

## Overview and Scrutiny Board 20 December 2011

### WCC's Transformation Programme - Achieving our Ambitions.

#### Recommendation

Overview and Scrutiny Board are recommended to note and comment upon the report, attached as Appendix A, considered by Cabinet at their meeting on 17<sup>th</sup> November, 2011

#### 1.0 Key Issues

- 1.1 Overview and Scrutiny Board requested an update on the transformation programme and the attached report outlines how the County Council proposes to fundamentally review all functions over a three year period and how it will seek to maximise the outcomes being achieved for Warwickshire.

#### 2.0 Implementation Proposals

- 2.1 The report also sets out a proposal by which the Council will seek to deliver the transformation activities necessary and in particular outlines the review element of that transformation.

#### 3.0 Timescales Associated with the Decision/Next Steps

- 3.1 Officers will provide a verbal update at the meeting following consideration of the report at the Cabinet meeting on 17<sup>th</sup> November 2011.

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## Cabinet 17<sup>th</sup> November 2011

### WCC's Transformation Programme - Achieving our Ambitions.

#### Recommendation

Cabinet are recommended to:

- Endorse the overall approach to transformation outlined within the report
- Approve the schedule for reviewing all Council Services over the next three years as detailed within 2.2
- Agree the basis for functional review as set out in 2.3
- Agree the principles and associated design criteria associated with the review process as detailed in 2.4
- Endorse the organisational arrangements to be put in place to deliver the transformation agenda as set out in 2.6

#### 1.0 Key Issues

- 1.1 Like many authorities, the County Council has and continues to face significant financial pressures and the key challenge for the Council is to focus shrinking resources on achieving improved outcomes. Whilst this is a challenge, it also provides an unprecedented impetus and opportunity to review the success of the County Council in achieving its aims and ambitions. It also provides an opportunity to actively involve stakeholders in the process of redesigning functions where ambitions are not being achieved with the simple aim of improving outcomes for the citizens of Warwickshire.
- 1.2 This report outlines how the County Council will deliver its ongoing transformation agenda, how it will fundamentally review all functions over a three year period and how it will seek to maximise the outcomes being achieved for Warwickshire.
- 1.3 The report sets out how all major change will be managed in a coordinated way across the organisation. The report explains how a single process will seek to test, via a series of gateways, whether services are meeting the Council's ambitions; how they can be best improved, including, if necessary, the consideration of alternative ways of delivering them and how the Council will cease undertaking functions which are no longer a priority. The report sets out the principles associated with the proposed review process and in particular highlights the need to engage with citizens, service users, customers, delivery partners, staff and other stakeholders to consider how the ambitions of the Council can be better achieved.
- 1.4 Given the challenges facing the County Council the Council committed in February 2011 to become a "business led commissioning organisation", and has set out the ambition to "redesign all services" over the next three years.

1.5 Following this commitment work has been undertaken to:

- Develop a view of what being a business led commissioning organisation means for Warwickshire.
- Develop an approach to systematically review all services over the next three years.
- Understand existing and planned transformation already underway and identify the progress of the organisation's transformation journey.
- Develop clear roles, responsibilities and organisational arrangements to manage transformation moving forwards.

1.6 This work has resulted in a number of outputs, notably including:

- Refocusing of the activities of Strategic Directors Leadership Team (SDLT) into acting as the Programme Board for transformation with a consequential renaming of SDLT as the Corporate Board.
- Establishing a single channel for managing future major change within the organisation.
- Developing a comprehensive Implementation Plan that sets out steps to be taken to deliver the service review element of the transformation activity.
- Forming a Corporate Programme Management Office to drive the transformation forwards on a one organisation approach.

1.7 These actions and outputs are required to deliver the next stage of implementing our transformation journey in an efficient, effective and timely manner.

