

Establishment of new organisation for the City of Copenhagen (Technical and Environmental administration)

Reference contact: Hjalte Aaberg, Director, tel.: +45 3366 2610

The challenge

On 26 May 2005, the Copenhagen City Council adopted a decision in principle to introduce a new structure within the City of Copenhagen from 1 January 2006. Since then, the public administration structure has taken over and the original City Council resolution has been amended.

Further to the decision, the new Technical and Environmental Administration launched a two-phase strategy and organisational development project:

- Phase 1 solely comprised adjustment of the most essential conditions with a view to ensuring sustained performance of tasks after 1 January 2006
- Phase 2 comprised the implementation of a new organisation with administrative streamlining and a consolidated administration, which in practice operated as the typical Danish unified political and technical administration. One of the aims was to clarify responsibilities and competencies at all levels, achieve enhanced overview and coherence from a user perspective and implement effective task performance. Phase 2 was split into the following two steps: Step 1: Preliminary analysis project setting out recommendations and an implementation plan for the new organisation; Step 2: Implementation, organisational development and change

The diagnosis

At the start of the project, the organisation was characterised by:

- Lack of cohesion across the administration

- Identical technical tasks and ancillary tasks dispersed across the organisation
- Lack of focus on clients and client-facing processes
- Lack of joint steering and goals across the administration
- Division into requisitioner/executor is seen as cumbersome and inflexible
- Lack of strategic management
- Offices and other premises widely dispersed

The solution

We carried out a strategy and organisational development project in close cooperation with the directors, the management group and the employees. Based on the Technical and Environmental Administration's existing remits and competencies, we came up with a common vision for the new organisation embodying a high degree of employee involvement and with room for creativity and learning.

The solution adopted for the Technical and Environmental Administration was based on three main phases over an overall analysis period of seven months.

In Phase 1, the prime objective was to create a common platform for the subsequent analysis work and to devise a detailed plan for execution of the project. The main success criteria included:

- Identification of the future requirements and expectations the organisation would be subject to together with targets and success criteria for

their fulfilment

- Holding a vision seminar for the steering committee and the rest of the management group on the future organisation within the Administration (Dream Organisation)
- Facilitation of structured communication concerning the project vis-à-vis the rest of the organisation
- Singling out relevant simplification themes for setting up effective and implementable recommendations for simplifications in the subsequent design phase

In Phase 2, the focus was on activities such as:

- Sorting and prioritising tasks taking into account design criteria and competence requirements for the new organisation
- Drawing up proposals for organisational design based on systematic work on design criteria for the new organisation
- Documenting financial potentials for the new solutions, where, in connection with or as a consequence of, the new organisation, efficiency improvements and administrative streamlining would be viable, including in the establishment of administrative communities
- Transfer of experience from selected local authorities or organisations with similar remits on the implementation of a new organisation

In Phase 3, we compiled a report containing recommendations for a new organisation setting out the composition of tasks and competencies,

Establishment of new organisation for the City of Copenhagen (Technical and Environmental administration)

Reference contact: Hjalte Aaberg, Director, tel.: +45 3366 2610

administrative streamlining measures and a concrete implementation plan.

The basis

Four main requirements and expectations of the new organisation were identified:

- Citizens and stakeholders perceive the Administration as being an open public authority with which they can get readily and seamlessly in contact. They feel that the administration serves them respectfully and equitably, while solutions are found in dialogue based on trust
- Public tasks are performed efficiently and competently. We focus on results and seek unique solutions within a progressive working environment in which the bigger picture, commitment and responsibility are at the fore and involvement of citizens/stakeholders is a given
- Employee welfare is high because we are recognised for our efforts and achievements and because we have learnt to create energy through co-operation in a respectful atmosphere where credibility and responsibility prevail
- Society is our acknowledged overarching frame of reference. We achieve results while consciously discharging our civic and environmental responsibilities

The analysis results were compiled on the basis of a mapping of core tasks, ancillary processes and relations with companies and contract entities across the administration, by organisational

characteristics.

In addition, future organisational challenges were identified with a view to devising design criteria and proposals for organisational design

The results

At the conclusion of the project, the following recommendations were submitted:

1. Liberated management group

A liberated management group will chart a common direction via strategic measures and prioritisation of increased progressiveness within the organisation. Members of the management group are to be released from the organisational pillars to concentrate their efforts on cross-cutting strategy development, major cross-cutting projects and overarching general organisational and management development.

City of Copenhagen opted to implement a management model based on two members of the management group and a joint management academy consisting of centre managers/directors. The object is to implement a management paradigm based on a maximum of two managerial tiers across the organisation.

2. New division into technical areas

We recommended splitting the administration into ten technical divisions with general technical responsibility and ongoing coordination of client contact.

The proposed design meant doing away with any compartmentalisation in favour of a more integrative approach to continuous processes.

City of Copenhagen has implemented a paradigm based on 10 technical centres. As recommended, the paradigm breaks with compartmentalist tendencies although the divisions are somewhat different to those originally proposed.

3. Establishment of administrative communities

We recommended the establishment of three administrative communities: 1. a city hall secretariat responsible for services to politicians and the management group; 2. an administrative operational and development section responsible for joint strategy and development, human resources and payroll accounting, communications/PR, budgeting and accounts, IT and procurements and property services, and finally 3. a service centre to deal with customer-facing operational tasks, including advising clients, inquiries referrals, manning phone lines, post distribution and scanning.

The City of Copenhagen implemented a paradigm based on three cross-cutting entities: Centre for Resources, Centre for Clients and City Hall Secretariat. All the centre managers/directors are members of the joint management academy.

Significant interfaces with the remaining organisation within the City of

Establishment of new organisation for the City of Copenhagen (Technical and Environmental administration)

Reference contact: Hjalte Aaberg, Director, tel.: +45 3366 2610

Copenhagen were mapped. For example, the Finance Administration at the time implemented a new corporate structure for significant ancillary areas across the administrations.

4. Requisitioner-executor-recipient model

We recommended a revised approach to the standard Danish municipal requisitioner-executor-recipient model, whereby, for a period, the requisitioner and executor are kept separate, but under the same management. This period could then serve as an inter-personal and organisational learning process. This would, on the one hand, make it possible to devise a model for countering identifiable inefficiencies and, on the other hand, serve to fulfil the commitment to equitable competition, transparency and low-costs within the given framework conditions.

Kommune Teknik København (KTK), the former technical administration of the City of Copenhagen was formally dissolved on 1 January 2008.

The former KTK activities were distributed among the three new centres: Centre for Sanitation, Centre for Roads and Centre for Parks and Nature.

The City of Copenhagen opted for a more definitive break with the requisitioner-executor-recipient model with

a view to altogether eliminating inefficient processes. The City of Copenhagen has also developed a model for directly comparable prices and terms with private providers and a basis for regular impact measurements.

5. Optimal performance of the Technical and Environmental Administration's tasks

We recommended measures such as the following management instruments: replacing/supplementing existing contract management with performance-based validation, working on professionalism through carefully planned and prioritised projects and by thinking in terms of standardised processes to pursue ambitious objectives in competence building for the entire organisation, and finally to introduce organisation-wide management by objectives.

Further information

Nicolai Malm
nma@implement.dk, +45 5138 7428
