



# **Phase 1: Discovery**

## **Project Overview**

Now to Proclamation

February 2016

# Table of Contents

<b>1.Introduction .....</b>	<b>3</b>
<b>2. Principles of Cooperation .....</b>	<b>6</b>
<b>3. Phase 1: Discovery .....</b>	<b>8</b>
3.1 Project Management Approach .....	8
3.2 Key tasks in Phase 1: <i>Discovery</i> .....	9
3.3 Work Stream 1: Legislative requirements .....	10
3.4 Work Stream 2: Services and Activity Discovery Exercise .....	11
3.5 Work Stream 3: Due Diligence.....	15
3.6 Work Stream 4: The First 10 days post Proclamation .....	16
<b>4. Communications Plan .....</b>	<b>17</b>
<b>5. Change Management Approach .....</b>	<b>18</b>
<b>6. Risk Management Approach.....</b>	<b>24</b>

# 1.Introduction

This document has been prepared to guide the activities of the Unification Review Group in Discovery phase (Phase One).

The Administration of Burwood, City of Canada Bay, Strathfield Municipal Councils have agreed to cooperate to compile information that will assist the individual Councils manage any change that may occur as a result of the NSW State Government's Merger Proposal to amalgamate Burwood, City of Canada Bay and Strathfield Municipal Councils to form a new entity.

It is each Council's preference to stand alone, each demonstrating that it is fit for the future. However, given the strong indications from the State Government that the Merger Proposals, aimed in particular at reducing the number of Councils in the Sydney Metropolitan area, will continue, it is prudent to undertake early work to ensure that each organisation is well positioned in the event that such process continues. This is even more critical given the muted Local Government election date of March 2017.

It is in this context that the administration of each Council has agreed to cooperate in the sharing of information while at the same time respecting the position of the individual Councils.

In order to facilitate dialogue and the sharing of information amongst the three organisations, a Team (Unification Review Team - URG) has been formed comprising of members from the respective Councils. The Team will be focussed on a process of **discovery** from now to the end of May 2016, effectively laying the foundation for a smooth transition to any new entity.

By the end of May 2016 the Team will:

1. Have a package of information in relation to the current functions and arrangements in each of the three councils
2. Identify opportunities to standardised corporate processes and
3. Consider practical measures that will need to be in place following Proclamation – which is anticipated in Mid-2016.

The activities have been identified on the basis that they are the '*must dos*' rather than the '*nice to haves*'.

This phase is *not* about design or planning for the new entity (e.g. not designing a new organisational structure). These types of activities will be the task for the Transition Committee. While the role of the Transition Committee has not been defined by the State Government, nor its composition, it is envisaged that this will focus on activities around design and strategy and implementation.


Phase One (Discovery Phase) will be divided into four work streams (legislative requirements, service discovery, due diligence and arrangements necessary for the initial period immediately after proclamation), as follows:



While distinct in scope and requirements, it is envisaged all four work streams will be progressed simultaneously, with the same project deadline of 31 May 2016.

Underpinning the Discovery Phase process will be a Communication Plan (both internal and external), a Change Management Plan and Risk Management approach.

# Phase 1: Discovery Road Map



Element	Feb	Mar	Apr	May	Jun	Jul
Set up & pre planning						
Work Stream 1: legislative requirements <ul style="list-style-type: none"> <li>Review what needs to be in place by March 2017</li> </ul>						
Work Stream 2: Service Discovery Exercise						
Work Stream 3: Due Diligence						
Work Stream 4: The First 10 days						
Change Management Plan						
Communications Plan						
Risk Management Approach						

## 2. Principles of Cooperation

To guide Phase One: *Discovery* a set of Principles has been agreed by the administration of each Council.

These Principles will guide the working relationship between Burwood, City of Canada Bay and Strathfield Municipal Councils, as the Councils identify core information that may be required should the State Government progress with the change agenda

The Administration has also noted the Operating Guidelines issued by the office of Local Government in relation to the requirements of s23A of the Local Government Act.

