

By: Paul Carter, Leader of the Council

To: County Council – 19 September 2013

Subject: 'Facing the Challenge: Delivering Better Outcomes' -
Whole-Council Transformation Plan – Phase 1

Summary: This paper sets out Phase 1 of the Transformation Plan, following '*Facing the Challenge: Whole-Council Transformation*' which was approved by County Council in July. It outlines three key themes which will shape our approach for transformation: Market Engagement & Service Review; Integration & Service Redesign and Managing Change Better. It sets a roadmap for delivery, governance and the mechanisms for delivering and managing transformational change.

Recommendations

The County Council is asked to:

- ENDORSE the Whole-Council Transformation Plan: Phase 1
- NOTE the detail of staff and team alignment to new integrated service teams will be considered by County Council in December 2013
- NOTE the Programme Roadmap timescales and milestones for delivery of Phase 1, as set out in section 4.

1. Introduction

1.1 In July 2013, Kent County Council approved '*Facing the Challenge: Whole-Council Transformation*', which set out how the organisation will position itself to meet the anticipated financial challenges over the medium term, and introduced a future vision and operating model for the council.

1.2 '*Facing the Challenge*' set out the context and rationale for change, providing a policy framework for transformation. It focused on five key principles:

- Integration of services around client groups or functions
- Single-council approach to projects, programmes and review
- Active engagement of the market for solutions
- Creating viable businesses from traded services
- Embedding commissioning authority arrangements

1.3 The paper commissioned further work to develop a Whole-Council 'Transformation Plan' to set out what would be delivered in the first phase of transformation, and the approach to deliver transformation at pace. This will redesign the way we deliver services and drive structural reform of the authority as a whole by rapidly moving the organisation to an operating model which will

deliver the financial savings required, and also ensure we are resilient and prepared for future challenges and change.

- 1.4 *'Facing the Challenge: Delivering Better Outcomes'* is the first iteration of the Transformation Plan. The plan will be a live document, regularly updated as transformation progresses, and considered by County Council at each new phase of activity.
- 1.5 This will enable Elected Members to be fully engaged in the transformation process, and play an important role in providing oversight and assurance of delivery. All Members will also be able to consider and challenge the way services are delivered, and provide pre-scrutiny of plans for future service redesign as part of the Key Decision process, which will be discussed at Cabinet Committees.

2. Transformation Plan: Phase 1 – Summary

- 2.1 The Transformation Plan has been designed around three key themes.

2.2 *Theme 1: Market Engagement & Service Review*

- a. Market engagement and service review will be the way we challenge fundamental assumptions about how and why we deliver services in the way we do. This will be a key tool to support KCC to become a commissioning authority, as we will be able to review options to identify the most appropriate provider – be that in-house or externally across the public, private and voluntary sector – to deliver the best possible outcomes for our customers. All possible options for future service design and configuration will be explored, and we will actively engage with our customers and the market in order to find the best solutions to achieve sustainable service provision.
- b. This theme sets out the services selected for Phase 1 of market engagement and service review. The first tranche of market reviews cover £98.2m (net) of services, heavily focussed towards corporate support services (£76.1m), compared to £22.1m of front line services.

2.3 *Theme 2: Integration and Service Redesign*

- a. To fundamentally transform how we deliver provision, we need to truly redesign our services to ensure we provide the best possible outcomes, at lower cost. This will be more than just the aggregation of existing services – integration and service redesign will require the complete re-evaluation of our current business to put our service users at the heart of everything we do.
- b. The Transformation Plan sets out high level principles for service redesign, that will tackle duplication, repetition and remove low value or no value activity. It will streamline service delivery so people get the right information and support they need to access services in the right place, at the right time and in the best way to meet their needs.
- c. Members are asked to note that the Transformation Plan sets out a brief, high level indication of integration of services into functional groups shaped around

people, place and corporate functions. The full details of staff and team alignment will be developed to be considered by County Council in December 2013.

