be shared 50:50, reinforcing the commitment to success.

To put citizens at the heart of service delivery, a Customer Service Strategy was developed, under which customer service, revenues and benefits services were integrated and centred on customers. Service access and quality were improved, greatly increasing customer satisfaction, which now stands at an all-time high. As part of the public-private partnership agreement, the original OJEU notice included the opportunity for named neighbouring authorities to streamline the future commissioning process when sharing with or procuring services from the Chesterfield partnership. In April 2012, under this initiative, Arvato secured a deal to manage a benefits assessment overflow contract for Derby City Council.



Huw Bowen

Chief Executive, Chesterfield Borough Council

"The cultural fit between the Council and Arvato was underpinned by a feeling of mutual interest. We had a strong sense of being an important component in Arvato's portfolio and that Arvato would invest with us in creating a best-practice model for district councils."

Investors in People report

November 2011

"Staff were very comfortable working for Arvato... the general feel was of a contract that could have been in place for several years. Credit for this must go to senior staff for their effective approach to change management."



↓ 04 Successes

Accelerating performance:

- During 2011, the Council hit 72 per cent of its corporate plan performance indicators, up from 65 per cent in 2010 and 52 per cent in 2009
- In the 2011 employee survey, staff satisfaction with the Council stood at 82 per cent
- In November 2011 citizen panels, 75 per cent expressed satisfaction with the way the Council runs services – a 7 per cent uplift on 2010 and a 27 per cent increase on 2008
- Resolving more calls at first point of contact reduced calls referred back to the Benefits service by 27 per cent
- Streamlining Benefits processes produced approximate cost savings of 17 per cent
- Improving Invoice Processing created savings of approximately 27 per cent

Awards

Winner

Public Sector Outsourcing Project of the Year, 2011 National Outsourcing Association Awards



Finalist

Public Private Partnership, LGC 2012 Awards

Finalist

National Government Opportunities, 2012/13 Excellence in Public Procurement Awards

Finalist

Excellence in People Development, 2011 Business Awards Derbyshire

Commended

Partnership in Professional Services, 2011 LGC Business Partnership Awards

Commended

Government Business Awards, 2010 for an innovative approach to partnership

Accreditations

- ISO 9001
- ISO 14001
- Investors in People