### Principles

The guiding principles adopted by the General Managers are:

- Ensuring a *business as usual* approach to delivery of services through this period
- Collaboration and demonstrated commitment, trust, support, respect and honesty
- Transparency in all decision making
- Open discussion around matters that may have a bearing on any new Entity
- Decision making based on a 'best for the new entity' basis
- Openness in sharing information, knowledge and experiences to builds on lessons learned
- Communication will be open, honest and timely
- Information requirements will be met with accurate and timely data and information and
- Commitment to high performance outcomes that are measured openly in a continuous improvement environment.

### Approach

The State Government is yet to make a final decision in relation to its Merger Proposal for Burwood, City of Canada Bay and Strathfield Municipal Councils to be merged to form a new single entity.

However, all indications are that the State Government is keen to pursue this change. Given the intention of the State Government to announce its decision by mid-2016 and its intention to proceed with the next local government elections on March 2017 it is critical that the three entities undertake preliminary work to ensure that the best interests of the respective communities are represented.

The administration of the three Councils recognises the importance of demonstrating strong leadership in this environment and fostering an environment of cooperation and collaboration. This will occur through dialogue around preliminary planning that will assist if the State Government pursues its merger proposal. This will occur through shared planning, regular meetings, drawing on the expertise and experience of staff across the three councils, frequent and effective communication, monitoring progress, celebrating milestones and respecting histories and achievements.

Any transition to a single entity will require careful and considered planning, in particular in the early phase to ensure that a strong foundation is created for the future. As such the transition planning has been considered in three distinct phases.

Phase Two and Three will need to be reviewed once the State Governments final decision is known and further details are released in terms of timeframes and requirements by the State Government.

The three identified phases are:

Phase One:	Now to Proclamation:	<i>Discovery</i>
Phase Two:	Proclamation to Election:	<i>Strategy &amp; Design / Plan</i>
Phase Three:	Post-election:	<i>Implementation</i>

Phase One: *Discovery* is about documenting what needs to be provided to develop a sound base upon which to build in Phase Two. This phase is about data collection, collation and validation to ensure that it is current and accurate.

This phase is *not* about analysis or recommending changes. This will commence in Phase Two, once the Transition Committee has been formed.

## 3. Phase 1: Discovery

### 3.1 Project Management Approach

Consistent with the Principles of Cooperation a governance framework and approach has been developed to facilitate the delivery of Phase 1 and the review of progress on areas identified as requiring immediate attention.

#### **Leadership Group**

The Leadership Group is comprised of the General Managers from Burwood, City of Canada Bay and Strathfield Municipal Councils. The Leadership Group meets on a weekly basis, with attendance from the Burwood and City of Canada Bay Project Directors leading the URG Team and the Acting Director, Corporate Services from Strathfield Municipal Council.

The purpose of these meetings is to:

- Review the work of the Unification Review Group around the four defined work streams
- Share information on ongoing and proposed projects
- Assess opportunities for alignment of business systems and processes
- Implement the communication plan (internal)
- Implement the change management plan.

#### **Unification Review Group**

The Unification Review Group is formed by staff seconded from Burwood and City of Canada Bay Councils on a full-time basis, operating from a joint independent location under the leadership of two Project Directors.

The role of the Unification Review Group is to work to deliver key actions in Phase one around the four work streams.

The Unification Review Group will collate information in consultation and collaboration with staff at the respective Councils, utilising a standard *Discovery* Template to ensure consistency of language and methods of research.

In conjunction with the Unification Leadership Group, the Unification Review Group will also develop a joint action plan for the initial period following proclamation by the Governor, to minimise any disruption of services to customers and ensure appropriate communication is maintained with the staff and key stakeholders by all three organisations.



### 3.2 Key tasks in Phase 1: *Discovery*

Effective **project management** of deliverables in the four Work Streams:

**Work Stream 1: Legislative Requirements**

**Work Stream 2: Service and Activity Discovery Exercise.** Documenting all services and activities currently provided by the three Councils.

