

# Facing the Challenge: Delivering Better Outcomes

**Transformation Plan:** Version 1 – September 2013





## Foreword from the Leader of the Council

Facing the Challenge: Whole Council Transformation made clear our commitment to meeting the financial challenges KCC faces over the medium term through taking a transformative approach through:

- Focussing on commissioning outcomes
- Redesigning services around the needs of customers and the outcomes we want to achieve
- Embed a focus on early intervention to better manage future demand
- Integrating services and functions around clients groups to improve the customer experience.

This Transformation Plan sets out what we are going to deliver in the first phase of transformation, but also our approach to delivering transformation through a whole-council approach.

This will be an iterative document, regularly updated and considered by County Council as the whole-council transformation plan is extended through each new phase of activity.

The roadmap on page 6 sets shows the timetable for the first three phases and how the component activity in each phase links to others.

Phase 1, which will run from October 2013 until April 2014 will focus on three key areas of activity:

- Integrating services into functional groups ahead of full service redesign based on customer need
- Aligning transformation programmes to new change portfolios
- Setting out the service and functions to be the subject of market testing review ahead of Phase 2

The pace of change will be necessarily quick.

The scale of the change required is so fundamental that the traditional way KCC has delivered change to its services will be insufficient. Instead of a focus of delivering change within services, change must occur across and between services.

This requires a new way of managing and delivering change beyond directorate structures which will look and feel very different to many of us, but which is essential if we are to reshape the organisation to the future reality in which it will exist.

At the same time, we must improve how we deliver change. Most change is delivered through specific projects and programmes, but best practice is not regularly and consistently applied across the whole organisation.

We must become far more disciplined in managing projects and programmes, with less dependency on a few key individuals, and more systemic and rigorous approach to project and programme delivery across the whole organisation.

# Facing the Challenge: Delivering Better Outcomes

Our focus must be on delivering, to time and to cost, the financial and non-financial benefits of the projects and programmes which will deliver transformation. Failure is simply not an option.

Transformational change on such a scale is never easy.

However, I am personally asking you to support the approach we have set out in this plan, through being open and adaptable to change and new ways of working and contributing your thoughts and ideas to achieve transformation.

We are all here to serve the residents of Kent, and whilst I am fully aware of how challenging this agenda might be for some, I am personally convinced that this is the only credible way to continue to provide the quality services so valued by Kent residents.



**Paul Carter**  
Leader, Kent County Council



## Facing the Challenge: Whole-Council Transformation

In July 2013 County Council considered and endorsed 'Facing the Challenge: Whole-Council Transformation' a paper which set out our policy response to the financial challenge we face over the medium term, as income reduces due to reductions in Government funding, but spending demands from demographic and other uncontrollable pressures continue to increase.

Facing the Challenge set out how this growing gap between resources and needs can only be met by taking a radically different approach, an approach that requires whole-council transformation, through:

- Moving to become a commissioning authority – with a **greater focus on outcomes** and less focus on the process or vehicle used to deliver services
- **Placing the customer at the heart of service delivery** – integrating and redesigning services around customers and support functions
- **Shaping services around people and place**, including around stages and ages of life (e.g. 0-11, adolescent support, etc)
- **Opening up services to market engagement and review** – starting with those services and functions where markets are mature and can help identify new ways of working
- Single approach to delivering transformational change through **better and more co-ordinated project and programme management**

Facing the Challenge commissioned this transformation plan to set the framework for **how KCC will deliver the approach to transformation.**

### The Financial and Cultural Drivers for Change

Local authorities are facing a time of unparalleled austerity which is set to continue until at least 2017/18. However, it is important to recognise that **the need to transform is not solely driven by the reduction in government grant.** KCC simultaneously faces a raft of cultural changes and unfunded growth pressures from a rapidly changing society, with the **online communications driving increased customer expectations**, and a changing demographic **as life expectancy increases.** The diagram below highlights the range of factors which require KCC to transform, both now and in the future.

# Facing the Challenge: Delivering Better Outcomes

The 2008 global financial crisis, recession and public sector austerity, combined with ageing population, are changing what UK plc spends its money on. Debt interest, health and pensions are taking up an increasing percentage of government spend, with other services such as **local government, facing permanent reductions** in their spending power.

Whilst the need for economic growth is clear, there is also an expectation that it should be sustainable and not degrade the local environment deemed essential to high quality of life. **Balancing economic growth against environmental concerns**, especially in economically diverse communities, is a persistent challenge for mature economies.

The demand for services continues to grow driven by changing demographics and customer expectations. Existing models of service provision, fundamentally designed in and for the 20th Century, **cannot meet 21st Century reality** without fundamental redesign around the needs of the customer, greater accessibility and lower costs.

The impact of an **aging population and changing patterns of migration**, both national and international, are changing the population base on an ongoing basis. Our communities are older, more culturally diverse and more socially fragmented than at any time before, which in turn drives different and more nuanced needs.

Reduced resources

Environmental awareness

Service Pressure

Factors influencing KCC transformation

Technology

Changing demographics

Globalisation

Social relations

**The rapid acceleration of mobile technology** and access to the internet is revolutionising how businesses market themselves and interact with customers. Through removing barriers of entry to markets whilst reducing overheads and cost to serve, technology is driving competition and increasing customer expectations in regards to access, speed and value, as well as increase ability to exercise personal control and choice within the market.

Local economies are no longer shaped by relatively stable local and national factors, instead they are increasingly shaped by the growth of emerging economies and the speed at which international business can respond to changing global conditions and shift capital investment. To remain competitive and attract inward investment, local **economies must have the capability to adapt** their skills and resource base to meet changing market expectations and realities.

Technology is driving **changes in social relationships**, with communities of interest and virtual communities becoming as important as traditional relationships, with communities based on geographical area. Social networks are an increasingly important part of political discourse and organisation. However, as information becomes more accessible through technology, trust and confidence, especially in public institutions, must be earned through transparency and honesty.

In order to achieve the scale of savings that we are required to make from 2015/16 and to provide the right services to meet the needs of our residents, we must transform how we provide services.

## Transformation driven by outcomes

KCC, and the staff that it employs, are here to **improve the lives of the residents of Kent**, in particular those who are vulnerable or who need additional support. Even with the reduced finances available over the medium-term - and indeed, when the austerity measures finally culminate - as the upper-tier authority in the county **KCC will still have considerable resources at its disposal to deliver those services that make the most difference to the lives of our customers**. We will have less money and will face increased pressure, but we know this simply means we have to do things differently.

That is why KCC's approach to transformation will be **driven by an absolute focus on the delivery of better outcomes, as this will enable us to provide those services people value most, and which have the greatest impact on the lives of our residents**. This relentless focus on outcomes is essential to achieving effective transformation.

Too many of our services are designed on the basis of **professional perception of what service users need**, or a confusion between what people need as opposed to what they want. Some of our services are also **provided on the basis of historical commitments**: 'we do it like this because we always have done.' Such thinking is no longer credible; not only is it unaffordable, it inherently doesn't focus on the outcomes that will make the most difference for the customer.

By starting from the basis of identifying the outcomes we want to achieve with our customers, we can **throw out old assumptions about how we provide services**, and redesign our services in the best way to further improve the lives of those they support within the resources we have available.

Transformation driven by outcomes **will also support changes in organisational culture**. Too many public authorities are output focussed - concentrating on short term challenges or addressing long term issues in a piecemeal way without clear strategic direction. Output-led planning also risks disconnecting authorities from the customers they serve and the changing environments around them.

Outcome focussed organisations, on the other hand, **get the critical mass of their staff thinking beyond the boundaries of their own service and organisation**.

## Outcomes planning thereby facilitates:

- Objective decision-making based on evidence
- Focusses limited resources on where they can have the biggest impact
- The overcoming of professional and service silos by focussing minds on common objectives
- Clear communication about organisational aims and objectives

# Facing the Challenge: Delivering Better Outcomes

The diagram below sets out some of the cultural differences between outcome and output focussed organisations:

| Outcome Focussed Organisation  | Output Focussed Organisation   |
|--|--|
| Achieving impact for customers and residents   | Delivering products for managers   |
| External awareness of environment, markets and providers; proactively driving change | Internal focus on process, procedure and familiar relationships              |
| Questioning of the status-quo  | Accepting of the status-quo  |
| Implements long-term strategy to deliver sustained change                            | Focusses on marginal changes to deliver short-term benefits                  |
| Healthy risk appetite, with a considered and proportionate approach to risk taking   | Follows traditional business models due to a risk averse approach            |
| Innovates and experiments to discover what works to solve problems strategically     | Piecemeal innovation and isolated improvements leading to incremental change |
| Learns as it goes and designs services to be flexible and adaptable                  | Is rigid in delivering plans and services even when circumstances change     |

In this unprecedented financial climate, organisations focused on delivering outputs will fail, whilst those focussed on delivering outcomes will be better equipped to adapt and change to the rapidly evolving environment in which they operate in. **The fundamental objective of our approach**

**to transformation is to ensure that KCC becomes an outcome focussed organisation.** This will not just affect service redesign, but how we undertake strategic planning and manage performance effectively.



