

11th March, 2010

To: Each Member of Donegal County Council

I hereby give notice under Paragraph 7 of Schedule 10 of the Local Government Act 2001, having received a requisition from the Mayor pursuant to Paragraph 6 (1) (a) of said schedule, that a Special Meeting of Donegal County Council shall be held at 10.00 AM on Thursday 25th March, 2010 in the Council Chamber, County House, Lifford, County Donegal to transact the following business, as set out in agenda contained within the aforementioned requisition. A copy of the requisition is attached.

AGENDA

1. Report from the County Manager on follow-up to decisions taken at Special Meeting held on March 1st.
2. Presentation by Stephen Cang and David Stroll on the Whole System of Work (WSW): origins, development, implementation and projected benefits.
3. Presentation on Costs, Intellectual Property Rights (IPR) and licensing by Stephen Cang and David Stroll.
4. Discussion with the Members to agree the way forward and respond to all queries and issues.

E Sweeney
Meetings Administrator

MINUTES OF SPECIAL MEETING OF DONEGAL COUNTY
COUNCIL, HELD IN THE COUNTY HOUSE, LIFFORD ON 25th
MARCH, 2010

C/154/10 MEMBERS PRESENT

Clrs. B. Byrne, Mayor, D. Alcorn, L. Blaney, J. Boyle, C. Brogan, G. Crawford, M. Doherty, P. Doherty, R. Donaghey, M. Farren, M.T. Gallagher, J. Harte, C. Harvey, P. MacLochlainn, F. Mc Brearty, N. Mc Bride, C. McConalogue, I. McGarvey, P. Mc Gowan, B. McGuinness, S. O'Domhnaill, T. Pringle,

C/155/10 APOLOGIES

Apologies were received from Clrs. Harley, Larkin, Mc Eniff, O' Neill, Quinn, Ryan, and Slowey who were unable to attend the meeting.

C/156/10 OFFICIALS IN ATTENDANCE

Mr. Michael McLoone, County Manager, Mr. John Mc Laughlin, Director, Roads and Transportation, Mr. Seamus Neely, Director Water, Environment and Emergency Services, Mr. Liam Ward, A/Director Housing & Corporate, Mr. Michael Heaney, Director Planning & Economic Development, Mr Garry Martin, A/Head of Finance, Mr Sean Sheridan, Director of Services, Mr. Aidan Smith, Senior Executive Engineer, Ms Lynda Mc Gavigan, A/Human Resource Manager, Mr Eunan Sweeney, Meetings Administrator, Ms. Anne Marie Crawford, Staff Officer, Corporate Services.

ALSO IN ATTENDANCE:

Mr. Stephen Cang and Mr. David Stroll, One Sigma Ltd.

C/157/10 REPORT FROM COUNTY MANAGER ON FOLLOW-UP DECISIONS TAKEN AT SPECIAL MEETING HELD ON MARCH 1st, 2010

Members considered the report circulated with the agenda, together with a detailed report entitled "Presentation on the Whole System of Work (WSW)" dated 25th March, 2010 from the County Manager (circulated at the beginning of the meeting) outlining the rationale for the Whole System of Work. (Vide Appendix 1).

The County Manager outlined the actions taken by way of follow-up to the decisions taken at the Special Council Meeting on the 1st March, 2010. These included writing to Mr. John Gormley, T.D., Minister for the Environment, Heritage and Local Government seeking an independent opinion possibly from the members of the OECD team who undertook the review of the Irish Public Service.

Documentation, he advised, had also been forwarded to Dermot Mc Carthy, Secretary General, Department of An Taoiseach for the attention of the Programme Office on Public Service Transformation.

A reply, he stated, had been received from Minister Gormley's Office confirming that the Report on the Whole System of Work Framework had been furnished to the Transforming Public Services Office with the material also to be considered by the Local Efficiency Review Group.