**Work Stream 3: Due Diligence exercise**

**Work Stream 4: The First 10 Days.** Practical measures in relation to customer services / front line staff

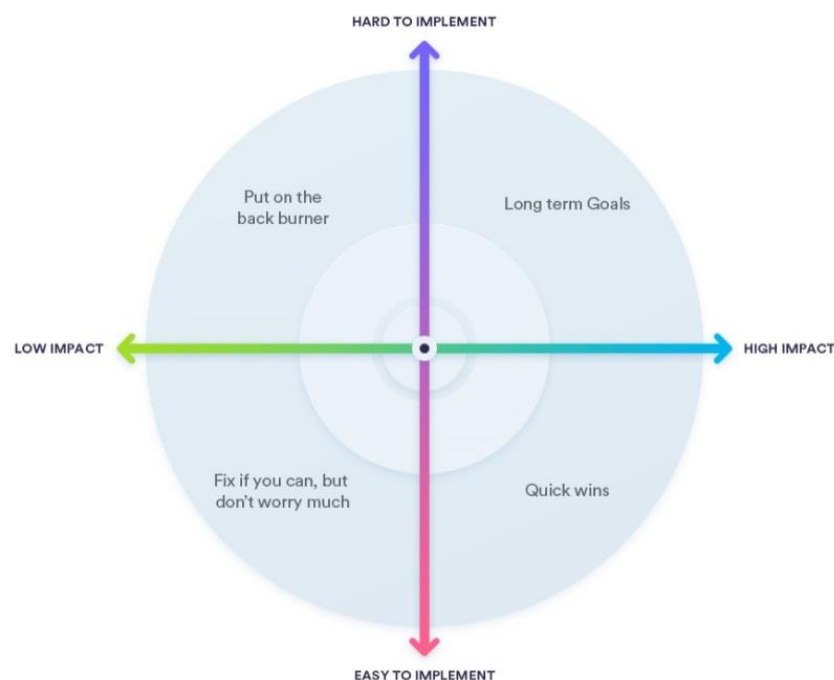
Underpinning these activities are the following plans:

- Communications Plan
- Change Management Plan
- Risk Management Approach

In this phase, the three Councils have agreed to focus on the now, with an eye to the future.

It is also recognised that there may be an opportunity to align some processes and systems in this phase, particularly around how legislative requirements are met. In considering these opportunities, the ULG will consider the impact that these will have as well as the ease in which they may be implemented.

This approach is reflected in the diagram below.



### 3.3 Work Stream 1: Legislative requirements by March 2017

**By the end of Phase One:** legislative requirements identified, in particular IPR documentation analysed, similarities and differences identified, regional priorities identified and draft framework/ principles for the new Community Strategic Plan (CSP).

This work stream focusses on the legislative requirements that will need to be met by March 2017, the stated date for the next Local Government elections by the State Government.

Key tasks in this work stream involve:

- Reviewing the reporting and legislative requirements by the Office of Local Government, as per the Reporting Compliance Calendar
- Reverse engineering the process (that is working back from the next Local Government election) to identify tasks that need to be undertaken between now and then
- Identifying opportunities with these tasks to re align process and / or formats to assist in integration post-election
- Analysis of Integrated Planning and Reporting (IPR) requirements and documentation to identify commonalities, differences, regional priorities and draft framework/ principles for the new CSP.

### 3.4 Work Stream 2: Services and Activity Discovery Exercise

By the end of Phase One: *A single version of truth* providing details of each individual Council's services and activities to the community

This work stream is one of the most significant tasks in this phase and will require the efforts of the whole Unification Review Group (URG) team as well as the active participation of key staff (as identified by the respective General Managers), in gathering and documenting the service/ activity areas of each Council.

