

**From:** Roger Gough, Leader of the Council

**To:** County Council, 16<sup>th</sup> July 2020

**Subject:** Strategic Reset – recovery, resilience and reset in Kent County Council

**Classification:** Unrestricted

**Past Pathway:** None

**Future Pathway:** County Council, 22<sup>nd</sup> October 2020

**SUMMARY:** Following a decade of difficult financial settlements and the huge social, economic and public service delivery impact of the COVID-19 pandemic, the operating environment of the council has fundamentally changed. The scale of the change now requires a strategic reset of the council, which reflects KCC's civic and strategic leadership role and commitment to public service. This paper outlines how our current Strategic Commissioning Authority operating model will need to evolve in an agile, flexible way. The council needs to successfully transform in a challenging financial context, whilst delivering essential COVID-19 recovery actions and maintaining financial and service resilience.

In the short term, the strategic reset will involve working with Members to set clear political priorities, amend the Budget for 2020-21 and create an Interim Strategic Plan. This will be supported by defining a new KCC-led Strategic Reset Programme to work as one council to design and deliver a cohesive, modern public service offer for all Kent's residents, businesses and communities. This will bring together change projects consistently across the council and create organisational design opportunities to transform the way we work, including our people, assets, technology, structures and service delivery.

In the medium term, it will prepare the groundwork to develop a new 5 Year Plan, which is fully aligned with budget planning and informed by engagement with Members, staff, residents and partners.

**Recommendation(s):**

County Council is asked to:

- (1) **Consider** the fundamental changes in KCC's operating environment and how this will evolve the Strategic Commissioning Authority operating model for the council.
- (2) **Agree** to develop political priorities to inform an Interim Strategic Plan for October 2020
- (3) **Agree** the roadmap to develop a new 5 Year Plan by 2021 (Appendix A)
- (4) **Agree** to provide oversight and decision making for the new Strategic Reset Programme (Appendix B)

**1. A FUNDAMENTALLY CHANGED OPERATING ENVIRONMENT**

- 1.1 The COVID-19 pandemic is the single biggest peacetime challenge KCC has faced. The collective effort from all parts of the council has meant that we have met this challenge head on and delivered despite the most difficult of circumstances. It has forced us all, very quickly, to find new ways of working. We have compromised, adapted, become agile, thought differently and engaged across services and organisations like never before. Underpinning this has been an inherent tolerance, compassion and respect for

each other and our individual circumstances, as each of us has done our best to continue to support our staff, Members, partners, residents and communities.

- 1.2 COVID-19 has served as a reminder of just what KCC can achieve when its scale and collective effort is singularly harnessed. Crucially it has also shown how much the public, private and voluntary sector in Kent expect, and rely upon, KCC to provide effective strategic leadership at a time of emergency. The 'Kent Together' work has encapsulated the spirit and resolve of our staff and partners to join together and quickly adapt public services to support those in need. Together we have also taken immediate steps to secure financial viability for businesses, charities and community organisations impacted by the lockdown.
- 1.3 We now face the challenge of transitioning into recovery arrangements, whilst still delivering a significant ongoing response to the pandemic, balancing both the multi-agency and KCC recovery efforts. Essential recovery actions will have to be delivered whilst local and national efforts to contain the spread of the virus through social distancing and other measures, and to effectively plan and prepare for further waves, are continuing.
- 1.4 At the same time as tackling the service delivery challenges posed by COVID-19, we face a mounting financial imperative for change. The council, alongside all local authorities across the country, now faces substantial financial pressures, including potential losses in financial income, hidden and rising demand for services, and potential risk to the council tax and business rates tax base.
- 1.5 The financial pressure is amplified by uncertainty on the sufficiency of Government funding to recover the additional costs of delivering essential COVID-19 response and recovery actions. Whilst we have faith that the Government will hold its commitment to supporting local councils, we may have to accept that some expenditure in response to COVID-19 will not be recovered because it was beyond the Government's definition of support, but was necessary where we had to act quickly in the interests of Kent's residents.
- 1.6 The financial challenge we now face cannot be removed from the context of the scale of efficiencies we have taken over the last 10 years to protect frontline services. There remains a great deal of uncertainty about the detailed impact on our budget, which is influenced by a range of external factors. The breadth and depth of the economic challenge ahead will be influenced by the local, national and international economic recovery as businesses, markets and all aspects of civic life adapt to operating under continued COVID-19 restrictions. This will further impact our costs, prices and commercial investments.
- 1.7 Immensely difficult policy and budget decisions, in-year within 2020-21, 2021-22, and beyond into the medium term (next 3-5 years), will be necessary to protect KCC's financial and service resilience. This is an unprecedented challenge, but we have the financial expertise, strong political resolve and management discipline to deliver a balanced budget and transform service delivery. Our approach will have to be every bit as flexible and agile as our response to the virus.
- 1.8 As such, it was necessary to pause our corporate planning, cancelling the approval by County Council of the draft 5-Year Plan due at March County Council. It quickly became