## Designing projects and programmes to deliver changed outcomes

Whilst it is essential that we identify the right outcomes to inform the design and delivery of our services, these goals can only be achieved by developing the right mechanisms to realise these changes in reality. The equation below illustrates the process by which we can do this:



In this calculation, we see that identifying the outcomes we want to achieve is the first stage of the journey; we next have to put in place the right inputs (finance, human resources, etc) to implement the changes. These inputs may be limited, and our target outcomes may need to be modified to reflect this. The vehicles for delivering transformation are the projects and programmes (P) that will achieve our outcomes – improve service delivery and business practices.

The right focus and resourcing will allow us to deliver effective projects and programmes, and effective projects and programmes enable us to realise better outcomes for our residents and service users.

## Transformation Plan Themes

There are three key themes of the Transformation Plan:

### Market Engagement & Service Review

Activity to **engage our customers** and the **wider market** to identify options about the best way to deliver our services in the future, and **plan the necessary programmes of change** to deliver those new services

### Integration & Service Redesign

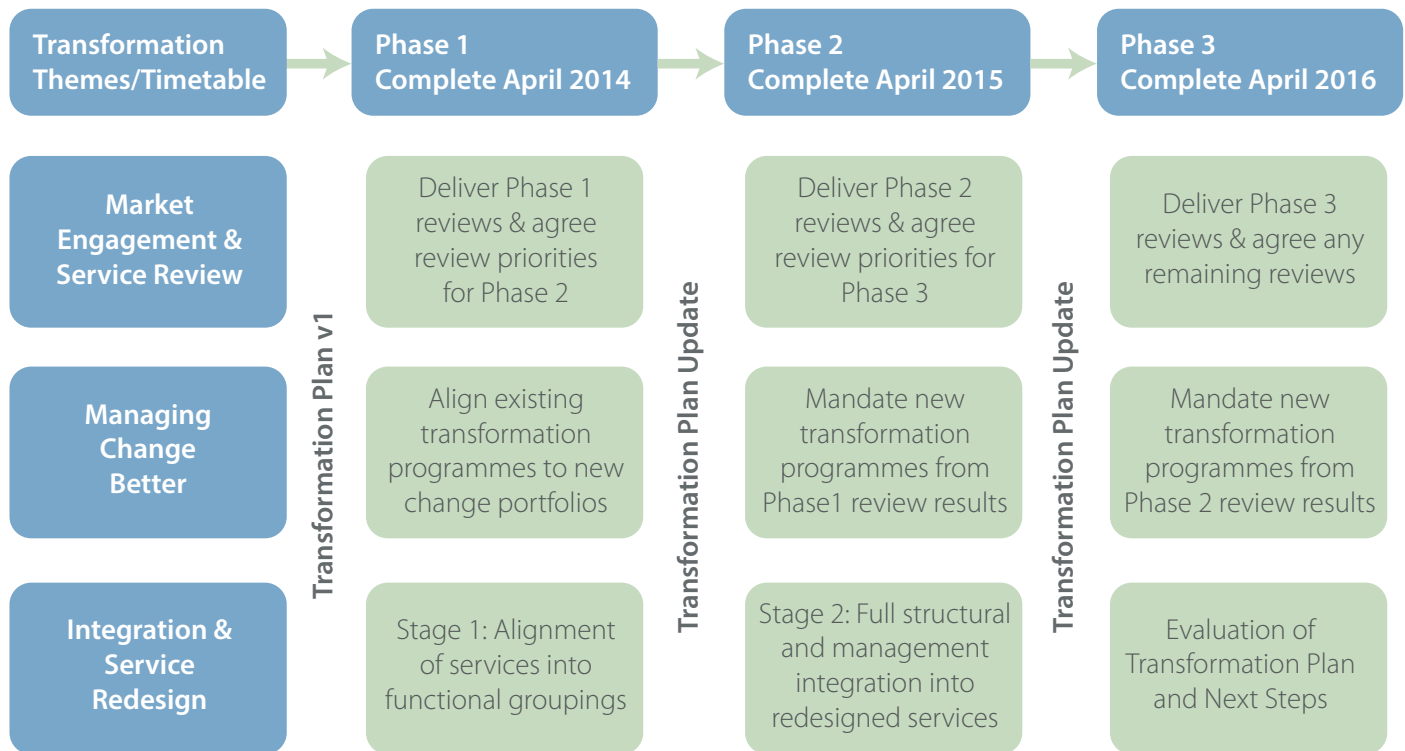
Activity to **bring together services and functions** serving the same customers or undertaking similar functions, **and rationalising structures, management layers, and processes** to achieve greater efficiency and **redesign our services around the needs of the customer** to achieve better outcomes

### Managing Change Better

Activity to **improve our capacity and capability** to deliver transformational change by **adopting a portfolio approach** to managing transformation, and ensuring better **co-ordination, support, oversight and assurance** throughout each stage of transformation programme delivery

## Transformation Plan Roadmap

Delivering transformational change across the whole council will be a journey over a number of years. The transformation roadmap below sets out the first three phases of transformation and the indicative activity that will take place within each phase.

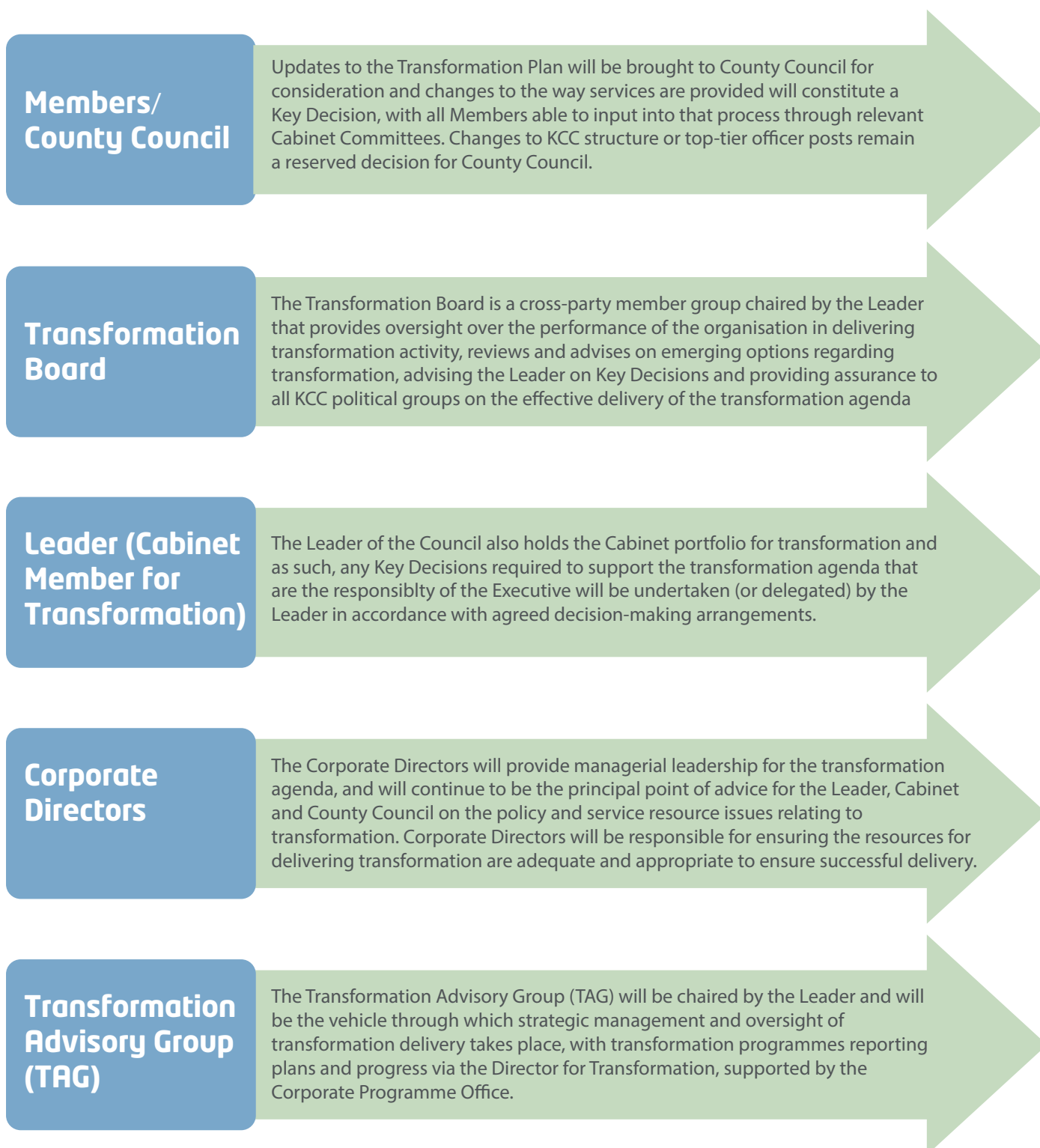


At the beginning of each phase, this Transformation Plan will be updated and refreshed and considered by County Council. Whilst the timetabling remains indicative, we envisage Phase 1 running from the six months from October 2013 to April 2014.