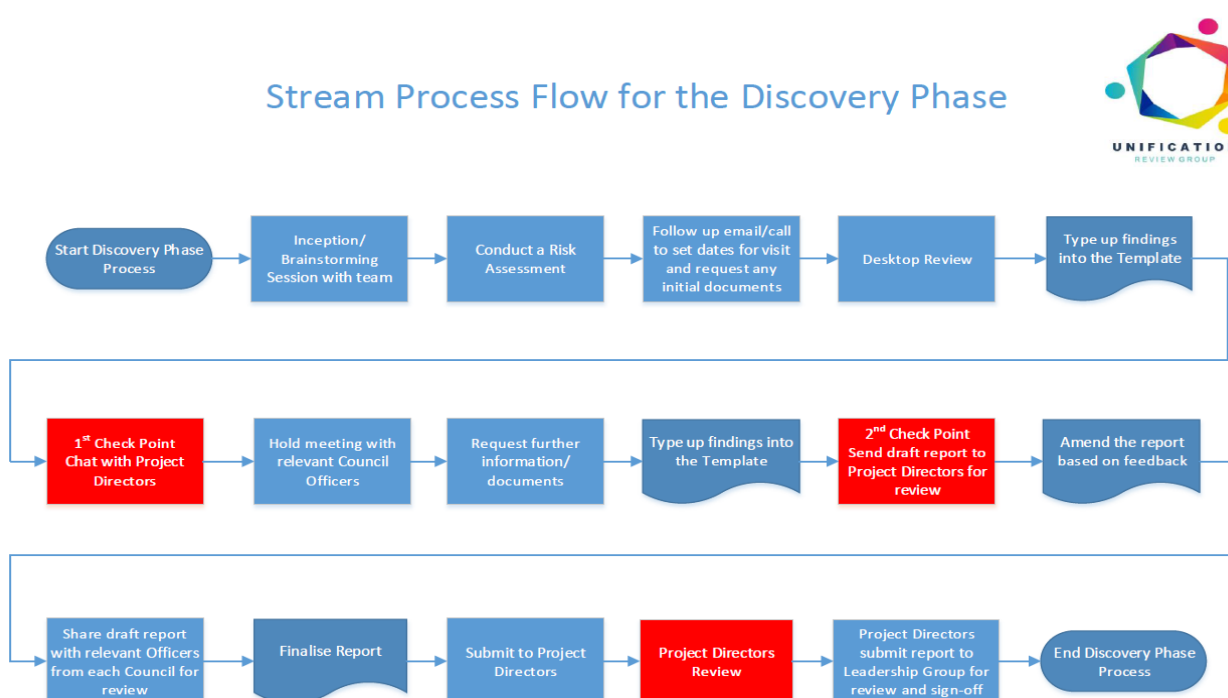
In essence this work stream is about undertaking a stock take of the existing organisation and operating environments to provide the necessary information for Phase Two: Strategy and Design phase.

This phase will contribute to the identification of Day One priorities and facilitate the targeting of efforts and resources for the initial period and provide a comprehensive and robust information base upon which the Transition Committee can rely as it commences the planning and design phase.

A framework has been established using the functions and sub functions as described in Special Schedule One. This framework will provide a standardised and consistent format and form the 'single version of truth'. The framework for this work stream does not imply any structure for the new entity.

This work stream focusses on documenting 'what is', the current situation around what and how each Council is currently delivering its services and activities to the community, applying a standard methodology and template to create 'one shared source of truth'

The framework to documenting services has been based on Special Schedule One, with the additional areas, for example, place management, customer services and property services added to ensure that the services and activities are captured in a comprehensive way.



## Group 1: Internal services that support the organisation

Special Schedule 1	Service / Activity: area for review
<b>Governance and Administration</b>	1.1 Corporate Strategy
	1.2 Corporate governance
	1.3 Human Resources & Workers Compensation
	1.4. IT
	1.5 Communication / marketing
	1.6 Legal
	1.7 Audit/ risk
	1.8 Work Health Safety
	1.9 Finance
	1.10 Procurement
	1.11 Fleet
	1.11 General Manager & Support
	1.12 Place Management
	1.13 Records

