

Name of meeting: Overview and Scrutiny Management Committee
Date: 4 March 2019
Title of report: Overview of the Transformation Programme

Purpose of report

The report provides an overview of the council's transformation activities, building on the learning from the programme in 2017-2019, leading into 2019/20.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	No
The Decision - Is it eligible for call in by Scrutiny?	No – The item is for discussion rather than decision
Date signed off by <u>Strategic Director</u> & name	Rachel Spencer-Henshall, Strategic Director for Corporate Strategy, Commissioning and Public Health, 20 February 2019
Is it also signed off by the Service Director for Finance IT and Transactional Services?	No – discussion item
Is it also signed off by the Service Director for Legal Governance and Commissioning Support?	No – discussion item
Cabinet member portfolio	Cllr Graham Turner, Corporate Services

Electoral wards affected: The council's transformation activities potentially affect all electoral wards

Ward councillors consulted: None specifically for this report.

Public or private: Public

(Have you considered GDPR?): Yes

1. Summary

The council has had a transformation programme to provide targeted support for the achievement of its shared outcomes since 2017/18. David Hamilton, the former Director of Transformation, provided the Overview and Scrutiny Management Committee (OSMC) with an update on progress at their meeting in July 2018.

The first 12 to 15 months of the transformation programme had a particular focus on addressing the council's budget challenge. Since July 2018, the learning from the activities associated with that initial focus has been applied and the focus of transformation has been adjusted. This report sets out the changes made since July 2018 and the direction of our transformation activities leading into 2019/20.

At the meeting on 4 March 2019, the Strategic Director for Corporate Strategy, Commissioning and Public Health – Rachel Spencer-Henshall, and the Head of Policy, Partnerships and Transformation – Andy Simcox, will introduce the report. The intention for the item is to engage the Overview and Scrutiny Management Committee in a discussion about the approach to transformation moving forward and effective engagement of councillors.

2. Information required to take a decision

2.1. Background – Delivery, impact and learning to the summer of 2018

Initial focus for 'transformation' and achievements

The council developed a portfolio of transformation activities for 2017/18 that allocated resources to increase the pace of change in areas of high potential savings, as well as capitalising on opportunities for innovation in service provision wherever possible.

Staff skilled in programme and project management were allocated to work on four programmes within the portfolio: Adult Social Care, Children's Improvement, Commissioning and Commercialisation and Corporate Enablers. The council also began work with Deloitte, as a 'transformation business partner', to provide expertise notably in the redesign and implementation of services in Adult Social Care and Procurement.

Tightness of process and 'grip'

The governance processes introduced in early 2017 were designed to reflect the scale of the financial challenge and the need to ensure delivery within a short period of time. This included boards for each of the four programmes, plus overarching portfolio governance boards and connections into portfolio holders and Cabinet. Full project monitoring and reporting initially followed a fortnightly cycle, which was reduced to monthly as delivery was demonstrated.

Achievement and impact

As reported to OSMC in July 2018, the allocation of dedicated council resources added quality, assurance and organisation. The input of Deloitte as an external partner added skills and further rigour.

In financial terms, the council achieved £55.6m of savings in 2017/18, a significant increase on top of the £129m saved between 2011-2017. This was a major achievement in terms of the continued financial viability of the organisation, which would not have been possible without the additional focus.

The report to OSMC in July 2018 included a number of case studies about the impact achieved for staff and citizens through projects such as: the development of strengths-based services in adult social care; improvements to front door services for adults, children and all citizens; achievement of the children's services improvement plan; significant efficiencies in the council's procurement activities, and; the introduction of efficiencies in use of technology and office space through our 'mobile and agile' working project.

Learning shaping the adjustment in focus

The assessment of the impact of transformation activities in the summer of 2018 also illustrated a number of areas for learning and potential re-focus:

- The 2017/18 portfolio, which had continued into 2018/19, addressed immediate priorities particularly in the achievement of savings. But there were continuing limitations in the overall transformation of the organisation, e.g. in the required shape of service provision and culture to be sustainable in longer-term achievement of outcomes for citizens.
- Moving forward, the areas of focus for transformation resources needed to become more flexible, focusing on where support should be allocated to the areas of highest priority and those which bring most value. Priorities will and should change over time and transformation support is often most needed to work with the managers and leaders of change who will be responsible for service provision once it becomes 'business as usual'.
- Governance must be robust but agile, focused on decisions to support transformation.
- Transformation efforts need ownership across the council. Service management and staff need to be equal partners in any transformation and be supported to build their capacity to deliver change.
- To support the achievement of the above, the Transformation Team needed to clarify and enhance its offer to respond to changing demands. The ask from the organisation is varied, but it is clear there is a need for a mix of robust project management, innovative business change skills and the ability to challenge and offer new insights.