This plan sets out the detailed proposals for Phase 1, however it is important to note the interdependencies between the phases. For example, Phase 2 will initiate new change programmes and projects that have been agreed through the review activity commissioned in Phase 1. The timing between Phases is tight, especially between Phases 1 and 2, but necessary in order to initiate and drive change at pace.

## Transformation Governance

At a strategic level, five groups will shape and drive the transformation agenda, ensuring that it is delivered effectively and efficiently, and meets the financial and policy objectives of the Council. These five groups and their roles are set out in the diagram below:



## Decision-making

Effective and timely decision-making will be critical to the delivery of all aspects of this Transformation Plan. KCC operates a clear decision-making framework, set out in the Constitution, which places **responsibility for strategic decisions with Members** and responsibility for the delivery or implementation of those Member decisions with officers.

Individual change programmes may require Key Decisions given the financial or service implications of proposed transformation. These decisions will be taken through the existing decision-making process set out in the Constitution, including through the relevant Cabinet Committee.

A key role of the Corporate Programme Office will be to work with Programme Managers to ensure that **all necessary Key Decisions are identified early** and factored into programme timetables through effective programme planning.

The County Council already operates an Executive Scheme of Delegation to officers through the Constitution, which allows officers to take decisions not considered as being significant enough to be determined at Member level, or decisions required to implement specific decisions already taken by Members.

It is anticipated that delivery of transformation programmes will, once any necessary Key Decisions are made, **be delivered by officers in line with the Executive Scheme of Delegations**. To aid programme planning and delivery, and ensure change can occur at pace, Legal & Democratic Services will ensure that when Key Decisions relating to transformation are made, **advice is provided on whether any further Key Decisions will be required** to implement the Member decision.

Should these governance and decision-making arrangements prove insufficient to support the pace of change required to deliver transformation, then they will be reviewed, with any alternative arrangements brought to County Council for consideration and approval.

## Theme 1: Market Engagement & Review

'Facing the Challenge' made clear our commitment to meet the financial challenges KCC faces through taking a wholesale transition **from existing service models to new delivery models**. No one individual option will be sufficient. In order to identify opportunities to radically transform, we need to develop a whole-council approach to review.

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, reviewing 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. **There will be no ideological or professional bias in regards to who may provide services.**

There will also be **no predetermination about what form new delivery arrangements may take** as we rigorously explore all possible options for future service design and configuration. Service reviews could result in the development of trading companies, TEKAL companies, social enterprises, mutuals and joint ventures – whatever solution is most appropriate for the future needs and demands of the service.

This will ensure a relentless focus on core business by re-examining all our services on a regular cycle, using a disciplined, business-like approach to identify radical, innovative and lower cost solutions to meet core demand.

An important aspect will be **actively engaging the market for solutions**, and to encourage new providers to create, **shape and develop markets** to ensure sustainable service provision. Other

authorities have increasingly engaged the private sector to identify opportunities for efficiencies and savings. We cannot afford to be behind the curve and it is essential that we actively pursue and examine all such opportunities.

Market engagement and service review will rapidly move existing traded services into a more viable, appropriate business model that will better enable services to maximise their potential and respond to market opportunities. We will use our scale and expertise to offer services at attractive cost/quality ratios, maximise income generation and reduce the need for core funding.

### A Framework for Market Engagement & Service Review

Service reviews will need to gain a deep understanding of the service, the customer needs it must meet, the state of the market and the full spectrum of options available for delivering the service. The way in which a review takes place will need to be appropriate and proportionate to the service being reviewed, in order to reflect the diversity of KCC's services. A bespoke approach will be taken to carrying out each review.

Although the methodology, approach and scale of the review will be tailored to the service, every review will deliver against a set of essential criteria. The criteria sets out the minimum that each review must cover and consider. As well as the essential criteria, each review may cover additional areas and issues, to be agreed in the scope of the review when it is initiated. The criteria are explained on the following page:

# Facing the Challenge: Delivering Better Outcomes

| Essential criterion                           | Areas covered  |
|---|--|
| Understand customer needs and values          | <ul style="list-style-type: none"> <li>• Volume and profile of service users/customers</li> <li>• Actual (rather than perceived or desired) needs that the service is required to meet</li> <li>• Drivers for demand and how provision of the service impacts on demand</li> <li>• Public value test - priority and value that service users and other Kent residents place on the service</li> <li>• Outcomes to be achieved within the planned resources available</li> </ul>                            |
| Understand how the service currently operates | <ul style="list-style-type: none"> <li>• Our interpretation of any statutory elements of the service</li> <li>• Minimum required standard of service</li> <li>• Strengths, weaknesses, opportunities and threats of the current delivery model</li> <li>• Unit cost to deliver the service</li> <li>• Resources required to run the service (including fixed and variable costs and overheads)</li> <li>• Any cross-subsidies that exist within or between services</li> <li>• Market readiness</li> </ul> |
| Understand how KCC compares with others       | <p>Comparison of the service with that provided by other councils and comparable public and private sector organisations, in terms of:</p> <ul style="list-style-type: none"> <li>• Unit cost / pricing (if traded service)</li> <li>• Overheads including FTE</li> <li>• Delivery model used (including type of provider)</li> <li>• Performance outcomes and management of demand</li> </ul>   |
| Engage our staff                              | <ul style="list-style-type: none"> <li>• Assess staff appetite to deliver the service in a new, innovative way – for example employee led mutuals</li> <li>• Engage managers and frontline staff who wish to pursue opportunities</li> </ul>   |
| Engage the market                             | <ul style="list-style-type: none"> <li>• Scale, value, maturity and track record of the market for the service, across all sectors</li> <li>• Trends and gaps in the market and potential opportunities</li> <li>• Analysis of potential competition</li> <li>• Need for market shaping and development</li> <li>• Use of Prior Information Notice (PIN) to invite proposals from the market for innovative solutions</li> </ul>   |
| Identify options for Members                  | <ul style="list-style-type: none"> <li>• Options for the future operation of the service, considering all available delivery models and configuration options, taking into account the evidence collected above</li> <li>• Strengths, weaknesses, opportunities and threats of the preferred options, including any property asset savings or opportunities</li> </ul>   |

## Member decision and develop outline business case

- Identification of the preferred option
- Costs and savings from moving to the new model of delivery
- Risks
- Expect benefits
- Timeline for implementation
- Decision-ready recommendations

Once the preferred option and outline business case have been agreed, development of the detailed business case and implementation of the chosen option will be through a change project or programme. This will then come under the oversight of the Corporate Programme Office who will assure delivery within agreed cost and time parameters. Where the preferred option is for the service to operate on a traded basis, the service will transition out of its Directorate and into the Traded Services portfolio in order to drive decision-making, transition services as quickly as possible and make the necessary distinction between transformational activity and day-to-day delivery.

## What Market Engagement & Service Reviews will be undertaken in Phase 1?

This plan outlines the first reviews that will take place in Phase 1, which have been identified and agreed by Corporate Directors. This includes a range of both corporate support and frontline services. The first reviews will prioritise our engagement with the market to identify savings and transformation opportunities where:

- markets are mature, particularly for lower risk services
- there are opportunities for new delivery models
- there are market opportunities to maximise our trading potential

The table on the following page sets out the Phase 1 reviews across both frontline and corporate support services, together with the current gross and net spending on the activities within each service area proposed for review. Net expenditure takes account of any external income including grants, contributions, fees and sales but does not include internal recharges. It is important to note that whilst each review will encompass the whole service identified in the table, **the reviews may make recommendations for the whole or part of each service**, depending on what is appropriate for the future design and delivery of that service.



| Market Engagement & Service Reviews – Phase 1 |                                       |                                |                              |
|---|---------------------------------------|--------------------------------|------------------------------|
| Type of service                               | Service Identified                    | Gross Budget for Market Review | Net Budget for Market Review |
| Frontline Services                            | Community Learning & Skills           | £15,125,000                    | -£229,000                    |
|   | Kent Scientific Services              | £878,000                       | £243,000                     |
|   | Libraries                             | £16,792,000                    | £15,174,600                  |
|   | Residential Care Homes - Older People | £7,017,700                     | £6,920,200                   |
| Corporate Support Services                    | Contact Centre                        | £4,992,900                     | £3,365,600                   |
|   | EduKent Services                      | £18,193,000                    | -£1,800,000                  |
|   | Legal Services                        | £9,335,200                     | £8,224,000                   |
|   | Human Resources                       | £7,693,000                     | £6,774,000                   |
|   | ICT                                   | £15,736,000                    | £15,638,000                  |
|   | Finance                               | £15,336,000                    | £13,797,000                  |
|   | Property                              | £29,493,000                    | £27,661,000                  |
|   | External & Internal Communications    | £2,458,000                     | £2,458,000                   |
| <b>Total</b>                                  |                                       | <b>£143,049,800</b>            | <b>£98,226,440</b>           |

## Rationale for Phase 1 Market Engagement & Service Reviews

### Mature market

Where the market is already mature and established, we will directly engage the market for solutions, and seek opportunities to outsource services at sustainable quality for lower cost. Our size and scale means that we can be a significant player in the market to negotiate the best possible deal for Kent's taxpayers. We will particularly focus on opportunities where other authorities and sectors have already pursued market solutions – for

example our corporate support services such as HR, Property, ICT, Contact Centre and Finance.