2.4 Theme 3: Managing Change Better

- a. By taking a portfolio approach to managing projects and programmes we will be able to deliver transformational change more effectively in order to achieve our strategic goals. As the main vehicles for delivering change, projects and programmes will be organised into change portfolios; this will enable us to better coordinate, support and assure change initiatives.
- b. This approach will also allow KCC to be confident that we are consistently focusing on the things which make the greatest difference - thereby achieving the best results for the organisation, providing the taxpayer with best value for money, and ensuring our change initiatives deliver the best outcomes possible.
- c. This theme sets out the approach to portfolio, programme and project management. It outlines how existing and new transformation activity will be delivered in this new approach, clarifying key roles, responsibilities and steps of the process at each stage of the programme lifecycle.

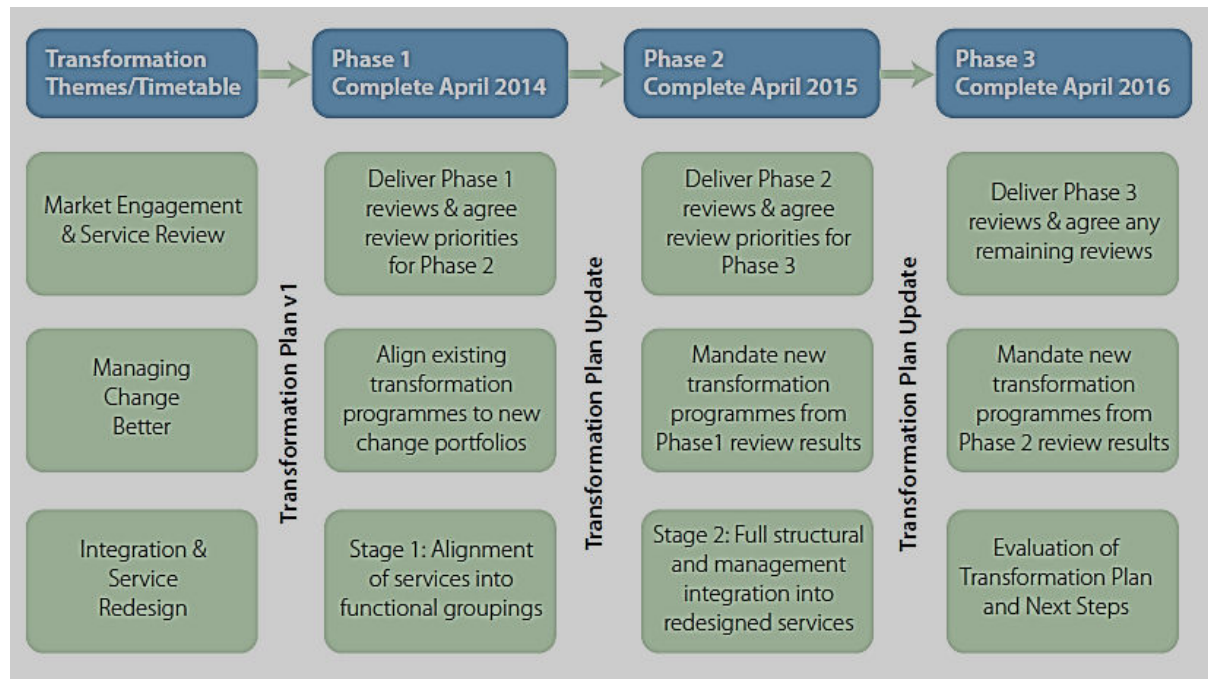
3. Financial Analysis of Transformation

- 3.1 The Transformation Plan needs to be delivered within the context of significant budget reductions for local government. This, in addition to growing spending pressures (including inflation, demographic pressures etc) and anticipated sustained funding reductions from central government, sets the backdrop for the scale of the financial challenge ahead.
- 3.2 Kent County Council will have to deliver estimated savings of approximately £239m between 2015/16 and 2017/18. Our three transformation plan themes will be developed within the context of delivering better outcomes within the limits of these financial savings, exploring innovative and radical solutions.
- 3.3 This will require a detailed financial mapping of the Transformation Plan that will be essential to ensure we are delivering within financial limits and creating service solutions that provide best value to the people and taxpayers of Kent. This financial mapping will be developed by Finance & Procurement, taking into account the most recent financial pressures and forecasting. This will be developed for consideration by Transformation Board in October 2013.