On the Manager's suggestion, it was resolved, on the proposal of Clr. Byrne, seconded by Clr. Brogan that the Mayor write to the Local Government Auditor informing him of Minister Gormley's response.

The County Manger confirmed that Mr. Cang and Mr. Stroll of One Sigma Ltd had met with the Corporate Policy Group on the 22nd March, and matters raised at that meeting were now due to be discussed by the full Council at today's meeting

Any outstanding issues would be referred to the Audit Committee for consideration and a report brought back to the Council.

The County Manager welcomed what he described as the transparent way in which the Council was dealing with the matter, which he hoped would counteract the efforts of those who wished to discredit the excellent work carried out to date on organisational development. He proceeded to outline the various reasons as to why a new system was needed.

A notable feature, over the past seven years, he advised, had been the absence of an adequate system of management, accountability and governance. The work undertaken to date would stand the test of time and could be easily adapted to other Public Services in the future.

The meeting now taking place, the County Manager asserted, was one of the most important held during his period in office.

He asked the Members to consider the following questions:-

1. What were the major weaknesses in the organisation and management of Irish Public Services (including Donegal County Council)?
2. What were the major challenges facing Donegal County Council at present?
3. How would the Whole System of Work (WSW) address the aforementioned questions?

Alluding to attachments B and C in the Whole System of Work Document, he advised that these clearly demonstrated the level of detail required to maintain services and provide accurate costings without reducing staff. A number of examples were provided in relation to the operation of the Whole System of Work, including data on how the framework could be applied to specific work processes including purchasing/procurement and assessment of housing needs.

This system, the Manager added, would allow Donegal County Council to manage work in a way that was transparent to the Elected Council, the Management and Staff, the Trade Unions and Government Departments.

The County Manager stated that Donegal County Council had over the years made considerable efforts to improve performance, including the restructuring of management, the decentralisation of service delivery, the delegation of decision-making authority, and the use of information technology to support these arrangements. He called on the Council to endorse the request for the OECD to review the research and development work undertaken in Donegal and determine whether it was an original piece of research work.

C/158/10 PRESENTATIONS BY MR STEPHEN CANG AND MR DAVID STROLL, ONE SIGMA LTD ON THE WHOLE SYSTEM OF WORK (WSW): ORIGINS, DEVELOPMENT, IMPLEMENTATION AND PROJECTED BENEFITS

The Mayor welcomed Mr Stephen Cang and Mr. David Stroll of One Sigma Ltd to the meeting.

Addressing Members, Mr. Cang alluded to some of the issues raised by the Corporate Policy Group and, in particular, why the work in question had been carried out in Donegal. This, he stated, was simply down to chance and the fact that Donegal County Council had a Manager who was interested in how things work and, most importantly, in how they could be improved.

The reasons for the lengthy span of the work, he advised was the remarkably complex nature of the work so much so that he had not been involved with any other projects. He had been working on organisational development in Donegal County Council since 1996 with David Stroll coming on board in 2003. Considerable effort, he confirmed, had gone into the decentralisation process coupled with high expectations for the improvement of service delivery.

However, the shock was that after BLG had been implemented in 2004 things had not worked as expected and it became quickly apparent that there was a need to focus on a dynamic understanding of the actual work. Recent developments within the Public Service, which had previously been seen to be stable and secure, clearly outlined the need to improve productivity. This, he noted, had been an ongoing feature of the work.

Mr. David Stroll, in his initial address, outlined the key OECD recommendations, IBECs position and the Unions position in relation to the Transformation agenda.

Elected Members, he noted, did not want to see any reduction in the level or quality of services and had a vested interest in having their priorities reflected in annual budgets and work programmes.

Specifying local government work, he advised, was quite difficult and required direction if it was to be managed effectively. The WSW Framework had been created to solve management and performance differences between all the main stakeholders in Local Authority governance.