For services where there is an exceptionally mature market, such as for Residential Care for Older People, we will work with potential providers to find the best possible solution for our service users, within the resources available. We will use our strategic market influence to incentivise providers to support the step-down of care to manage demand proactively and effectively, to support independence and deliver the best outcomes for service users.

## **Opportunities for new delivery models**

Public sector reform at a national level increasingly means local authorities are exploring and establishing new delivery models. We will explore all possible opportunities, learning from other authorities and sectors that have pursued radical and innovative new options to deliver better outcomes for service users.

We will ensure we consider the potential opportunities and benefits that social enterprise models may offer, for example models such as community trusts and mutuals for Community Learning & Skills and Libraries, to encourage greater staff and community ownership and involvement. We will use our strategic influence to explore innovative finance models and access new funding streams to ensure the on-going sustainability and viability of frontline services.

## **Market opportunity – trading potential**

KCC has a strong track record operating as a commercial provider to deliver successful and competitive traded services, for example our nationally recognised Legal Services. We will build on this success to explore the most appropriate business models that will allow us to exploit market opportunities and further maximise our trading potential. We will develop our service offer and competitive pricing to be flexible and responsive to service demand, for example expanding our EduKent Services to pursue opportunities to provide school support services not just within Kent, but across the country.

We will use market engagement intelligence to spot trends and opportunities, and create and exploit niches in emerging markets, for example developing Kent Scientific Services to meet growing demand.

## **Who will undertake reviews?**

A critical learning point from previous review exercises has been that in order to conclude reviews to the tight timetable set out in Phase 1, additional capacity is likely to be required to ensure staff are not diverted from their substantive roles and so there is no significant impact on existing service quality. Given that the objective of the review programme is specifically to engage the market to identify new ways of working, external capability may be required to support the service review programme.

As such, reviews may be undertaken in-house by multi-disciplinary review teams, which will need to draw from a wide range of specialisms across the authority. It is likely that internal review teams will need to be supported by additional capacity/capability from outside the organisation, or wholly delivered by external providers with specific commercial and market experience in that sector to advise on specific market issues and opportunities.

## What are the timescales for the Market Engagement & Service Review work?

**To deliver with pace and urgency, all reviews in Phase 1 will identify an implementation ready solution by April 2014.**

By April 2014 all reviews should have identified:

- A comprehensive understanding of the current service
- A spectrum of options for future design and delivery, including potential providers
- A preferred option for decision, supported by an outline business case
- Authorisation to proceed to a full business case to progress the preferred option towards implementation of delivery

The reviews will be scheduled to coincide with other transformation activity happening in these services and take account of any dependency in terms of support for the whole council transformation plan.

As transformation progresses, there will be further review phases identified by Corporate Directors each year, as set out in the Transformation Roadmap. No area of KCC activity or spend will be off-limits in regard to the involvement of the market in identifying new ways of working. The process will not be optional and will require the full co-operation of services.

## Theme 2: Integration & Service Redesign

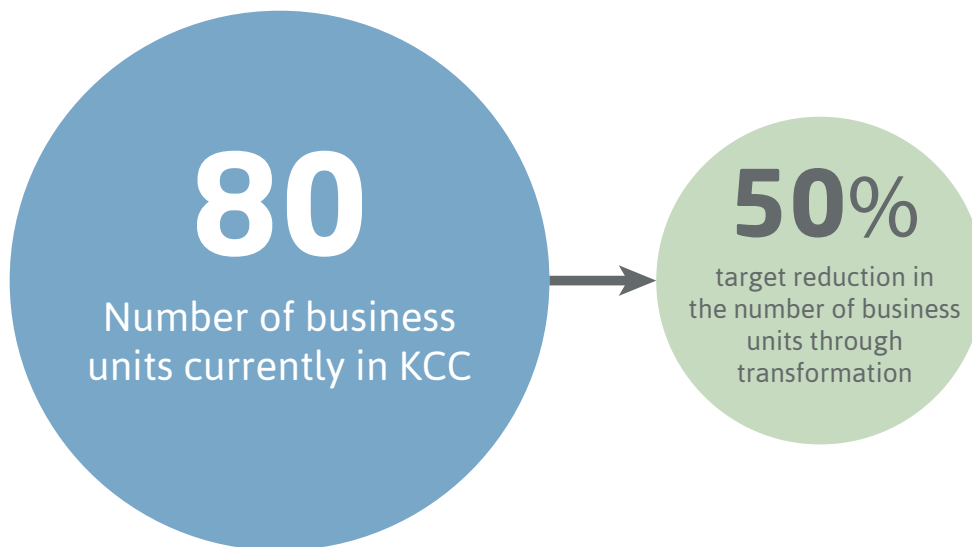
### Integration

Facing the Challenge sets out objectives to:

- Integrate services around customer groups and functions, with the aim of removing duplication and inefficiency between services
- Create larger and more efficient business units
- Bring services and functions together, with as little disruption as possible, to start thinking about service redesign ahead of full structural and managerial integration through Phase 2 of transformation.

These objectives will be met through Phase 1 of transformation.

Work undertaken by the Corporate Directors has identified that there are circa 80 business units across KCC. There is **huge scope for rationalisation of the number of business units** across the authority as we integrate teams around client groups and functions.



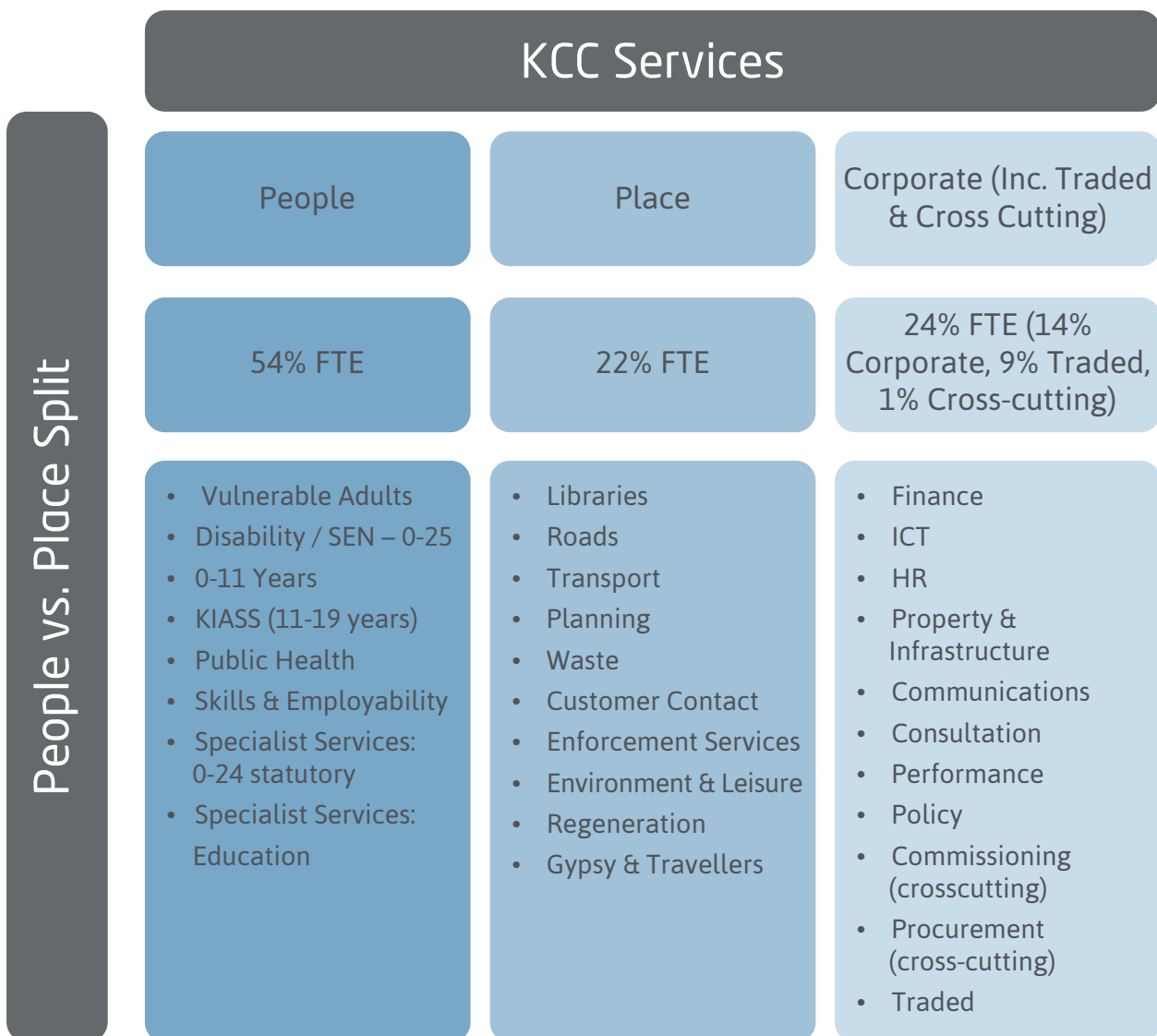
The overall target being set through the Transformation Plan is for a minimum reduction in the number of business units by 50%. **It is important to note that this target does not mean that we will lose 50% of staff**, but that through meeting the objective of creating integrated and more efficient teams, the number of business units needed across the KCC should fall.