4. Timescales for Delivery

- 4.1 The Transformation Plan sets out a strategic roadmap for the delivery of change, over three years to April 2016. It summarises the first three phases of transformation and the indicative activity that will take place within each phase.

Figure 1: Transformation Roadmap



4.2 The Transformation Plan also sets out high-level milestones that will be achieved across each of the key themes within Phase 1 of the transformation (September 2013 to April 2014). These include:

Market Engagement & Service Review:

- Scoping brief for each review – agreed by end October 2013
- Resource of Phase 1 review teams – by end October 2013
- Identify Phase 2 reviews – by end February 2014
- Phase 1 reviews complete – by end April 2014

Integration & Service Redesign:

- Cabinet discussion of proposed revised top-tier operating framework – October 2013
- 30 day formal consultation with impacted senior managers – October/November 2013
- Informal consultation with other staff and internal and external stakeholders – October/December 2013
- Confirmation of alignment of staff to new customer service teams – November 2013
- County Council approval of revised operating framework – December 2013
- Appointment of Corporate Directors / Directors to revised to tier roles – by March 2014
- Go-live of new operating framework – 1st April 2014

Managing Change Better:

- Agree a resources plan for transformation – by end October 2013

- Establishment of enhanced Corporate Programme Office – by end October 2013
- Change Portfolios established – by end October 2013
- Review and agree Programme e Roadmap for all existing and new transformation activity in change portfolios – by end January 2014

5. Staff Engagement

- 5.1 The engagement and involvement of managers is critical to the success of this transformation. To achieve the goal of designing our new services starting from the customer, middle managers are going to have a real opportunity and responsibility to contribute their knowledge and expertise.
- 5.2 To ensure that this is understood and that managers understand the scale and pace of the change needed, around 460 of our more senior managers have been invited to one of a series of six conversations led by the Director of Transformation and another Director and introduced by a Corporate Director. The response has been very positive with nearly 350 people participating.
- 5.3 This approach of engaging with managers at a very early stage in the transformation process has been very well received and the discussions have been open, and nearly always positive and challenging. Key themes are emerging and these will be taken in more detail to inform decisions being taken CMT and Members.
- 5.4 The principle of putting customers at the heart of the transformation has been welcomed. Managers agree that this will be challenging in many cases and should be based on authentic customer feedback and involvement. Any improvements required by our customers must be addressed, not just explained away.
- 5.5 Similarly there is support for the focus on clearly defined outcomes being more important than process and inputs. Many managers see advantages in a more evidence based approach. It is felt that in this area, as well as in several others KCC would benefit from learning from other organisations in local government, public, private and voluntary sectors.
- 5.6 Ideas have been generated at the sessions around how the organisation can take a more business-like approach. Many of these have focussed on the need for greater transparency on information around the costs of our services and overheads, streamlined decision making, clearer governance, greater understanding of what adds customer value (to make better informed decisions on what to stop doing), consistent ways of assessing value for money and greater accountability for decisions made.
- 5.7 Other common topics raised in the discussions have been around how we ensure our partners are part of the integration of services. The issue of encouraging a less risk averse approach has been welcomed as long as it is accompanied by an acceptance from senior managers and Members that greater risk will sometimes mean things go wrong. Managers also sought reassurance that members would support the reality of difference models of

service delivery once they were introduced even in the face of initial resistance from some customers.

5.8 Managers recognise that this level of transformation will require new skills from staff at all levels. It is important to them that KCC is prepared to invest in their development and to insure that the support infrastructure, including technology, is fit for purpose.

5.9 Managers attending these engagement sessions have been invited to volunteer to be involved in supporting the overall transformation beyond what will be required of all of them in their own service area. It is encouraging that offers of support have been received from about half of the managers who have so far attended the sessions.

6. Recommendations

County Council is asked to:

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Background Documents:

'Facing the Challenge: Whole-Council Transformation' – Kent County Council – July 2013

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