## **2.0 Implementation Proposals**

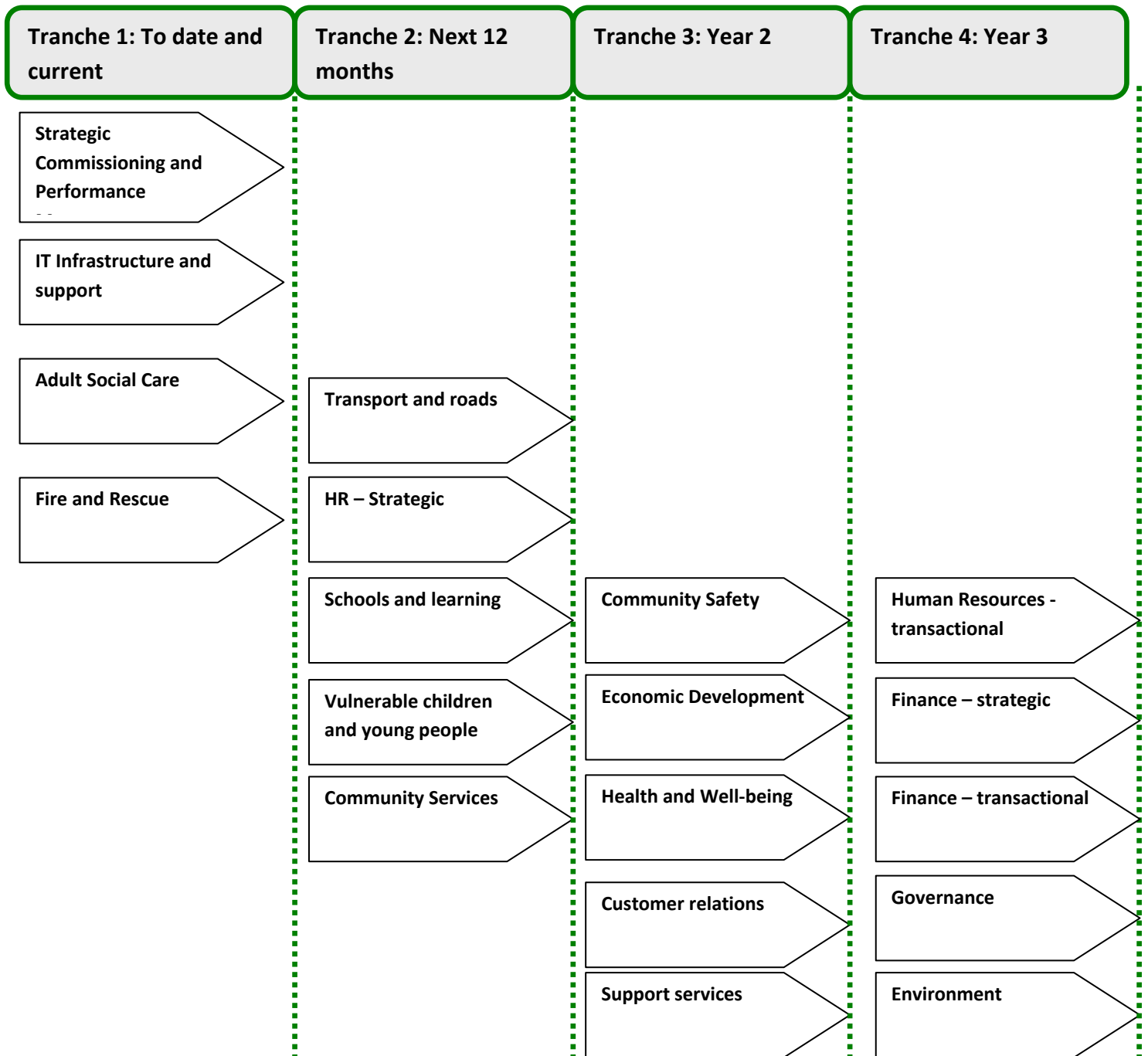
2.1 This section of the report sets out a proposal by which the Council will seek to deliver the transformation activities necessary and in particular outlines the review element of that transformation.

### **2.2 Grouping and Sequencing of Functions for Review**

2.2.1 As set out within 2.1 the County Council has committed to review the entire organisation over a three year period. Given the size, scale and complexity of County Council there is a need to programme the sequence of review activity to be undertaken. The proposed schedule of reviews are detailed in figure 1 below and Cabinet are requested to approve the schedule of review activity.