## Group 2: Services to the community

Special Schedule One	Service / Activity: area for review
<b>2. Public order &amp; safety</b>	2.1 Regulatory
	2.1.1 Ranger services (including animal control, abandoned vehicles etc.)
	2.1.2 Health
	2.1.3 Building control
	2.1.4 Parking
	2.1.5 Environmental Control
	2.1.6 Safety - CCTV
<b>3. Environment</b>	3.1 Policy / Strategy on Environmental management and sustainability
	3.2 Environment management activities (includes Noxious weeds/ control, Pest/ feral animals, Protection and native plants, Bush regeneration, Wetland management, Air quality)

<b>4. Waste management</b>	4.1 Waste
	4.1.1 Community education
	4.1.2 Policy/ planning/studies/ specification/ contracts/ management/ monitoring
	4.1.3 Waste service / delivery
<b>5. Drainage &amp; storm water management</b>	5.1 Stormwater
	5.1.1 Policy/ planning/studies/ specification/ contracts/ management/ monitoring
	5.1.2 storm water delivery
	5.1.3 Community education
<b>6. Community Services &amp; Education</b>	6.1 Policy/specification/planning
	6.2 Grants, program and projects
	6.3 Children's and youth services
	6.4 Older People and People with a Disability
	6.5 Housing
	6.6 Community events
<b>7. Housing and community amenity</b>	7.1.Town Planning
	7.1.1 Strategic Planning includes: Developer contributions, GIS
	7.1.2 Statutory Planning
	7.1.3 Heritage
<b>8. Recreation &amp; culture</b>	8.1 Advocacy, policy and specification
	8.1.1 Public Libraries
	8.1.2 Community centres
	8.1.3 Arts, Museums and Cultural Centres
	8.1.4 Swimming / recreation centres
	8.2 Public Libraries
	8.3 Community Centres
	8.4 Arts, Museum and Culture Centres
	8.5 Swimming / Recreation centres
	8.6 Parks
	8.6.1 Passive

	8.6.2 Active
	8.7 Coastal Reserves
	8.8 Public Place
<b>9. Transport and communication</b>	9.1 Advocacy, policy, specification
	9.2 Roads and bridges
	9.3 Footpaths
	9.4 Street lighting
	9.5 Parking
	9.6 Other transport infrastructure
	9.7 Road safety
	9.8 Traffic
<b>10. Economic affairs</b>	10.1 Advocacy, policy, specification
	10.2 Business events
	10.3 Marketing and promotion
<b>11. Customer services</b>	11.1 Policy, charter, service specification
	11.2 Delivery
	11.2.1 Contact / Call Centre
	11.2.2 Customer service counter / face to face
	11.2.3 Administration
	11.2.4 e-services
	11.2.5 Other (including books, NAR)
<b>12. Property</b>	12.1 Property investment and& strategy
	12.2 Property management
	12.3 Property
	12.3.1 Community
	12.3.2 Civic
	12.3.3 Commercial

### 3.5 Work Stream 3: Due Diligence

The due diligence activities will inform a due diligence report. This report will outline the *current state* of each Council and will be a key document for the Transition Committee.

The due diligence process is fluid and iterative.

The due diligence activities will be cross referenced or validated through Work Stream Two: Service and Activity Discovery Exercise.

The purpose of the due diligence work stream is to minimise exposure to risk and interruption to services. This examination process will ensure that key risks from each organisation and their assessing processes are identified in addition to the potential risks created as a result of any merger/amalgamation.

The **Key Deliverables** will be base-line data required by the Transition Committee. This information is essential to the decision-making process in phase for changeover and the establishment of the new entity.

The **Due Diligence Key Areas** outlined below represent key elements of due diligence that will be examined. This information will guide future decision making in Phase Two: Strategy, planning and design phase.

This work stream includes the areas of:

- Strategic Projects
- Finance
- Governance and Legal
- ICT and business systems
- Workforce Management
- Asset Management

### 3.6 Work Stream 4: The First 10 days post Proclamation

The purpose of this work stream is to ensure that strategies are in place to ensure that there is clarity regarding arrangements and communications post announcement or Proclamation from the State Government.

The front office functions, such as the Administration office and other customer contact points will be critical, as these are the main customer interface points for the new entity and represent the 'face' of the organisation.