clear that this will not be a return to a pre COVID-19 'business as usual' – instead, what is required is a fundamental strategic reset of the council to adapt to a post COVID-19 operating environment.

- 1.9 It is imperative that our strategic planning is shaped by the reality of Kent during and as we emerge from the COVID-19 crisis, in response to the opportunities and challenges arising from a fundamentally changed operating environment post COVID-19. Our strategic and financial planning needs to adapt, so we can be clear on the short term action that is necessary for successful recovery, to build resilience and begin the strategic reset of the council, whilst preparing a clear direction of travel for the medium term and beyond.
- 1.10 Whilst COVID-19 significantly shapes our council, it is not the only catalyst for change. The public services landscape was already shifting – the Government's direction of travel on devolution, service integration and the importance of levelling up local economies was clear. The ongoing policy challenges we faced in terms of growing service demand, additional statutory requirements and increased resident expectations increasingly requires greater collaboration, system-wide planning and a strong understanding of risk across public services. The economic recession and likely structural shifts in the economy from COVID-19 will now be a further driver for wholesale public service reform.
- 1.11 Our engagement with residents and partners to develop the 5 Year Plan during 2019-2020 echoed these shifts. Residents told us that place-based and community services were vitally important to their quality of life, alongside our core role of protecting and championing vulnerable people. Kent residents wanted to engage with the council and share their views. They felt job security and quality jobs were essential for the local economy, that there was potential for services within KCC and partners to work even closer together to join up service delivery and to empower strong communities and civil society, so communities and voluntary sector organisations can help create the right solutions for their local area.
- 1.12 KCC had already begun responding to changes in the wider operating environment, mobilising business change in our services, technology, companies and assets. The COVID-19 emergency and resulting financial challenge has now exponentially accelerated the need for further pace and scale in transformation of services that is required. Incremental change or gradual evolution will not be sufficient.

## **2. EVOLVING A STRATEGIC COMMISSIONING AUTHORITY MODEL**

- 2.1 KCC's current Strategic Commissioning Authority (SCA) operating model evolved between 2014 and 2020, leading to significant changes in our structure, commissioning and commercial interests. Over the last decade KCC has taken the difficult, yet necessary, budgetary decisions to protect frontline services, minimising council tax rises for residents during a prolonged period of financial austerity for local authorities. The continued constraints on local authority finances meant a SCA model was a logical policy response given many of our services are delivered by third-party providers.
- 2.2 The SCA model has demonstrated considerable strengths and achieved some notable successes for the council. KCC strove to take a more strategic approach to improve the consistency of commissioning practice, deliver cost-efficient commissioning and drive better value for money from contracts and markets. A stronger commercial focus secured substantial contractual savings. It also led us to pursue alternative service delivery models and focus on income generation by creating wholly-owned trading companies. However, the substantive changes in the operating environment now mean

we must draw on these strengths whilst evolving the SCA model to adapt to the new challenges and opportunities we face as a council.