2.2.2 It should be noted that the 'bundling' of functions is based primarily upon shared outcomes. The descriptors used for each bundle aim to give a 'sense' of function and does not directly correlate to the current organisational arrangements. Further detail as to the exact nature of service activity functions within each bundle, and more detail as to the rationale of the 'bundling' is detailed within the Implementation Plan which will be made available upon request.

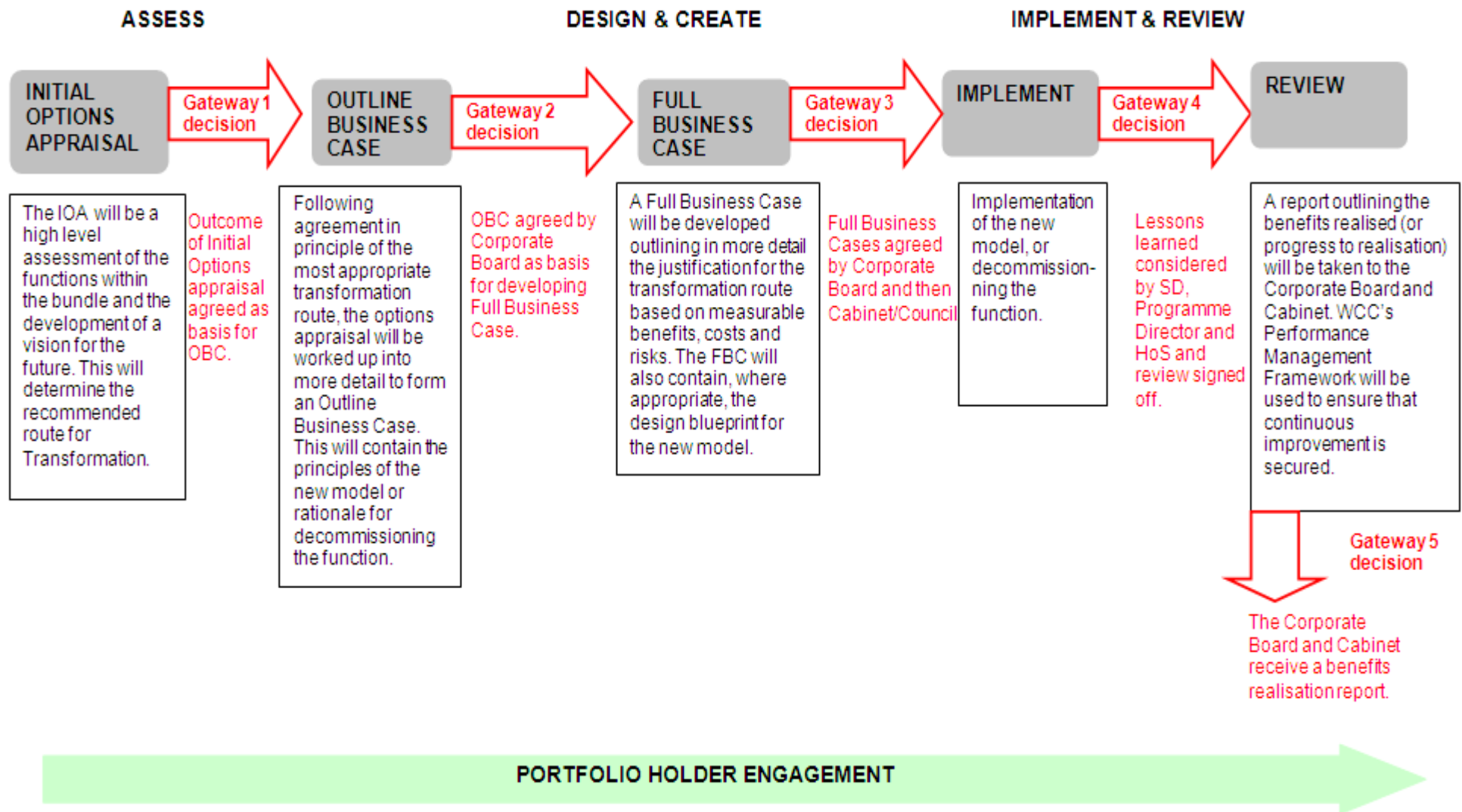
**Figure 1- Review Schedule**



### 2.3 Functional Review Process

2.3.1 The process by which it is intended to review, systematically, the entire organisation over a three year period is designed around a ‘gateway’ process which provides for opportunities to consider and reflect before making key decisions. An outline of the proposed process showing the various stages and each ‘gateway’ is detailed within figure 2 below. Cabinet are requested to consider and agree the review process set out further within this section.