## People and place

The starting point for the integration of services and functions has to group existing services and functions between

- People based services that give support to particular individuals or families at various ages and stages of their lives
- Place based services that provide services to everyone, or on an areas basis
- Corporate services that provide support to front-line people and place based services.

This is set out in the diagram below:



As can be seen, in terms of the total existing FTE, the authority's focus is heavily weighted towards people based services, and therefore, **there is no simple demarcation in terms of future organisation structure between people and place based services.**

Corporate Directors and Cabinet will now consider what they believe to be the **optimum arrangements for future Directorate and senior officer structure** to achieve the objective of service integration, and this will be agreed by Cabinet in October 2013. **Confirmation of staff and team alignment to new integrated service teams** will subsequently be published in November 2013, ahead of seeking County Council approval of the revised operating framework in December 2013.

## Service Redesign

To fundamentally transform how we deliver provision, we need to truly redesign our services to ensure we provide the best possible outcomes, at less 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. This will enable us to proactively manage future demand, and ensure our services are flexible enough to remain relevant, viable and sustainable despite changing needs.

**Service redesign 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, time and way to best meet their needs.

**Managers will need to ensure their service redesign plans can be achieved within limited**

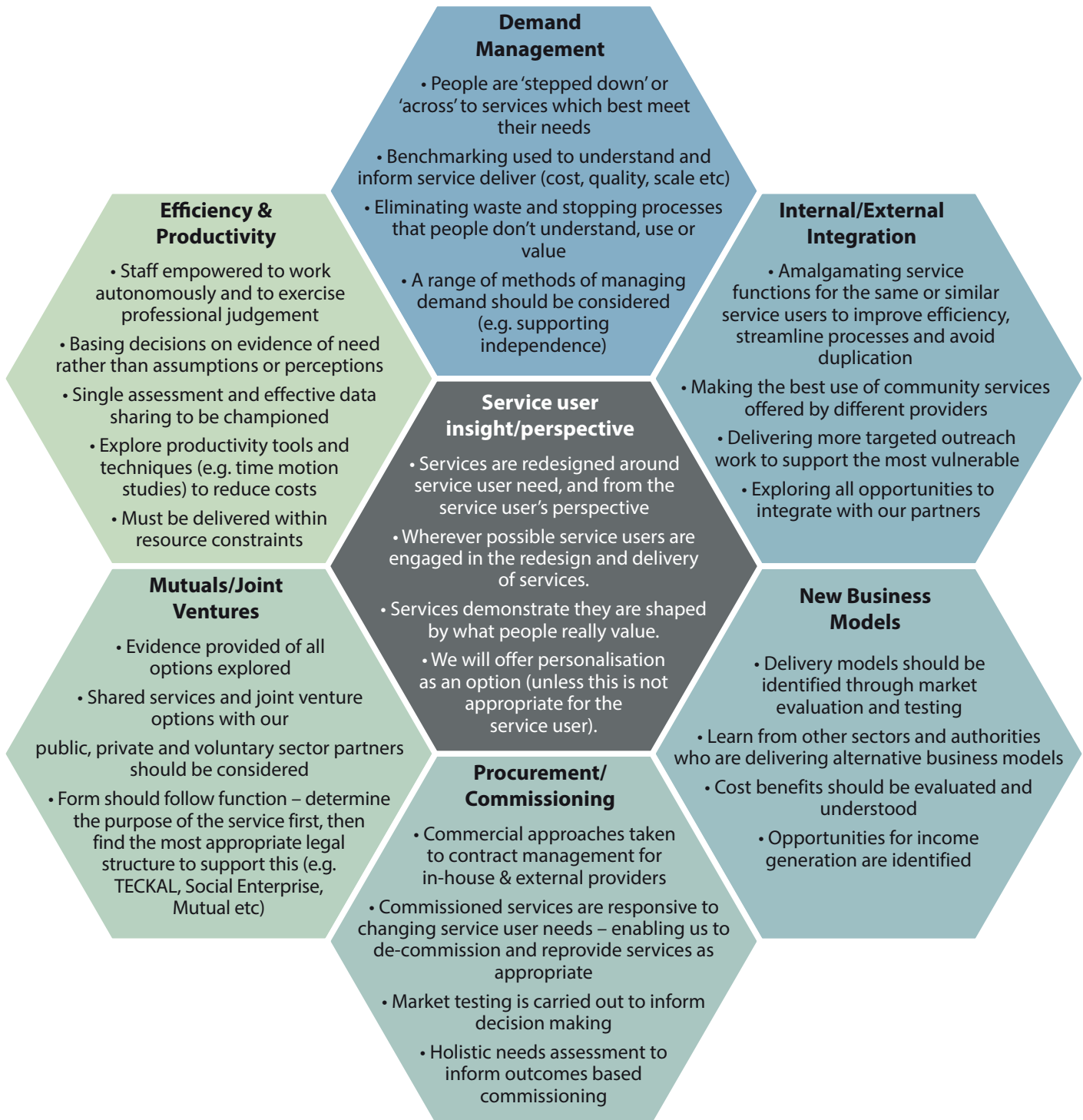
**resources. Therefore managers will be asked to re-engineer and redesign services within a specific medium term financial plan envelope.**

## Service Redesign Principles

This plan introduces a series of **service redesign principles**. These principles will guide and inform our managers when they are planning and redesigning services so that we can be confident that they will achieve the outcomes we need to deliver quality services to the people of Kent.

All service redesign should have the '**service user insight/perspective**' principle as its foundation, building on existing relationships. This will ensure that we are providing services which people value and need, and that services are shaped around the way people lead their lives, and not dictated by our own internal processes or professional assumptions. This will help us to achieve the commitment in 'Facing the Challenge' to place the customer at the heart of the service and significantly improve the customer experience.

Managers should also explore the whole series of service redesign principles, to ensure we are examining all possible opportunities for change and considering all available options for transforming delivery. Each of the principles, as set out in the following diagram, has some useful prompts for managers on issues they may need to take into account.



## Service Redesign Timescales

Service redesign is a critical element of the transformation **roadmap**. Although the emphasis in Phase 1 (September 2013 to April 2014) is the alignment of services into functional groups, this is when the thinking about service redesign needs to be initiated. This will involve bringing together service managers, practitioners and service users to rethink the traditional delivery of services in a radically different way, creating new solutions and completely redesigning services from the service user perspective. We need to ensure we use this important development time to prepare and plan ahead for Phase 2 of the transformation (April 2014 to April 2015).

Whilst Phase 1 will be focused on preparation and development, Phase 2 will be focused on initiating and delivering service redesign at pace. Phase 2 will see the full structural and management integration into single teams. However, this will not just involve structural and organisational change, but significant cultural change as we continuously challenge existing practices, and begin new ways of working - **not only between teams coming together and integrating within KCC - but with our partners.**

Phase 3 of the transformation (April 2015 to April 2016) will evaluate the work completed to date, and assess whether the service redesign initiated in earlier phases of the plan has been successful in transforming services to deliver a step change in outcomes.



## Theme 3: Managing Change Better

### Adopting a portfolio approach to managing change

At present, we often undertake single projects, programmes and review activities - mostly in order to respond to very specific or Directorate-focused needs. As a result, we do not always consider what impact these have at an organisational level (i.e. on other Directorates and on the organisation as a whole). Moreover, each project and programme has its own set of standards and processes which it adheres to, which means they cannot easily be compared with one another, or dependencies mapped across other projects and programmes being undertaken across KCC.

By taking a portfolio approach, that is organising projects and programmes activities into a cohesive series of change portfolios, we can bring together the different strands of project and programme work being undertaken across KCC, and configure them to achieve the best results for the organisation, providing the taxpayer with the very best value for money possible, and ensuring they deliver better outcomes.