The Whole System of Work, he stated, was a specification of work, i.e. of the work that had to be done to meet the purposes of the enterprise. What was different about this

specification, he added, was that it aimed to be complete; that is encompassing clear directions for those doing the work and for those whose job it was to manage them. An outline of the WSW framework, the working arrangements and a static description of the work processes involved, together with a synopsis of the transformation steps were provided. Specific tools were required, he stated, to drive the system incorporating both Donegal County Council and WSW Software.

C/159/10 ADJOURNMENT OF MEETING

On the proposal of Clr. Pringle, seconded by Clr. Donaghey, it was resolved to adjourn the meeting for 15 minutes until 12noon.

C/160/10 PRESENTATION ON COSTS, INTELLECTUAL PROPERTY RIGHTS (IPR) AND LICENSING BY STEPHEN CANG AND DAVID STROLL

Mr Cang thanked the County Manager and Members for the opportunity to work for so long on what proved to be a most difficult set of organisational problems. He asked members to note the following points in relation to this research and development work:-

1. The objective of the R&D collaboration was to deliver an improved organisation design to Donegal County Council which would enable them meet the challenges set by Government.
2. That it was nothing to do with consultancy – consultants come and do their work and go. The Organisation Development Specialists in this case maintained a high level of focus on the same set of problems for over eight years, at no time charging consultancy rates or viewing the work in any way as a consultancy service.
3. One Sigma Ltd regarded the intellectual property as what had come out of the research and, therefore as its property. Donegal County Council had been able to use all the IPR developed by One Sigma Ltd during the Research and Development Phase, at no charge.

4. Donegal County Council had already received certain payback for the Research and Development investment in the ease with which it had been able to reorganise and cut down without any major impact on services.
5. The financial payback to Donegal County Council over the five year period defined by the Corporate Plan (2011 to 2015) that would result from the full implementation of WSW would be as set out in Attachment C of the Presentation on the WSW, circulated at the meeting.
6. It was anticipated that there would be considerable non-financial benefits to Citizens, Unions, Members and the Department in terms of the national TPS programme.

Mr Cang advised that One Sigma Ltd was now proposing that:

- Prior to the expiry of the research and development phase in June 2010, that Donegal County Council would negotiate a contract with One Sigma Ltd for the full implementation of WSW in Donegal County Council.
- Should the WSW Framework be used outside Donegal in the Local Government Sector, it would be subject to normal commercial terms and licensing. One Sigma would reimburse Donegal County Council for their Research and Development investment in the period 2004-2009, in the event that the Local Government Sector sign an acceptable national contract by the end of 2011 to implement WSW in all local authorities.
- Should the wider public sector wish to adapt WSW for other public services, then One Sigma Ltd would discuss with Donegal County Council their role in assisting such work and

any expected financial return for the delivery of same.

C/161/10 DISCUSSION WITH MEMBERS TO AGREE THE WAY FORWARD AND RESPOND TO ALL QUERIES AND ISSUES

The County Manager reminded Members that over €12m in state grants had been drawn down over the years to create a new organisational structure within Donegal County Council and the provision of Public Service Centres.

He had taken on the best specialist help available to create the relevant structures but this in itself had not been enough. Accountability and the linking of inputs to outputs would be the key. He said that he was now in a position to send a detailed report to the Minister on the findings of the pilot site work and was confident that it would assist the Government in the transformation of the Irish Public Service.

The County Manager sought a mandate to explore with the Minister and the Department of the Environment, Heritage and Local Government their interest in buying into the WSW system and funding same at either national or local level.

On the proposal of Clr. Mac Lochlainn, seconded by Clr. Brogan, it was resolved that the detailed report on the Whole System of Work System be forwarded to Mr. Pat McLoughlin Chairperson, Local Government Efficiency Review Group and to Mr. Philip Kelly, Assistant Secretary at the Department of the Taoiseach for consideration by the Transforming Public Services Programme Office.

The County Manager stated that the next step would be to meet with the various Union Groupings.