**Figure 2 – Review Process**



2.3.2 The key decision is the decision by elected Members at Gateway 3 to implement a full business case for each service

2.3.3 The reviews will be predicated around five themes\*<sup>1</sup>:

- **Centred on people:** putting people and communities at the heart of the process, ensuring they are engaged in the design and delivery of services.
- **Collaborative** : developing a three-way relationship between commissioning organisations (including the Council's partners), providers of services, and our communities.
- **Better evidenced through deeper analysis** : using market intelligence, needs analysis, commercial awareness and options appraisal to look at all delivery options which will deliver improved outcomes for the people of Warwickshire.
- **Sustainable:** Focusing on quality and value for money so that the best outcomes can be achieved within the resources available.
- **Challenging:** incorporating constructive challenge into the review process, including options appraisal, cost and performance measures, and potential to realise desired outcomes.

2.3.4 The approach developed to review services is relatively simple and can be summarised as "Assess, Design & Create, Implement & Review".

2.3.5 Stage 1: Assess

An Initial Options Appraisal will be completed for each functional bundle (see 3.5 and 3.6). It is at this stage that the most appropriate route for transformation is identified from the following options:

- Redesign and improve,
- Consider different ways of delivering a service (via a strategic commissioning review), or
- Decommission services no longer deemed a priority.

The route for Transformation will be determined based upon an evidence based analysis seeking to test:

- Whether a function is achieving the Council's desired outcome(s).
- Whether the function remains a priority for the organisation.

2.3.6 A high level vision for the function(s) will be developed and initial benefits identified. Following agreement in principle of the most appropriate route for transformation, the Initial Options Appraisal will be worked up into more detail to form an Outline Business Case.

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<sup>1</sup> Principles based on *Improving the strategic commissioning of public services: a joint LGA/CBI vision* – June 2008

### 2.3.7 Stage 2: Design and Create

2.3.8 Following agreement by the Corporate Board, in consultation with the relevant Portfolio Holder, of the Outline Business Case, a Full Business Case will be developed outlining in more detail the justification for the transformation route based on measurable benefits, costs and risks and the future design.

2.3.9 The Full Business Case will be considered by the Corporate Board and then by Cabinet/Council. (It is expected that Council will only consider issues outside the agreed budget and policy framework).

2.3.10 It is recognised that in the early stages of the programme there will be functional bundles or parts of bundles for which stages of review have already been carried out. There will be a need to ensure that the outcomes of existing work are captured and encapsulated within the overall programme approach whilst not giving rise to any delay in delivering agreed actions.

### 2.3.11 Stage 3: Implement and Review

2.3.12 Implementing the new model, or decommissioning the function will be undertaken in accordance with the arrangements as detailed within the Full Business Case

2.3.13 Once the new model has been implemented or the function decommissioned, a report outlining the benefits realised (or progress to realisation) will be taken to the Corporate Board and Cabinet. WCC's Performance Management Framework will be used to ensure that continuous improvement is secured.

2.3.14 Whilst it is likely that benefits will vary from review to review, the following generic benefits of the programme have been established:

- The successful delivery of the ambitions and aims and outcomes in the Corporate Business Plan 2011-2013
- Empowered communities that play an active role in shaping the delivery of services
- Services focused on addressing need
- Efficient and sustainable use of our resources
- Strong partnerships across a range of sectors
- Stakeholders influencing and informing the re-shaped service offer for our customers
- Decisions to commission or decommission services have been taken within a transparent and evidence based framework
- Supporting the delivery of medium term savings targets

2.3.15 A key element of the review process will be to capture and report on benefits realised and post implementation 'lessons learnt', so that the Council can review the effectiveness of the programme.