The relationship between projects, programmes and portfolios is set out in the diagram below:



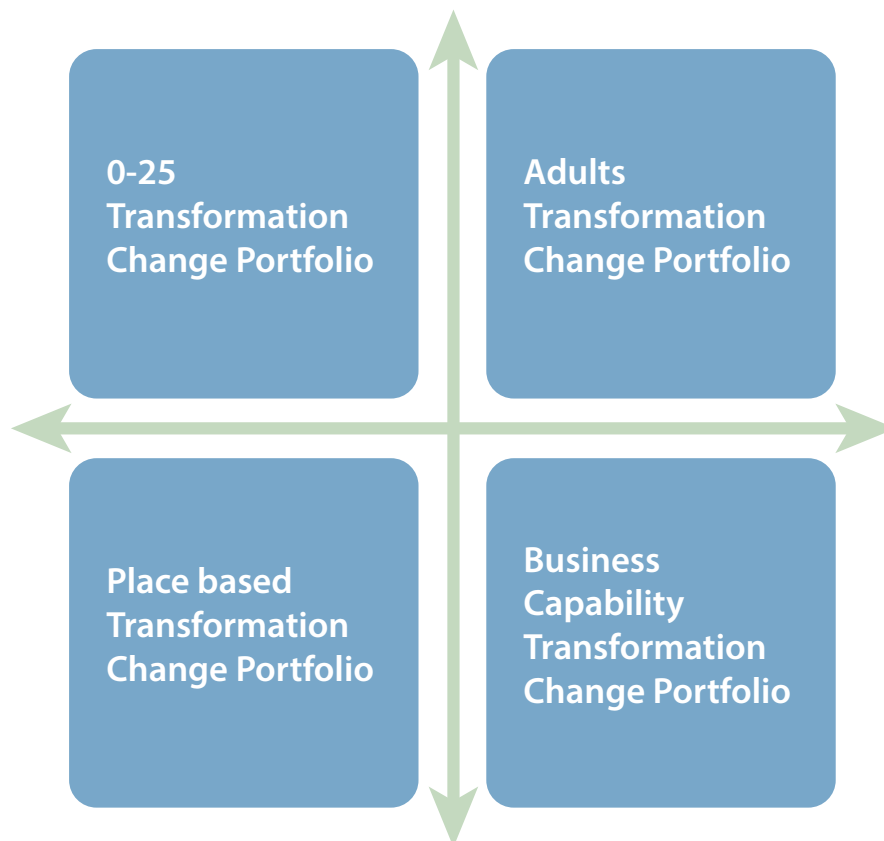
# Facing the Challenge: Delivering Better Outcomes

There are a number of clear advantages to taking a portfolio approach to transformation:

- It will support a holistic view of all projects and programmes underway across the council
- It will support assessment of whether they are on track and adding value
- Will ensure we can be confident about investment and dis-investment decisions being made
- Will ensure we make informed decisions around risk and achieving value for money
- Increase collaborative working
- Concentrate organisational energy
- Better manage dependencies and make the best use of resources
- Increase the likelihood of successfully delivering complex change
- Improve engagement and communication between senior managers and staff

## Our new Change Portfolios

This plan introduces **four change portfolios** to manage the way we deliver our transformation change activity, in a more consistent and effective way. Each change portfolio will have a Senior Responsible Owner to co-ordinate projects and programme activity within the portfolio, with responsibilities and accountabilities for delivery clearly defined.



- **0-25 Transformation Change Portfolio**  
**Senior Responsible Owner (shared)= Patrick Leeson, Corporate Director for Education, Learning & Skills & Andrew Ireland, Corporate Director for Families & Social Care**  
Transforming the way we deliver services for children, young people and their families, both within KCC and with our partners.
- **Adults Transformation Change Portfolio**  
**Senior Responsible Owner = Andrew Ireland, Corporate Director for Families & Social Care**  
Transforming the way we deliver services for vulnerable adults and older people, with our health and voluntary & community sector providers.
- **Place based Transformation Change Portfolio**  
**Senior Responsible Owner = Amanda Honey, Corporate Director for Customer & Communities**  
Transforming the way people access our frontline services in communities, and redesigning them with our partners around the needs of service users and residents.
- **Business Capability Transformation Change Portfolio**  
**Senior Responsible Owner = David Cockburn, Corporate Director for Business Strategy & Support (with service and commercial input from Mike Austerberry, Corporate Director for Environment & Enterprise)**  
Corporate change programmes that create new capability to support the delivery of frontline service transformation.

## Transformation Projects and Programmes

This Transformation Plan does not start at year zero. It is important to understand and reflect that there has been, and is on-going, transformational change activity already underway across the authority. The following list of projects and programmes represents both new and existing activity which are contributing to the whole-council transformation approach, and where we are re-shaping or re-scoping existing activity to align with the 'Facing the Challenge' paper agreed by County Council in July.

- **Adults Care Pathway:** This programme will redesign care pathways to achieve the best outcomes for service users through promoting independence and making best use of assistive technologies and enablement services. Both new and existing adult social services users will transition into the new care pathways, which will be future proofed to support the integration with health services, closer and strategic engagement with social care providers and meeting the requirements of the Care Bill (when enacted).
- **Adults Commissioning:** The Commissioning Transformation Programme will improve performance and commercial oversight of those adult social care services procured from the market through supporting the integration of health and social care commissioning arrangements, rationalising approaches to the adult social care market to support better provider engagement and market shaping, building closer relationships with key providers to co-design outcome focused services, and using our procurement levers to deliver both better outcomes and sustainable efficiencies.

# Facing the Challenge: Delivering Better Outcomes

- **Adults Optimisation:** This programme will analyse the current operating model with adult social services and change working practices across a number of business functions to improve efficiency and effectiveness to deliver better value for money and greater added value to the service user. It will establish a new operating model for adult social care, profile the required financial and staffing resources required to deliver the new operating model, and review existing initiatives and activity to ensure that they align to the new operating model.
- **Care Bill Preparation:** The Care Bill will bring significant changes to the adult social care system in 2015 and 2016. It includes Government's response to the Dilnot review of adult social care funding and introduces a care cap, national eligibility criteria and other funding reforms. KCC will need to prepare for and manage the implications, which include a 50% increase in assessment demand, new duties to support carers and a requirement to fund care and support of significantly more people. Links will need to be made with the three adult transformation programmes (above) to ensure that activity to transform adult social care is aligned with the reforms being brought in by the Care Bill.
- **Transition:** As a result of market engagement & service review, further projects and programmes may be established to implement the decision to transition of services into a new, viable delivery model, or to enable traded services to compete more effectively in the market.
- **Children's Transformation:** Both the Children's Services Improvement Programme and Children's Efficiency Programme will be brought together into a single transformation programme. Having invested an additional £32m in Children's Social Services since 2010 we have successfully stabilised the service and will now focus on moving beyond improvements in social care practice, oversight and case management to deliver transformational change in children's social services, with fewer children in care through earlier preventative work with families, and delivering better educational and social outcomes for those children in care, with service efficiency improved to operate within a more sustainable budget.
- **0-11 Integrated Services:** Early intervention and prevention services provided to families and children aged from 0-11 are currently provided separately across KCC. We will bring those services into a single integrated service with a cohesive service offer to families in Kent. By focusing on prevention and early intervention, our aim will be to reduce demand in education and children's social services by helping families earlier, improving parenting skills and the health and educational outcomes of young children, ensuring they are school ready and being able to identify and intervene earlier to support families in crisis.
- **Special Educational Needs and Disabled Children's Services Integration:** An emerging programme of transformative work will be developed to integrate Special Educational Needs (SEN) and Disabled Children's Services for ages 0-25, and redesign them around the needs of children and families to improve the access to and quality of services. This is driven by the development of KCC's Integration Plan for

Disabled Children to 25, our recently approved SEND Strategy and key provisions contained within the Children and Families Bill, currently passing through Parliament.