Engagement with senior officers, councillors and partners through the summer and autumn of 2018 confirmed the need to adjust the focus of transformation activities as above, for the remainder of 2018/19 and into 2019/20.

2.2. Prioritisation

Approach

Moving forward, the required focus of finite transformation resources is now on areas that affect the whole organisation rather than those which are directorate specific or highly savings driven. This means acknowledging the challenges we face are 'system-wide' – i.e. if we consider the 7 shared outcomes, none can be achieved by one team, service, or organisation alone and addressing them will require more than project and programme management skills. This has a significant impact on the requirements upon transformation resources (see below) and on the priorities to which they are allocated.

Transformation opportunities are now being assessed by senior officers and councillors for how they relate to:

- Strategic planning activities – e.g. commitments in the Corporate Plan and opportunities for the district
- Cross-cutting strategic transformation considerations - e.g. the future shape of the organisation, development of Place-based working, etc.
- Areas of high priority corporate/budget risk
- High risk service interventions – e.g. where a service is struggling to identify ways to tackle challenging problems and requires more expansive support

Transformation Priorities – end of 2018/19, into 2019/20

Consideration of the criteria above has led to a focus on the following areas of priority for allocation of transformation resources:

1. Organisation Design

Work has started to consider the future shape of the organisation – i.e. what functions and capacity will be required to support the statutory responsibilities of the council, working with and within communities and ensuring that citizens are not hindered by structures. Following the appointment of the Strategic Director for Corporate Strategy, Commissioning and Public Health we are currently undertaking an assessment of corporate capacity, which will inform the development of a future organisation design and a subsequent change programme. This will be the subject of engagement activities with staff, councillors, partners and citizens where appropriate.

2. Development of Place-based working

The council has committed to working with communities and delivering services that recognise the diversity of the different places across Kirklees and their needs; moving resources into local areas, working across partnerships to address needs earlier. Delivering this change requires co-ordination and support from transformation resources.

3. Strengthening enabling services

Our previous Corporate Enablers programme included work designed to improve the delivery of individual functions or objectives, such as Digital by Design, Business Intelligence, and implementation of our People Strategy. Learning from those projects has led to an adjusted focus on ensuring there are stronger, collaborative connections between the functions that help the whole of the council to run effectively, and that this translates into improved, efficient processes, systems and ways of working.

4. High Needs, Placements, Waste

The council will continue to have a number of areas that are experiencing significant budget pressures and where a 'system-wide' approach will help the definition of the problems we face, to be creative in the identification of potential solutions and to work with partners to test and implement those that will be most likely to have an impact. High Needs, Placements and Waste are all existing areas of work within services, where Executive Team has identified that a broader approach may be beneficial, hence the input of transformation resources.

5. Adult Social Care, Children's Improvement

The majority of activities within the existing programmes of Adult Social Care and Children's Improvement are now moving beyond transformation into a 'business as usual' state. Transformation resources are being gradually withdrawn as change is embedded into working practice.

2.3. Transformation and organisational development skills

The council's breadth of skills

The change in focus and priorities described above has created implications for the council's Transformation Team, people with relevant skills across the council and partnership and external suppliers. Developing our capability to deliver change is an additional area of focus for the Head of Transformation, working with senior officer colleagues.

The Transformation Team was created by bringing together, from existing resources, a number of project and programme management staff, with a small number of people more skilled in change management.

The balance has previously certainly been in favour of those with process skills, but is now shifting to more of a 'transformative change' focus. Kirklees is not unusual in the previous focus on programme and project skills, but we are also benefitting from networking with other local authorities to design our future shape. The existing, valuable skills amongst the team will be retained and staff are embracing the need to develop further skills in facilitation, business analysis, financial analysis, innovation, etc. The signs are encouraging.

In addition, the Transformation Team is working more closely with colleagues across the council with complementary skills, for example in organisational development, research and intelligence, IT, etc. This recognises that we have people with multiple relevant skills and experiences that can be involved, on a project-by-project basis where applicable.

Working with external partners and suppliers

Where we do not, as a whole council, possess the skills required to support and challenge change projects, we will look to partners across the district who have complementary skills, for example the CCG and the University.

In some cases, we will need specialist skills that are not available within the partnership or the sector. Where this is the case, we will look to procure the services of external suppliers. The emphasis will be on shorter interventions than previously and on pieces of work that require specialists in the relevant problem areas (e.g. Waste, High Needs).

A core principle, and point of contract in any relationship with an external organisation, will be to ensure that knowledge and skills are transferred/developed within the council as a result of the relationship. This will increase our ability to be self-sufficient in the management of change in the future.