2.3.16 Given the significance of the outlined review programme, individual members of Corporate Board will directly lead the review process. A second member of Corporate Board will act as a 'critical friend' to each review. Corporate Board members will be supported in this process by Heads of Service and Senior Managers from across the organisation. Portfolio Holders for the functions subject to review will be actively engaged within the review process from inception and all formal decisions emanating from the review process will be subject to the Council's constitutional arrangements including those applicable to Overview and Scrutiny.

## 2.4 Principles underlying Review Process

2.4.1 Fundamental to the review process will be the 'evidence base' incorporating a better understanding of:

- The needs of our customers
- What others are doing
- What we are doing and how we perform in comparison to others

2.4.2 Specifically the first two stages of the review process (the assess and design/create stage) requires the application of principles in order against which potential service re-designs can be tested. In consultation with Portfolio Holders the following overriding principle and associated design criteria has been developed and is now presented for formal approval:

*WCC as a commissioning authority will, by default, consider all alternative delivery models based on the following criteria:*

- *Alignment to political ambitions and outcomes*
- *Provide efficient quality services within the resources set out in the Medium Term Financial Plan*
- *Use open and consistent processes that are sufficiently flexible to meet the needs of Warwickshire*
- *Engage and involve service users and communities in commissioning decisions*
- *Look beyond the immediate needs to consider long term impact*
- *Assume that the current approach to service delivery is not the best value that can be achieved*
- *Develop the capacity and capability of the organisation to commission services*
- *Engage with providers and work constructively to develop innovative, effective and good value solutions*
- *Decommission services where necessary*

2.4.3 It is considered appropriate at this point to re-affirm that the proposed process is not in any way 'code' for outsourcing or privatisation. It is the way that the Council proposes to review how our functions are to be delivered in the future. Whilst this review process could result in different ways of doing things, or by existing functions being delivered by others, that is not in itself an objective which has been set. The Council wishes to ensure that outcomes are best achieved and maximised; that market and customer intelligence is used to inform service design and delivery and that change is delivered at pace. It is considered imperative to test current delivery methods against alternative options so as to ensure that all opportunities are robustly scrutinised.



## 2.5 Existing Activity

2.5.1 Over and above the three year programme of reviews, a raft of change and improvement activity is already underway, and the review process outlined above seeks to complement and run parallel to that activity. It is vital that existing activity is not delayed and indeed it is crucial to the Council's MTFP that activity continues at a pace. The operation of a Corporate Programme Management Office (CPMO) as detailed in 3.6.2 below, will however allow full visibility of all major change and transformational activity across the organisation so that interdependencies are effectively managed. Given the change activity already underway across the Council a principle of recognising and allowing for existing change to deliver benefits will need to be established – this in turn should avoid significant reviewing of recently reviewed activity. Care will be needed though to ensure that the expected benefits of previous change activity is being or will be delivered.

## 2.6 Organisational Arrangements to Support Delivery

2.6.1 As outlined earlier within the report there is a need to consider how best the approach can be taken forward on a one organisation approach. The proposal is that Corporate Board act as the Programme Management Board for the Council's transformation and all major change across the organisation is visible to Corporate Board. Corporate Board will make a determination as to which individual projects and constituent programmes are to be managed 'locally' within Groups and which are to be subject to a direct 'overseeing' role by Corporate Board. Corporate Board will work closely with elected members to deliver the programme. Portfolio Holder(s) will be involved in all relevant reviews and the key decision on how a service is to be commissioned will be taken by Cabinet.

2.6.2 A small Corporate Programme Management Office (CPMO) will be created, using existing resource and will consist of an experienced programme manager, dedicated programme officers and programme administration. The role of the CPMO will be two fold, firstly to support the individual reviews, specifically in relation to application of appropriately challenging review methodology and also to ensuring that an appropriate programme approach is employed in order to maximise the prospect of achieving significant benefits to the organisation.

2.6.3 Cabinet are asked to endorse the organisational arrangements that will be put in place to support the delivery of the transformation agenda.

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