- **Kent Integrated Adolescent Services:** The development of the Kent Integrated Adolescent Support Service has provided the blueprint for the integration of early intervention and prevention services within Kent, through area-based working and joined up teams providing a more seamless service and better working arrangements with our partners. This programme will continue to develop that new service, moving toward formalising the improved working practices and approaches developed to date.
- **Troubled Families:** The Troubled Families Programme has taken significant steps in supporting troubled families becoming responsible and less dependent of high cost public services. Whilst the programme will continue to meet current commitments, it is a time limited initiative sponsored by Government. Our aim is to begin the process of embedding the lessons learned and ways of working from Troubled Families into KIAS and the new 0-11 Integrated Services Programme.
- **14-25 Skills & Employability:** There will be an emerging programme of work to explore and develop the way we work with our partners to raise attainment, improve vocational education & apprenticeships, increase participation and employment and target support effectively for vulnerable learners. This will include not only more integrated and efficient ways of working within KCC, but increasingly engaging with our partners such as employers, Jobcentre Plus, the business community and District Councils.
- **Community Safety & Emergency Planning:** KCC is currently working with partners in Kent Fire & Rescue Service and Kent Police to explore delivering our statutory and partnership responsibilities for Community Safety and Emergency Planning in a different way through formal collaboration and more efficient and effective use of resources at both the strategic and operational level. This will be developed into two distinct projects within a programme.
- **Future Libraries Programme:** The current future library service programme has explored local community solutions to redesign services across each of our 99 libraries to share delivery and assets with our partners, particular parish councils and the voluntary, community & social enterprise sector. The programme will now focus on market engagement and service review activity to actively pursue options for new delivery models, including industrial and provident societies and community benefit societies which have been successfully adopted in other local authorities as a way to sustain frontline community services.
- **New Ways of Working:** The New Ways of Working Programme includes the cultural changes to working practices required for KCC to deliver modern, responsive and cost-efficient public services. Enhanced ICT and property modernisation projects will act as enablers, ensuring staff work more flexibly and collaboratively across services within KCC and with our partners, including better utilisation of management and information systems to shape provision around the customer. Property rationalisation will be a consequential benefit of delivering cultural change to working practices.

# Facing the Challenge: Delivering Better Outcomes

- Integrated Commissioning:** Within KCC we currently have separate commissioning functions which are dispersed across a number of services and directorates. This has led to higher management overheads and siloed activity. Bringing these discrete commissioning functions together will deliver both efficiency savings and improve the quality and consistency of our commissioning processes across a range of customer groups, resulting in improved value for money and better outcomes for customers.
- Customer Access:** The Customer Services Strategy is currently delivering a series of projects to support channel shift, better understand and act on our customer insight and help redesign services from the customer perspective. These projects will now be remodelled and brought together into a single customer access programme, the focus of which will be on the development of online access to KCC services to support channel shift, with the majority of KCC customer contact moving to the web, and the development of appropriate face-to-face and telephone access provision.

## Mapping programmes and projects to change portfolios

Each change portfolio will create a more consistent way of bringing together its supporting programmes and projects – both re-mandated and re-modelled existing activity, and new activity.

The activity identified above has been grouped into the four change portfolios as set out on the following page.

| Activity included within each Change Portfolio  |   |  |   |
|---|---|--|---|
| 0-25 Transformation Change Portfolio  | Adults Transformation Change Portfolio  | Place Based Transformation Change Portfolio  | Business Capability Change Portfolio  |
| <ul style="list-style-type: none"> <li>Children's Transformation</li> <li>0-11 Children and Families Support</li> <li>SEN and Disabled Children's Services Integration</li> <li>Kent Integrated Adolescent Support Services</li> <li>Troubled Families</li> <li>14-25 Skills and Employability</li> </ul> | <ul style="list-style-type: none"> <li>Adults Care Pathway</li> <li>Adults Commissioning</li> <li>Adults Optimisation</li> <li>Care Bill Preparation</li> </ul> | <ul style="list-style-type: none"> <li>Community Safety and Emergency Planning</li> <li>Future Libraries</li> <li>Customer Access</li> </ul> | <ul style="list-style-type: none"> <li>Trading &amp; Transition</li> <li>New Ways of Working</li> <li>Integrated Commissioning</li> </ul> |

## Managing change through the Programme Lifecycle

The overriding aim of the Transformation Plan is to set out how we are going to deliver transformational change at the **pace and scale** necessary given the challenges the authority faces.

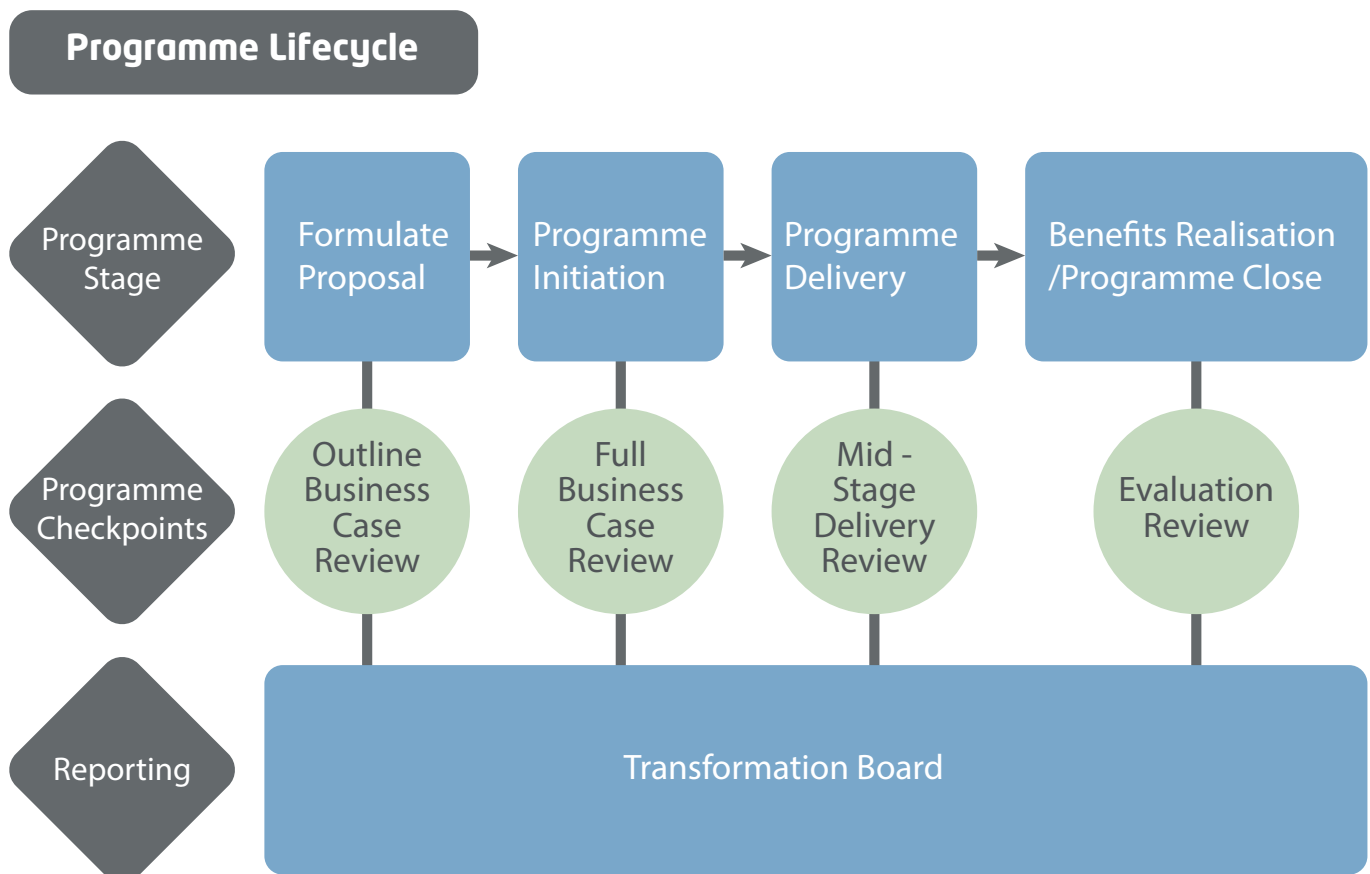
To do so there is a need for **strong but proportionate** oversight of programme and project delivery. We know we need to **improve our delivery** of projects and programmes, and provide assurance to the Leader and the Transformation Board (and through them to the County Council and the taxpayers of Kent) that we are delivering value for money, and achieving the changes we have committed to as an organisation.

Our aim will be to manage reporting and assurance through the **programme lifecycle** that all projects and programmes go through. At key **checkpoints**, we will review progress to provide assurance to the

Leader and Transformation Board that projects and programmes are being developed and run in line with KCC's strategic objectives, remain viable and on course to deliver the intended benefits.

The majority of effort will be focussed on the **formulation and initiation stages** of projects and programmes. If we get the project and programme initiation right, developing projects and programmes with clear scope and ambition, strong business cases, defined financial and non-financial benefits, identified milestones, indicators and resources, we can increase the chance of delivering successful change.

The diagram below illustrates the programme lifecycle and assurance path that will be required across all portfolios and programmes within the Transformation Plan.



The Corporate Programme Office will co-ordinate oversight and assurance at each checkpoint, and the timetabling about when checkpoint reviews take place will be jointly agreed with the responsible project or programme manager, once past the outline business case review. Importantly, this approach can be **scaled-up or scaled down** relative to the size and complexity of the project or programme, but to improve standards and ensure fundamental project and programme disciplines are adhered to, all transformation projects and programmes will go through this process.