- 2.3 Pursuing the SCA model whilst the council's core spending power and Government grant reduced, required a strong level of financial discipline and focus to reduce overheads and make efficiencies in order to protect frontline delivery and deliver an annual balanced budget. This commercial focus in our service commissioning has provided strong value for money, informed by a better understanding of the market, effective price negotiation and disciplined contract management. However, the focus on protecting frontline services placed additional financial constraints on corporate support services, limiting capacity to support service design and delivery and manage change from a whole council perspective.
- 2.4 The opportunity is now to maintain that financial and commercial discipline, whilst broadening our outlook from value for money towards public value. Public value places less emphasis on measuring inputs, outputs and outcomes for specific services with a stronger focus on delivering the value driven outcomes defined by the public as a collective good. As such, it requires greater resident engagement in addition to service user engagement and creates a fuller role for Members in strategy and policy development, ensuring that service design is driven by community needs. Public value also challenges organisations to consider the impact of their own collective effort and resource, but also that of local systems and partners, rather than a specific service or budget line. It inherently promotes a collaborative, rather than competitive or market orientate approach to service design, delivery and decision-making.
- 2.5 The financial challenges for a SCA model required a shift towards more targeted service provision, with service design focused on the needs of our core service users and client groups. Our service commissioning necessarily focused on statutory definitions of vulnerability and our engagement centred on service users. The COVID-19 emergency has demonstrated that although the targeted support for the most vulnerable remains critical, Kent residents also value a more universal service offer, which better understands and reflects different community and resident needs across our diverse, distinctive county.
- 2.6 This presents an opportunity to actively consider place and community in our service delivery and transform our service offer, including collaboration with local partners in prevention, reducing inequalities and developing community capacity and resilience. COVID-19 response and recovery has demonstrated the importance of collective responsibility; across KCC, partners and sectors, with real potential for transformation and innovation in public services.
- 2.7 The SCA model placed a strong emphasis on market engagement and market shaping, using KCC's strategic scale to play an active role in the market, particularly for adults and children's services. It helped to deliver more effective commissioning around client groups and ensured that commissioning strategies were informed by a robust understanding of the market position. However, COVID-19 has exposed some of the fragility, fragmentation and vulnerabilities in those markets, particularly for commissioned services delivered by the voluntary, community and social enterprise (VCSE) sector.
- 2.8 There is now an opportunity to use our commissioning role to help strengthen market sustainability and to manage risk effectively to protect essential community services. Building sustainability and resilience are critical to a post-COVID environment and this will become an essential part of our dialogue with Government and partners. This focus

on resilience applies across markets, sectors, organisations and services. The strong relationships with health and social care providers and the VCSE sector during COVID-19 recovery have demonstrated real opportunities to evolve our commissioning culture, explore collaborative commissioning and develop greater market insight.

- 2.9 A key objective of the SCA model was to professionalise commissioning through new capability, specialisation and improved consistency. Improvements in the quality of our commissioning practice and standards have been successful. There is now an opportunity to develop greater strategic connections between services across the organisation, as we seek to transform services. Stronger analytics and effective data sharing with partners will ensure that changes are optimal not only for services or client groups, but the whole council or community. Members will need to make challenging policy and budgetary decisions, so officers will need to provide the right balance of evidence, insight, advice and understanding of risk and opportunity.
- 2.10 The SCA model led KCC to create a series of wholly owned trading companies, now within a holding company arrangement, driven by a strong imperative for income generation. Our companies have been a key asset in our response to COVID-19 - from the seamless transition to remote working to the purchasing of PPE directly from manufacturers. There is now an opportunity to evolve our engagement with the trading companies to become more strategic, commissioning the companies to meet the collective needs and priorities of the council as a whole.
- 2.11 The need to evolve the SCA model, in addition to the financial demands and impacts of COVID-19, means there is an imperative to reset our approach. The SCA operating model provided valid policy choices at the time, which could have been sustained for longer in a more normal operating environment. However, the future operating environment is not 'normal' and necessitates a strategic reset for the council.

### **3. THE NEED FOR A STRATEGIC RESET**

- 3.1 KCC serves the needs of 1.6 million residents in Kent's communities, not as merely a commissioner or provider of services, but as a community leader that inherently reflects, represents and responds to their values and priorities. As the Government will be increasingly focussed on the efficacy of local public service delivery, economic recovery, investment in infrastructure and devolution, the county council has the capacity, capability and drive as the strategic authority for Kent to be a trusted partner to Government.
- 3.2 This is a once in a generation opportunity to make significant shifts in a number of areas which have been subject to evolving change for some time. The foundations are strong, but the window of opportunity is limited. People within KCC and across Kent are all having to experience new ways of doing things and different ways to live, interact and receive services. While timescales for transformational change have to be realistic (both politically and operationally), it is critical that we move at pace.
- 3.3 Post COVID-19, KCC faces a multitude of challenges, potential opportunities and a jigsaw of different change activities which are already underway. It is essential that these different elements come together and mutually reinforce each other, in a coherent and powerful picture. We need clarity in every part of the council about what we want to achieve together and how we will deliver this. We have seen in the COVID-19 response how much we can achieve in a short time when we have a single, clear overriding focus. This level of focus and momentum will be required to successfully deliver strategic reset

as a whole council. This will require collective leadership and accountability at all levels, with fully aligned strategic and financial planning.