Ensuring that front line staff and the premises (for example the foyer, front desk and Administration Centres are fully prepared) is imperative as it will send a strong message to residents and the community at large that the Councils are well prepared and "*open for business*".

This includes:

- Day of the announcement communication – both internally and externally
- Customer services arrangements and management
- Collation of information for the briefing of the Transition Committee
- Early communications – for example a joint landing page for the website.



## 4. Communications Plan

The Department of Premier and Cabinet's *Preparing for Change: Guidance for Councils* manual (2016) states that during a transition process it is important to maintain clear, factual and consistent communication with the community and staff about the potential change and to maintain usual communication about council services, projects and events. It also states that separate communication and engagement plans for the community and for staff will allow councils to communicate about potential change in a way that resonates with each audience.

The Unification Review Group and the Communications Team of Burwood and City of Canada Bay Councils have developed internal and external communication strategies to ensure clear and open communication is maintained with staff, members of the public and key stakeholders during Phase One (*Discovery Phase*) to avoid misinformation and uncertainty.

The Communication Plan incorporates the Department of Premier and Cabinet's Manual's recommended key methods of communication including media releases, newsletters, advertisements, social media, websites and intranets, and it provides principles, timelines, actions and objectives.

In particular, the Plan has been based on the knowledge that well-informed employees, provided with the right tools and information, will be able to act as "front line" communicators should the need arise.

Establishing consistent messages and open lines of communication will be key to ensuring staff are engaged and empowered to be part of the reform process, and the public confident that their Council is acting in the best interest of their communities while continuing to provide business as usual.

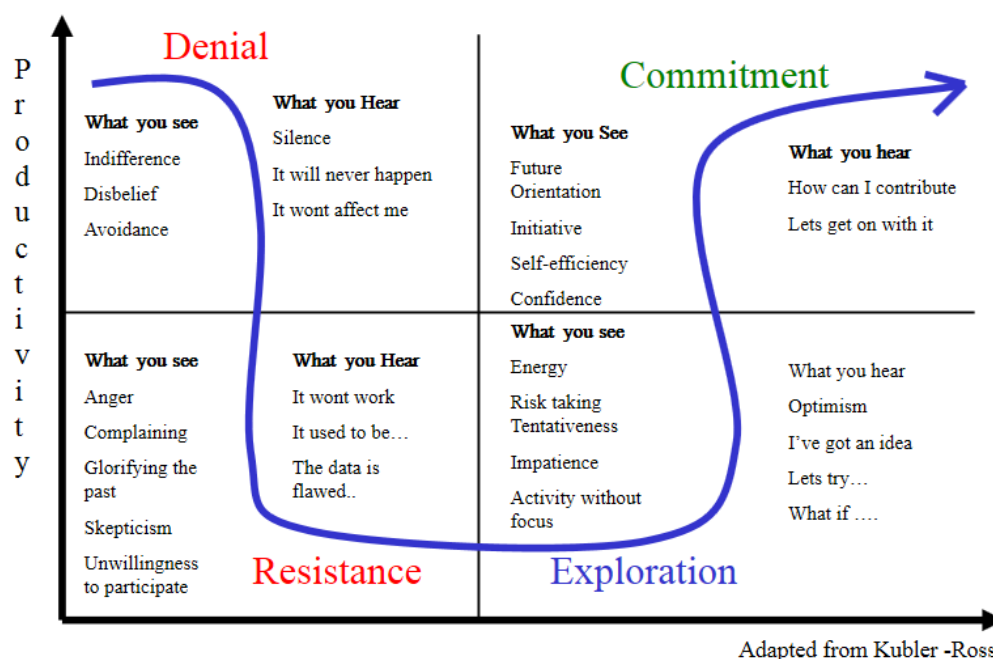
## 5. Change Management Approach

In any change process, success or failure will be largely depending on the commitment and willingness of those involved to embrace the process. The process of merging is a challenging time for employees and councillors who may experience feelings of insecurity brought about by the uncertainty that comes with change. During this time, it is imperative that the leadership have the vision, drive and skills to guide people through change and transition different organisations into a new entity.