Our aim will be for a wide range of individuals from across all Directorates to become involved in undertaking checkpoint review activity. Where warranted, we may bring individuals or groups from

**outside the council** with specialist knowledge or skills to review our plans and progress, to advise accordingly.

Where checkpoint reviews raise concerns or issues the first course of action for the Corporate Programme Office will be to work through these with the responsible project and programme managers, and if necessary, the Portfolio Board to actively address them. Only where issues and concerns cannot be resolved at this level, they will be escalated to the Transformation Advisory Group, who will advise the Leader accordingly. Ultimate authority on issues relating to transformational projects and programmes will rest with the Leader who holds the Cabinet portfolio for transformation.



| Checkpoint Review                | Key Questions  |
|----------------------------------|--|
| <b>Outline Business Case</b>     | <ul style="list-style-type: none"> <li>• Has the programme identified the outcomes it wants to improve?</li> <li>• Does the programme align to the policy and budgetary priorities of the County Council?</li> <li>• Does the evidence base for the programme stand up to challenge?</li> <li>• Is there causality between changes delivered by the programme and the outcomes intended?</li> <li>• Is the timetable for delivery of the programme realistic?</li> <li>• Have required Key Decisions been identified and mapped?</li> <li>• Have all costs associated with the programme been anticipated?</li> <li>• Have the links and dependencies to other programmes been made?</li> <li>• Is the outline programme governance sufficiently clear?</li> </ul> |
| <b>Full Business Case</b>        | <ul style="list-style-type: none"> <li>• Is the programme still viable and deliverable?</li> <li>• Has a full financial analysis of the business case been undertaken? Does the programme represent value for money?</li> <li>• Do the risks, benefits and costs of the programme balance?</li> <li>• Are the necessary Key Decisions in place or planned?</li> <li>• Are the programme resources sufficient to ensure effective delivery?</li> <li>• Are the milestones and targets regarding programme delivery timely, clear and measurable?</li> <li>• Is programme governance and accountability for delivery clear?</li> </ul>   |
| <b>Mid-Stage Delivery Review</b> | <ul style="list-style-type: none"> <li>• Is all programme documentation available for review?</li> <li>• What benefits have been delivered to date?</li> <li>• Are changes being embedded into the business through changed practices?</li> <li>• Is the programme delivering to time and cost?</li> <li>• Is the programme governance proving effective?</li> <li>• What variances have occurred and have these impacted on programme viability?</li> </ul>   |
| <b>Evaluation Review</b>         | <ul style="list-style-type: none"> <li>• Has the programme delivered expected benefits?</li> <li>• Has the programme delivered to time and cost?</li> <li>• Are the benefits embedded into the business as new ways of working?</li> <li>• Is there evidence of the benefits impacting on outcomes?</li> <li>• Can the programme be closed on schedule?</li> </ul>   |

## The role of the Corporate Programme Office

The enhanced Corporate Programme Office will play an important role in the effective delivery of transformational change. It will provide **support to the Lead Director for Transformation and the Transformation Advisory Group**, and will report on the performance of the organisation in delivering the Transformation Plan. It will also undertake checkpoint reviews across the programme lifecycle, and as necessary **escalate issues that are in exception and cannot be resolved** within programmes or portfolios themselves.

However, the Corporate Programme Office cannot purely be about managing the performance of projects and programmes. We also want the Programme Office to play a role in supporting the effective delivery of change by helping those responsible for projects and programmes navigate both project and programme and key decision-making processes and learn from best practice.

This will be achieved through **embedded assurance**, with one officer from the Corporate Programme Office sitting on each Portfolio Board. Their role will be to provide assurance by supporting Programme and Project Managers to **meet the required standards** and disciplines in project and programme management. For example this might be around:

- Supporting the development of programme documentation to the required standard
- Consideration of programme risks and management
- Gaining approval and recording of commitments against programme timetable or costs
- Identifying and helping to navigate decision-making requirements
- Supporting problem-solving of issues between programmes within a portfolio

Importantly, this embedded assurance will not become a proxy Programme or Project Manager, as they are not the responsible officers for delivery. It will instead provide support and guidance to make meeting the required standards easier for Project and Programme Managers. The Corporate Programme Office will act as a mechanism to offer **collective support and development** of Programme and Project Managers across the authority, helping to increase our capability and resilience in this important area.

## Roles & Responsibilities within transformation projects and programmes

Transformation Change Portfolios will lead all change activity across the County Council. In order to deliver change at the pace required, we will not be prescriptive about the governance or roles and responsibilities for projects and programmes within portfolios beyond four key roles. These are:



Beyond these roles it will be up to Portfolio Senior Responsible Owners to agree and determine programme and project resources and governance that they believe appropriate to the size, scale and complexity of the programme, and what is required to ensure effective delivery.

## **Portfolio Senior Responsible Owner (SRO):**

- Visible and proactive leadership and decision making
- An understanding and focus on delivery and achievement of vision
- Access to and credibility with key stakeholders
- Accountable for the Portfolio to the Transformation Advisory Group and the Transformation Board
- Appoint a board to govern the Portfolio

## **Portfolio Board:**

- Drive forward the performance of the programmes within the portfolio
- Membership should include Programme Managers and Business Change Manager
- Senior Officers with authority to make decisions, able to commit time and resources to the delivery of the programme
- Understand how the programme aligns with strategic objectives

## **Programme Manager:**

Programme Managers will be a ***dedicated resource*** for the specific programme. Good techniques for planning, monitoring and controlling programmes are a pre-requisite for this role.

- Day to day management of the Programme
- Accountable for the delivery of the Programme to the Portfolio Board
- Effective coordination of all interdependencies associated with the Programme
- Reporting of variance to SRO and Embedded Assurance Officer
- Work with Corporate Programme Office and SRO to agree assurance check points
- Will work positively to engage and manage relationships with a full range of individuals and groups

## **Business Change Manager:**

Each programme will be required to appoint a Business Change Manager. This is a senior role that works alongside the Programme Manager to prepare the business to adapt to the new ways of working or changes that programme is implementing. This is not a dedicated resource, but should be identified to work closely with the Programme Manager in ensuring effective delivery of the programme.

- Responsible to the SRO
- Understand and articulate the benefits of the programme to the business, acting as a champion for change
- Prepare the business for change
- Define how business will be delivered as a result of the change
- Monitor business stability and capacity to cope with the level of change
- Work closely with the Programme Manager to establish readiness to change and achieve the desired and expected outcomes

## Transformation Plan Milestones: Phase 1

Delivery at pace is a necessary pre-requisite if the authority is to achieve the many changes necessary to meet the challenges it faces in the future. As such, the high –level milestones for Phase 1 transformation, set out in the diagram below alongside the responsible officers, are both exceptionally challenging, but absolutely necessary.

| Phase 1: High-level Milestones                |   |   |
|---|---|---|
| Transformation Themes:                        | Milestones:   | Responsible Officers:   |
| <b>Market Engagement &amp; Service Review</b> | <ul style="list-style-type: none"> <li>Scoping brief for each review – agreed by <b>end October 2013</b></li> <li>Resource of Phase 1 review teams – by <b>end October 2013</b></li> <li>Identify Phase 2 Reviews – by <b>end February 2014</b></li> <li>Phase 1 reviews complete – by <b>end April 2014</b></li> </ul>   | <ul style="list-style-type: none"> <li>Corporate Directors</li> <li>Transformation Board</li> <li>Review Leads (TBC)</li> </ul>   |
| <b>Integration &amp; Service Redesign</b>     | <ul style="list-style-type: none"> <li>Cabinet discussion of proposed revised top tier operating framework - <b>October 2013</b></li> <li>30 day formal consultation with impacted senior managers - <b>October/November 2013</b></li> <li>Informal consultation with other staff and internal and external stakeholders - <b>October/December 2013</b></li> <li>Confirmation of alignment of staff to new customer service teams - <b>November 2013</b></li> <li>County Council approval of revised operating framework - <b>December 2013</b></li> <li>Appointment of Corporate Directors ^ Directors to revised top tier roles - <b>by March 2014</b></li> <li>Go-live of new operating framework - <b>1st April 2014</b></li> </ul> | <ul style="list-style-type: none"> <li>Corporate Directors</li> <li>Head of Paid Service</li> <li>Corporate Director HR</li> <li>Director for Transformation</li> </ul> |
| <b>Managing Change Better</b>                 | <ul style="list-style-type: none"> <li>Agree a resources plan for transformation - <b>by end October 2013</b></li> <li>Establishment of enhanced Corporate Programme Office - <b>by end October 2013</b></li> <li>Change Portfolios established - <b>by end October 2013</b></li> <li>Review and agree Programme Roadmap for all existing and new transformation activity in change portfolios - <b>by end January 2014</b></li> </ul>  | <ul style="list-style-type: none"> <li>Corporate Directors</li> <li>Director for Transformation</li> <li>Portfolio SRO's</li> </ul>                                     |

Reporting of achievement of milestones will be made through the Transformation Advisory Group to the Transformation Board. Updates will also be provided to County Council as required.

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