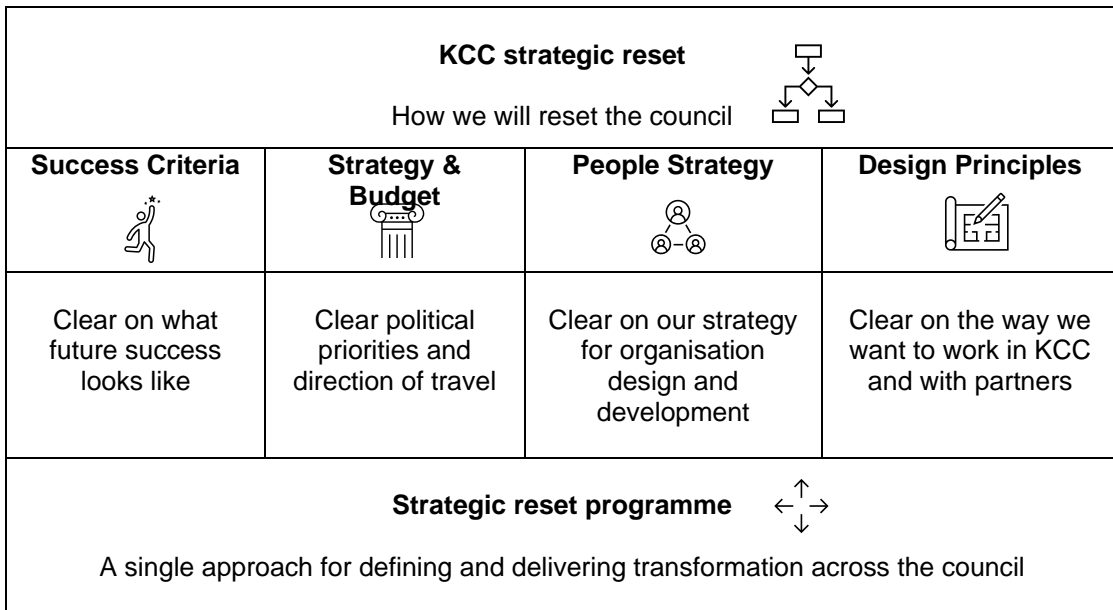
3.4 There are three fundamental aspects to the strategic reset:

- **Recovery** – KCC’s community leadership role is to contribute to an effective and successful recovery from COVID-19 across Kent and Medway. This involves delivering essential short term recovery actions, within the council and with our partners, to restore operational service delivery, mitigate impacts on our communities and businesses, and seize opportunities to build on new ways of working. Recovery will take time and run in parallel to continuing response activities and planning and preparation for second waves or localised lockdowns.
- **Resilience** – Financial and service resilience is critical in a post COVID-19 environment. We need to ensure we take necessary in-year action to deliver a balanced budget and effectively plan ahead to secure financial sustainability and future budget options. We will focus on strengthening service resilience for Kent’s residents and communities, in critical service areas. We also want to enhance individual, community, sector and economic resilience across Kent.
- **Reset** – This is an opportunity to reset our political priorities, to guide challenging policy and budget options and prioritise the transformation of services across the council. There are a number of existing change activities across the council, which need to be pulled together into a cohesive programme, alongside newly identified projects. This will create organisational design opportunities to transform the way we work, including our people, assets, technology, structures and service delivery.

#### **Key components of the strategic reset**

- 3.5 The strategic reset is built on clear success criteria (what success looks like) and aligned strategy and budget (strategic planning), both of which need to be shaped by the political priorities which will need to be defined by Members.
- 3.6 These priorities will help to prioritise strategy, budget and transformation activities, creating a clear direction of travel and a roadmap for actions which need to be taken in the short and medium term. This will be brought together by delivering a single strategic reset programme to manage change effectively cohesively and consistently across the council (Section 4).
- 3.7 None of this can be achieved without effective leadership and the right values, skills, culture and behaviours from our staff. Therefore, the operating model needs to be complemented and underpinned by a new People Strategy and Design Principles (Section 5). This will create opportunities to adapt and evolve our organisation design and any necessary structural changes as we transform as a council.