It is important to understand and appreciate people's resistance and emotions. Allow them time to accept the change and let go, and try to get everyone to talk about what they are feeling.

The model below is an adaptation of Kubler-Ross' Stages of Change curve (1969), illustrating the various stages of emotional reaction people experience when facing change, being it personal or professional.

### Recognizing the Individual Change Response



It is important, while attempting to implement a change program in an organisation, to provide training to staff on the implications of change, the effects it has on people's psyche and attitudes, and on how to recognise the different phases of the integration process.

Since December 2015, Burwood and City of Canada Bay councils have implemented a staff training program on change management, resilience and stress management, as well as providing advice on financial planning. Additional training and advice will continue to be provided throughout 2016.

## Implementation of Change

In the context of facilitating a transition planning process related to the potential council mergers, Kotter's eight-step change model (1996) was assessed as the most relevant and as such will be applied to the framework designed for Burwood, City of Canada Bay and Strathfield Municipal councils.

The diagram below sets out the key phases and the relationship to the anticipated phasing in this transition plan.



## Stage 1: Creating a climate for change

Many initiatives fail or fall short of their original aim because the organisation either lacks interest in the proposed change effort or spends too much energy resisting change.

### Step 1: Increase Urgency

People are shocked when decisions are suddenly sprung upon them without groundwork or preparation. Focus on creating a sense of urgency and clearly communicating the reason for the change. Provide people with the information to build a commitment to the change. Our reason for change has been directed by the State Government and deadlines to be met as a result of the Fit for the Future Reform Agenda.

### Step 2: Build guiding teams

The decision to manage the change process in-house has led to the creation of a Unification Leadership Team (comprising of the General Managers of all three councils and their project directors), supported by a Unification Review Group involving seconded staff from Burwood and City of Canada Bay Councils. The teams are tasked with developing and implementing the transition framework, as well as the necessary communications strategies, change management plans and risk management frameworks.

### Step 3: Getting the vision right

The vision for Phase One – *Discovery* Phase is to continue to provide business as usual to our local communities, while promoting a dialogue between the three councils to develop a transition plan towards a possible unified entity, committing to open, honest and timely communication and a culture of continuous improvement.

## Our Goals

The goals for Phase One are included in the Principles of Cooperation, as follows:

- Collaboration and demonstrated commitment, trust, support, respect and honesty
- Transparency in all decision making
- Open discussion around matters that may have a bearing on any new Entity
- Decision making based on a 'best for the new entity' basis
- Openness in sharing information, knowledge and experiences to builds on lessons learned
- Communication will be open, honest and timely
- Information requirements will be met with accurate and timely data and information
- Commitment to high performance outcomes that are measured openly in a continuous improvement environment.

## Stage 2: Engaging and enabling the organisation

### Step 4: Communication for buy-in:

It is important that vision and strategy are communicated on a regular basis and with the appropriate methods. People will engage with the process at different times and in different ways, so it is paramount to listen to any underlying concerns and continue to share information on the road ahead. Allow people to participate in the process and provide feedback in order to get buy in.

Ensure our behaviour is consistent with the vision (“walk the walk”) and that key communication messages are aligned across all three organisations. For these reasons, an internal and an external communications plans have been developed.

### Step 5: Enable action

The agreement by the three councils to open dialogue and sharing information has empowered the Unification Leadership Team and the Unification Review Group to initiate the framework of *Discovery*, aimed at mapping the current situation and functions provided by each of the organisations.

It is important that the process is built on past experiences (such as the previous merger between Concord and Drummoyne councils) and that a system of continuous review is implemented to enable the Unification Review Group to fulfil their task within the allocated timeframes.

### Step 6: Create short-term wins:

Large scale organisational change needs momentum, a sense of achievement, and optimism. Therefore, it is essential that results are achieved quickly. With so much going on at once, there is a risk of getting nothing done very fast. People wonder where you are leading them and whether or not you are taking the right approach.