Members were in agreement that negotiations with the unions should proceed as soon as the current industrial dispute ceased.

A lengthy debate ensued with Members expressing a range of opinions namely:-

- That the achievements of the County Manager, and the Organisational Development Team, who had

shown exceptional risk taking capabilities needed to be adequately recognised.

- Cognisance should be taken of the fact that a process for full corporate capability was being developed which was both innovative and unorthodox.
- Query as to what had actually been delivered for the €2.5m investment in the WSW, together with the overall costs for staff members associated with the programme
- It was acknowledged that the WSW was a useful tool for examining processes in a defined digital format.
- Concern expressed that specific examples in relation to the operation of the programme had not been provided.
- That, potentially the programme could have many benefits and be a useful tool in aligning both the public and the private sector particularly in relation to the creation of infrastructure.
- Query as to the tangible benefits of the project and whether the County Manager and the Directors of Service could have developed a similar system without outside assistance.
- There was a high level of satisfaction in terms of the County Manager's ability to deliver the project.
- Query as to why the Elected Members were only now being consulted in relation to a project, which had been ongoing for 15 years.
- Noted that end result could not be quantified, as there had been no direct input from the Elected Members.
- That an effective system was needed if infrastructure was to be maintained and developed.

- That cognisance be taken of the value for money aspect of paying €30,000 per month in expense claims.
- A number of Members expressed disappointment that a copy of the Internal Auditors Report, as requested at the Special Meeting on the 1st March, 2010, had not been provided.
- There was an acceptance that change was necessary and more specific information required if Donegal County Council was to move forward with the project.
- There was a need for a system, which would focus on the needs of the individual customer.
- Concern that the agreement of a further contract would amount to a contract of indefinite duration, something which Members could not stand over.
- Opinion expressed that the WSW Programme would not ultimately solve the infrastructural deficit in the County.
- Query as to whether Donegal County Council would receive adequate funding for the implementation of the system should it proceed.

Members were in general agreement that the test would be how well the system would work in practice. They advised that Donegal County Council should be equally entitled to any return on the future use and development of the programme. There was general consensus that a decision on the matter required careful consideration and would have to be considered on the basis of whether adequate funding was available from a national level to drive the project forward.

The Mayor advised that he had to leave the Chamber for a short period and thus it was agreed that Clr. Mc Conalogue would chair the meeting in his absence.

It was acknowledged that a number of key issues needed to be addressed before any further commitment was given on the continuance of the programme.

These included:-

1. Whether the WSW represented value for money.
2. Whether the role of Donegal County Council would be more transparent and accountable with better services provided.
3. Was the delivery of Public Service Centres a result of this work or did it emanate from the implementation of BLG?
4. Could the work have been sourced from another entity?
5. Should a proper tendering process have been initiated?
6. The exact nature of any reimbursement to Donegal County Council.

Members asked that they be updated in relation to the OECD findings and several asked to be provided with a copy of the Internal Auditors Report.

The County Manager advised that he would respond in due course to the issues raised by the Members.

Considerable effort had, he confirmed, gone into the decentralisation process through the opening of the Area Offices and the delegation of authority to Local Area Managers. Reconfiguration at divisional level had not worked as well, in the absence of an appropriate system.

His role, he stated, had been to move forward with organisational development work as a means of building on the BLG structure. Monies spent on the development of the programme had been insignificant in comparison to the €1450m spent on capital development in the county.

The WSW was a tool for managers to manage and the County Manager said that it was his intention at the next meeting to look at how the system worked in practice.

The County Manager recommended that the next task would be to keep all relevant stakeholders on board namely:

- Staff and Management
- Elected Members
- The Unions
- The various Government Departments.

This, he noted, would require additional consultation after which it was hoped to bring further proposals for the continuation of the programme.

Clr. Mc Guinness proposed, seconded by Clr. Brogan, and it was resolved to endorse the above recommendation.

This concluded the business of the meeting.