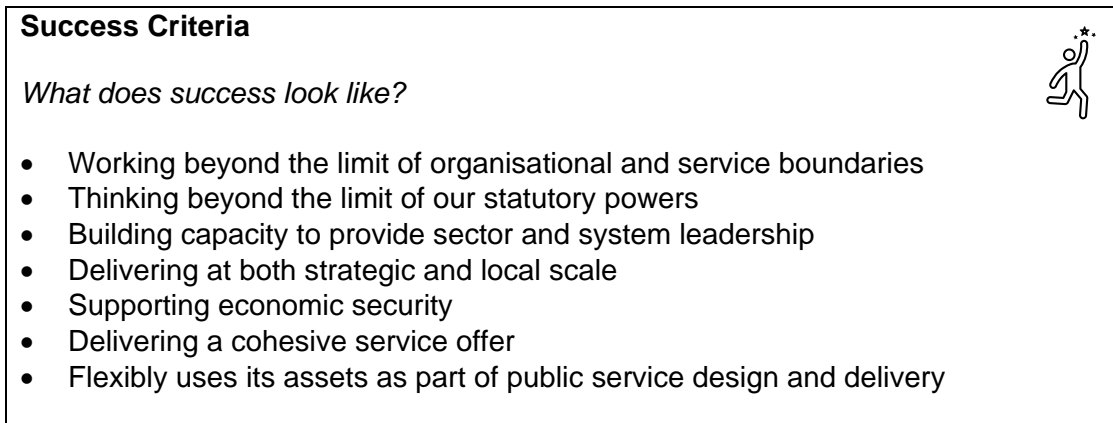
Figure A: Key elements of the strategic reset of the council



**Strategic reset success criteria**

3.8 It is important that the council is united with a collective focus and a shared sense of what success looks like. The strategic reset success criteria set out clear expectations which will need to be considered in all aspects of design, delivery and decision making.

Figure B: Summary of success criteria



3.9 **Working beyond the limit of organisational and service boundaries** – all organisations require some element of structure and boundaries to operate effectively. Whilst we can periodically restructure our services to bring them into better alignment, we must also accept that no structure is perfect and that they are anyway inherently artificial to the public and to our partners who see us as one council. The excellent collaboration across our own services and with other organisations in COVID-19 response and recovery provides the opportunity to hard wire a multi-disciplinary and multi-service approach into our organisational culture. It will also require a stronger emphasis on collective decision-making and leadership across the organisation, rather than it predominantly being held within service boundaries. Such an approach can lead to better more cost-effective service delivery which will be important given the financial constraints across public services.

- 3.10 **Thinking beyond the limit of our statutory role and powers** – COVID-19 has proven that in many cases, the expectations of both Government and our residents have been focussed on the practical and pragmatic support the county council provide to help meet their needs, and is less focussed on whether or not the council has the statutory role or powers to do so. It is simply assumed that we can. It has allowed the council to be far more dynamic and agile in determining its priorities and how it can deliver them. This is positive opportunity to rethink what we do and how we do it, which should not be limited to emergency situations. It should become the norm, but will require a mature approach to risk appetite, with a well-informed judgement of acceptable risks. The pre COVID-19 behaviour of designing services and making decisions based on the reasonable worst-case scenario, or the narrow statutory interpretation of our powers and role, must end.
- 3.11 **Building capacity to provide sector and system leadership** – pressing financial and recovery challenges and limited capacity often means that managing immediate ‘point in time’ service or financial pressures becomes the priority. But complex public service challenges need a response focussed on providing leadership, rather than a managerial or service response. COVID-19 has reminded us that the leadership role that public, partners and government expect of KCC is inherent. We need to develop additional capacity and capability at both officer and member level to provide system leadership. This is now the opportunity to attract, nurture and develop a very different mix of leadership skills that will be required for the council going forward. This needs to be leadership at all levels from political leadership, with Members providing clear priorities and a strong sense of civic and community leadership, actively representing their communities, to officer and service leadership.
- 3.12 **Delivering at both strategic and local scale** – Serving almost 1.6 million residents, means that KCC has always operated at strategic scale. Only the county council has the wholesale oversight of strategic needs and democratic accountability to represent all Kent communities. As the largest county council in England, we also have a unique role to visibly and robustly stand up for Kent’s distinctive needs at a national and regional level. We have also recently seen the benefits of operating at scale, such as having the capacity to use our companies to directly procure from manufacturers Personal Protective Equipment for the Kent social care sector and not be wholly reliant on national government. However, the county does not exist as an abstract entity in and of itself. Kent is the collection of districts, towns and villages in which our local residents live and our local businesses operate. We cannot lose the local, we must remain connected to our communities – recognising and valuing the distinctive challenges our rural, urban and coastal towns and villages face. Key to delivering at local scale is the engagement and commitment to working with partners. Very often local partners are frustrated with the need for decisions about local services to be referred back up to County Hall for decision. That is not the hallmark of either a confident or locally focussed organisation. Instead, we need build on the COVID-19 approach where local managers have the authority and autonomy to be able to work with local partners to solve local service problems quickly and decisively and be supported to do so by the organisation as a whole.
- 3.13 **Supporting economic security** – economic insecurity, whether at a personal or community level, can drive financial and health inequalities that have a lifelong effect, impact quality of life and drive future demand for services. Even if there is a national economic recovery from COVID-19, there are likely to be differential negative impacts on vulnerable individuals, communities and business sectors. Our engagement in supporting economic security must happen at both the personal and sectoral level. We