Short-term wins serve four important purposes:

- Provide feedback about the validity of the vision and strategies
- Give those working hard to achieve the vision recognition and encouragement
- Build faith in the change project, attracting those who are not actively involved and
- Take away power from cynics.

The workload needs to be broken down to manageable timelines, allowing the opportunity between projects to review lessons learnt prior to the next round commencing. When each project has been completed, it is necessary to look at the viability of implementing those that can be while the momentum is still going and celebrating their successful implementation.

### Stage 3: Implementing and Sustaining Change:

In engaging and enabling change short-term wins are critical to successful change because they offer credibility, resources and momentum. Engaging and enabling the organisation is about maintaining that momentum, not letting up, so the early changes are built on.

#### Step 7: Don't let up:

Press harder and faster after the first success. Be relentless with initiating change after change until the vision is a reality. From the small wins, use increased credibility to recommend change across all systems and policies to a better fit for a possible new organisation and a better fit for the transformation vision. Keep looking forward to a better future.

The main message from 'don't let up' is to create frameworks that empower people to continue to innovate and solve those very difficult problems found in large organisations. The workforce can easily tire of change when the sense of urgency is lost.

People convince themselves that the change is complete and no more needs to be done. This can be avoided if people can see the good effect of the change and keep a clear vision for the future. This mindset can be maintained by using visuals, quick wins, team building innovation exercises, lunchtime meetings to share ideas etc.

#### Step 8: Make it stick:

Making it stick commences in phase two as the individual councils come together, and include:

- Developing and capturing a new business model for the new entity
- Building a 'one-team' culture through team building, training and coaching events
- Commencing conversations and identifying elements required for culture of the new organisation and
- Tying results to behaviours; showing people what the organisation really cares about.

## Guiding principles for change management

People often fear what they do not understand, therefore the more you can educate them about a positive future and communicate how their knowledge and skills are an essential part of getting there, and the more likely they will be part of the change process.

It is important to do whatever you can to help boost morale and continue to remind people how they can contribute to the success of the change. If required you may also want to help people manage their workloads, either by deprioritising some types of work, or by bringing in extra resources.

It is paramount that the leadership groups continue to listen empathically and communicate openly about what is going to happen.

It is important to emphasise how people will be able to apply their skills, experience and knowledge once the change has been implemented, and explain how you will give them what they need, such as training and resources they may require in the new environment.

## 6. Risk Management Approach

The Unification Review Group participated in a facilitated Risk Management Workshop to identify and analyse potential risks relating to the *Discovery* Phase.

The Group identified a number of unknowns as a potential risk for the process: for example, the lack of clarity about the decision making process by the NSW Government, the uncertainty on timeframes of announcement, the uncertainty on possible governance arrangements (i.e. Transition Committee vs administrators), and the uncertainty around possible leadership roles arrangements (i.e. continuity of senior staff during transition phase).

It was agreed by the Group, however, to concentrate on risks that relate specifically to the scope of the *Discovery* Phase project, and on which the Group can have practical influence through the implementation of mitigation measures.

In particular, the Group identified potential risks related to the chosen framework of review, the documentation developed to facilitate the *Discovery* Phase, the potential resistance from staff across Councils in sharing information, and the accuracy of the data collated as part of the process.

A review of the risks was performed using a standard Risk Management matrix, with a number of mitigation solutions proposed and implemented.

Likelihood/ Impact	Nearly No	Minor	Moderate	Major	Disaster
Will Happen	Medium	High	High	Extreme	Extreme
Most likely	Medium	Medium	High	High	Extreme
Possible	Low	Medium	Medium	High	Extreme
Unlikely	Low	Medium	Medium	Medium	High
Rare	Low	Low	Medium	Medium	High

In addition, the process of service / function discovery planned as part of Work Stream Two of the *Discovery* Phase requires each URG member to perform a risk assessment for each of the areas of review identified through Special Schedule One (see pages 14-16).

The risk assessment will be attached to the Discovery and Due Diligence Template utilised for each area and presented to the Unification Leadership Group once complete.