2.4 Governance

To match the adjustment in priorities and the continuing need for an adjusted but appropriate level of assurance the following transformation governance arrangements are in place. This has significantly reduced the amount of time spent processing project updates and allows more of a focus on change activities:

- Each priority has a nominated lead officer within the Transformation Team who works with a senior officer as sponsor. Depending upon the nature of the priority, a project or programme board may be in place, or work may be considered via a service leadership team
- The leads provide regular monitoring reports (every 8 weeks) into the Head of Transformation for analysis and overview
- Progress and issues are reported (every 8 weeks) to Executive Team when they meet as the Transformation Portfolio Board. Any issues that require urgent attention in between meetings are escalated as appropriate.
- The Head of Transformation and the Strategic Director for Corporate Strategy, Commissioning and Public Health meet regularly with the Cabinet Portfolio Holder for Corporate Services to discuss progress and matters that need to be taken to Cabinet
- Periodic updates are provided to the council's OSMC

3. Implications for the Council

The council's transformation activities are designed to support the achievement of the shared partnership outcomes, particularly the changes that are required in the services provided by the council and partners (where relevant) in order to do so.

A significant improvement in the approach to transformation now in place is to reinforce the understanding of the interconnectedness of change activities, part of a whole-council focus. Previously the separate programmes increased the risk of directorate-based solutions. This is no longer the case and emphasises the connection to delivering on strategic priorities such as those outlined in the Corporate Plan:

3.1 Working with People

- the engagement of staff, councillors, citizens and partners in the understanding of the problems that we face and the design and implementation of the solutions that can deliver outcomes.
- the focus on developing the staff and culture of the organisation to be outcome-focused and support the delivery of change

3.2 Working with Partners

- ensuring that collaborative working and co-production are at the heart of our change activities and the functions/services we provide. We cannot address any of the difficult challenges that the district faces without understanding the need to work in partnership (across services, with partners and with citizens)

3.3 Place Based Working

- as described above, delivering on the council's commitment to greater 'place-based working' is a priority for the allocation of transformation resources; again in support of the achievement of the shared outcomes

3.4 Improving outcomes for children

- although the provision of dedicated transformation resources into children's improvement efforts is reducing (as change is embedded and becomes 'business as usual'), the contribution of transformation skills to support the achievement of outcomes for children will not reduce. The focus on High Needs, Placements and instances where other high-risk service areas are identified demonstrates this

3.5 Other (e.g. Legal/Financial or Human Resources)

- although the council has made significant savings achievements, it continues to face a number of challenges to ensure that a smaller organisation has truly transformed in process, efficiency and culture. This has implications for a number of council services and functions, which is being addressed through the work on the Organisation Design.

4. Consultees and their opinions

The points noted within this report have been discussed over a number of months with the council's Executive Team and communicated to senior officers – including Service Directors and Heads of Service.

A cross-section of councillors was consulted for their views on Transformation activities to date during the autumn of 2018, during engagement activity on Digital Transformation.

The Cabinet Portfolio Holder (Cllr Graham Turner) has discussed the points regularly with senior officers in Transformation and is supportive of the adjustment in focus and approach.

5. **Next steps**

1. All of the activities described within this report are proceeding as stated. Regular updates on progress, or escalation of issues with delivery, are being managed through the governance routes described.
2. All of the transformation activities are focused on delivering benefits; beyond savings and into broader outcomes for the citizens of Kirklees. The value for money of any allocation of transformation resource will therefore be reported, plus the impact for people. We will ensure this is communicated effectively to Scrutiny, in engaging ways, for example the use of case studies to demonstrate
 - a. where savings have been made
 - b. the difference made
 - c. the impact of place-based working
 - d. the positive cultural and behavioural changes in the organisation
3. Ongoing engagement with a cross-section of councillors, through the OSMC would be appropriate and welcome.

6. **Officer recommendations and reasons**

That this report be received and support a discussion from which further learning can be applied into our approach to transformation.

7. **Cabinet portfolio holder's recommendations**

That cross-party councillors be openly engaged in the council's transformation activities through the most effective approaches.

That the Transformation Team ensure that the demonstration of outcomes from activities is clearly reported (as stated in the Next Steps)

8. **Contact officer**

Rachel Spencer-Henshall, Strategic Director for Corporate Strategy, Commissioning and Public Health

Andy Simcox, Head of Policy, Strategic Partnerships and Transformation

9. **Background Papers and History of Decisions**

No further papers provided to support this item.

10. **Service Director responsible**

Rachel Spencer-Henshall, Strategic Director for Corporate Strategy, Commissioning and Public Health