must forge a new relationship with more of Kent's businesses, especially those in the SME sector that make up the majority of Kent's employers and especially those sectors that may struggle to recover from the impact on COVID-19. We should use the county council's scale and purchasing power in the Kent economy to play a significant role in supporting resilience and economic recovery, especially combined with an infrastructure-first approach to strategic planning so local communities have quality places, with the essential infrastructure and services they need. But at the personal level we must target support for vulnerable groups who are economically insecure. We need to improve economic participation, skills and employment opportunities to help close inequality gaps. This may involve a more direct role in employment support.

3.14 **Delivering a cohesive service offer** – KCC should be more than the sum of its parts, it should be more than a collection of individual and stand-alone services grouped together within an organisation. This goes beyond the need to create a narrative or justification for why particular services are provided by the county council or what it is seeking to achieve, although this is important and needs to be developed and communicated. It should also be felt in the everyday experience of accessing and using KCC services, in their look and feel through a common set of design principles, particularly although not exclusively, in the digital shift in service delivery that has been afforded and proved by our response to COVID-19. Critical to this will be sustaining engagement with a broad selection of Kent residents so we understand both countywide and local issues from their perspective. The opportunity to utilise modern, digital solutions to gather quantitative and qualitative views from residents at lower cost and effort means there is no excuse not to undertake more engagement and codesign in the scope of our service offer.

3.15 **Flexibly uses assets as part of public service design and delivery** – We will be flexible and responsive to fully optimise our people, companies, assets, structures and technology in a more strategic way. We will take a more creative and strategic approach to asset utilisation, enabling radical changes to the way we work and enhance the environmental standards of our property estate. We will develop a new Technology Strategy to inform new digital and business solutions. There is a need to reset the relationship between the trading companies and KCC services, with a recognition that the value the companies provide goes beyond the commercial and beyond the dividend return. Our trading companies are valuable KCC assets and the value the companies provide goes beyond the commercial and dividend return. They could be used to help lower our cost base, redesign services and deliver and procure goods in ways not open to the county council directly. In short, they can trade commercially and provide a key role in supporting the council to deliver public value for Kent residents and business.

#### 4. **STRATEGIC PLANNING AND STRATEGIC RESET PROGRAMME**

4.1 We need to progress our strategic planning at pace, to get the right elements in place to successfully deliver a strategic reset. **Appendix A** sets out the strategic reset roadmap to develop this over the short term to quickly build momentum, looking ahead to the development of longer term political objectives in a new 5 Year Plan in 2021.

4.2 A critical part of the roadmap is engagement and discussion with Members and officers across the council. This is very much a 'doing with' not 'doing to' endeavour, where we value the contribution of different ideas to inform our thinking. There will be opportunities for elected Members to work together over the summer to define political priorities and budget options which will shape our strategic and financial planning. It will be important

there is both political and officer leadership to use these to prioritise essential budget and transformation actions over the coming months.

### **Strategic planning**

- 4.3 It is vital that we maintain our sights on the long term direction of travel for the council, but we need to accept that the immediate priority is to effectively respond to operational and multi-agency recovery and financial challenges over the next 12 to 18 months. There remains a significant degree of uncertainty and unknowns about the ongoing impact of COVID-19 and local government finances, which will impact our medium term strategic planning - KCC's 5 Year Plan and Budget.
- 4.4 Our solution is to develop an Amended Budget for 2020-21 and Interim Strategic Plan this autumn to clear the way forward in the short term, then as events evolve, we will develop a longer term 5 Year Plan (strategic plan) later in 2021. This will create the opportunity to fully align our strategic and financial planning cycles together, alongside shared resident engagement and a clearer understanding of financial implications from COVID-19 emergency funding, the Local Government Finance Settlement, Fair Funding Review and future changes to business rates and council tax arrangements.
- 4.5 Our strategic planning will be informed and responsive to the COVID-19 recovery work taking place both within KCC itself, and more broadly with our partners across Kent and Medway. The recovery planning will help to define clear short, medium and long-term actions where KCC will need to provide strategic leadership and play an active partnership contribution. Recovery delivery will be the responsibility of individual organisations, with oversight and decision making through normal governance arrangements.
- 4.6 Engagement with Members will begin in July and will continue to be undertaken with Members over the summer, as we define political priorities which will determine future policy and budget development. This will include virtual Member discussions workshops, to listen to a range of perspectives and reflect Member's views from the Kent communities they represent.
- 4.7 Corporate Board (Cabinet and CMT) will work together throughout July and August to develop political priorities into budget options, in preparation to Amend the Budget for 2020-21 at County Council on 10<sup>th</sup> September. The development of the Amended Budget will be essential to deliver in-year efficiencies to balance the budget and will also help to shape the longer term development of the budget to 2021-22 and beyond. This will be vital to prepare challenging budget decisions which may need to be made across our revenue and capital budgets.

### **Strategic Reset Programme**

- 4.8 To manage this extensive change cohesively across the council, a new KCC-led Strategic Reset Programme will be defined over the coming months. It is important that the programme is collectively owned by the whole council and has strong political and officer leadership. This needs a disciplined approach and a clear roadmap to progress the strategic reset quickly in every service across the council.
- 4.9 The strategic reset programme will have to fully align to the political priorities agreed in KCC's strategic plan and be designed to ensure the operating model can deliver those priorities and is affordable in the current financial environment. The governance of the programme is set out in **Appendix B**.

- 4.10 Political leadership of the programme will be provided by Cabinet, who will agree the programme objectives, methodology and financial parameters, to ensure alignment with their political objectives and strategic plan. The Leader will convene a Strategic Reset Member Working Group, that will oversee progress and make any required policy decisions within the overall political strategy. Members will be engaged throughout the process, with County Council providing oversight and approval for the programme, to ensure a whole council focus.
- 4.11 Officer leadership will be provided by the Head of Paid Service acting as the design authority for transformation and CMT acting as the programme board, supported by the Directors responsible for multi-agency and operational recovery. CMT will hold weekly meetings, chaired by the Corporate Director of People and Communications, responsible to the Head of Paid Service for delivery of the programme.
- 4.12 The political and budget priorities identified by Members and chief officers will help to define priority projects within the programme, which are critical for recovery, resilience and reset, with clear stages of activities prioritised over the short to medium term. CMT will advise Cabinet on the phasing of priority change activities. This will require careful management and highly structured phasing of multiple projects, to sequence and align change activities in the right priority order. There is already a large amount and wide variety of existing change activities underway in the council, which have critical interdependencies that may present risks to successful delivery. There will also be new projects which need to be identified to deliver political and financial priorities.
- 4.13 It is essential that the programme is mindful of the capacity and resource constraints within the council and therefore it will be critical to make clear decisions about the programme scope. The programme will pull together both new and existing change projects, in a cohesive way, determined by organisational priorities. CMT will advise Cabinet on which projects across the council should be accelerated, aligned, re-scoped, delayed/re-sequenced or stopped, as part of the programme definition. For example, COVID-19 provides an opportunity to accelerate and align our digital, technology and property innovation projects. All activities within the programme will need to be clearly aligned to the strategic priorities of the council.
- 4.14 Service leadership of projects will be delivered within directorates, supported by call-off arrangements with strategic partners where necessary to provide additional capacity as services continue to deliver essential COVID-19 response and recovery work.

#### **Delivery over the short to medium term**

- 4.15 The council's substantive political, budget and reset programme priorities will be brought together in an Interim Strategic Plan, which will be considered by County Council on 22<sup>nd</sup> October, setting out the actions the council needs to take over the next 12 to 18 months, as we emerge through recovery to deliver our priorities and fundamentally new ways of working. In a complex and uncertain operating environment, the Interim Strategic Plan will be important to draw all these strategic strands together in one place and to provide clarity on what the whole council needs to prioritise and achieve together.
- 4.16 The pace is necessary given the scale and complexity of the change required. We need to define and mobilise budget actions and reset projects quickly, but we are committed to ongoing dialogue, discussion and feedback throughout the process, creating a plan which reflects member priorities and local need.

- 4.17 The new 5 Year Plan will be developed in 2021, providing time to meaningfully engage Members, include a new cohort of Members following 2021 county elections, in defining the longer term political objectives for the council. The 5 Year Plan is the flagship strategic plan for the county council and it requires whole council ownership.
- 4.18 Our strategic reset is ultimately for the benefit of Kent residents and must be done with their involvement. A real strength of last year's strategic planning was meaningful resident engagement, where we had joined up discussions with Kent residents on our future strategy and budget. We want to ensure there is sufficient time to fully engage people in the long term plan for the council, ready to inform a new 5 Year Plan for December 2021. We are committed to continuing to engage with residents via virtual surveys or online focus groups and public consultation to gather their views to shape and inform our thinking. We know the value of extensive engagement and how those insights and ideas can shape better quality public service solutions.
- 4.19 We know that more of our work will involve close collaboration with our partners, so partner engagement will also be critical to ensure we have common goals for working together to support Kent's residents, businesses and communities. We had a strong and positive response from partners in the previous 5 Year Plan consultation which included excellent suggestions for shared objectives, which we would like to develop further.

## **5. THE IMPORTANCE OF BRINGING OUR PEOPLE WITH US**

- 5.1 KCC's biggest asset is our people. The dedication, resilience and commitment to public service from our staff during the Covid-19 emergency has been an exemplary strength. As we move towards a strategic reset of the council, we need to consider the type of employer we wish to be and explore what kind of workforce is required to deliver this, at every level in the organisation and across every service.
- 5.2 As we look ahead to our new political and transformation priorities, we need to ensure that we bring our people with us and put them at the centre of this work. We need to build on the positive experiences we have seen in the changes in working practices and staff engagement and seek to enhance our future workforce resilience. This is a real opportunity to move away from old thinking, attitudes and processes by resetting our People Strategy.
- 5.3 Central to this will be renewing our Organisation Design principles, which describe how we want to work together within KCC, including our organisational culture, values and behaviours. As our People Strategy changes, it needs to be supported by the right organisation structures, leadership capabilities and cultural development.
- 5.4 This will be captured in a new Organisational Development Plan to put the right approaches in place to successfully develop our workforce, guide a new relationship with staff and reset Psychological Contract between Employer and Employee. This will need to carefully consider the impact on management, teams, individuals, organisational effectiveness, wellbeing and safety, building on learning from response and recovery.
- 5.5 We know our staff are highly engaged and want to play their part in making difference to KCC's strategic objectives. We will use all the technology tools at our disposal to engage with our staff and services across the council.

## 6. NEXT STEPS

- 6.1 As set out in **Appendix A**, extensive discussions will take place with Members and chief officers from July to September, to define and prepare for the strategic reset. Members will be involved in virtual meetings and workshops, including political group discussions. The Strategic Reset Programme, including the Strategic Reset Member Working Group, will also begin to be defined and mobilised.
- 6.2 County Council will consider the Amended Budget for 2020-21 on 10<sup>th</sup> September and discuss and approve the Interim Strategic Plan on 22<sup>nd</sup> October.
- 6.3 Further updates on strategic planning and the strategic reset will be provided to County Council throughout 2020 and 2021.

## 7. RECOMMENDATIONS

7.1 County Council is asked to:

- (1) **Consider** the fundamental changes in KCC's operating environment and how this will evolve the Strategic Commissioning Authority operating model for the council.
- (2) **Agree** to develop political priorities to inform an Interim Strategic Plan for October 2020
- (3) **Agree** the roadmap to develop a new 5 Year Plan by 2021 (Appendix A)
- (4) **Agree** to provide oversight and decision making for the new Strategic Reset Programme (Appendix B)

## 8. BACKGROUND PAPERS

- 8.1 Appendix A – Strategic Reset Roadmap
- 8.2 Appendix B – Strategic Reset Programme Governance

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