

REPORT OF THE DEPUTY LEADER**THE FUTURE APPROACH TO TRANSFORMATION AND CHANGE WITHIN
NOTTINGHAMSHIRE COUNTY COUNCIL****Purpose of the Report**

1. To set the context for and approve a new ambitious phase of transformation and change in the County Council, building on the successes achieved over recent years.

Information

2. The report on the Peer Review conducted in June 2019 included the following comments about Nottinghamshire County Council:
 - a. Nottinghamshire County Council is an effective council delivering good quality citizen-focused services to its residents. It has a good track record for delivering savings whilst protecting front line services. There are a range of projects that are delivering innovation and developing cutting-edge practice in service delivery. The Council has a good reputation and is viewed by its strategic partners as a dependable, reliable and solid organisation.
 - b. There is financial stability in the organisation and the Council has a proven track record in delivering savings while maintaining front-line services over a long period of time - this is impressive. Looking to the future, the peer team would encourage the Council to be in a position where it is relatively comfortable with any uncertainty resulting from increases in demand for services and the short-term nature of central government funding. This should include developing a range of alternative approaches to transformation, savings and demand management.
 - c. The Council has a proven track record of project-based innovation and this is evident in the way it is using technology; focusing on service users; and developing alternative delivery models. It handles change projects very well and this was evident in the number of innovative alternative delivery models which have been used intelligently to release efficiencies and drive improvements. However, these initiatives are project-based and are bound by time, scope and controls; this may be hampering the Council's efforts to embed them into the culture of the organisation. Looking forward therefore, a pivot towards a culture-led approach and sustainable provision is essential if the Council is to reap long term benefits from its innovations
 - d. Specifically, the Council's Digital Development Programme is delivering benefits and now may be the right time to look wider than Nottinghamshire to see what else can be done to improve how the Council uses technology to achieve better outcomes, i.e. roll out of Mobile Applications (Apps) for residents to access a wider range of services. Again, the Digital Development Programme Board needs to balance innovation with control to deliver a corporate approach.

- e. There is therefore room for a more corporate and cross-departmental approach to delivering the strategic agenda for Nottinghamshire. The Chief Executive's Department's new operating model provides an opportunity to drive forward better corporate working and a one-council approach, to achieve improved outcomes.
3. Over the last 9 years, the County Council has managed to achieve high levels of performance whilst making savings in the region of £240m, largely through transformation, change and efficiency. As a result, the Council has a sound medium-term financial outlook.
4. It is important to recognise that in the last 9 years, we have also witnessed a number of societal changes that impact on our residents and the organisation. The way people live their lives has changed immeasurably, particularly as a result of new technology. Residents' expectations have not only increased but are also become more diverse, and we are seeing ongoing changes in demography with both increasing demand and increasingly complex needs amongst our population.
5. Whilst we must celebrate the positive feedback from the peer review team, we must also act on the invitation to develop a range of alternative approaches to transformation, savings and demand management. Committee Chairs and the Corporate Leadership Team have discussed this in detail and new proposals are set out in this report to move forward with the next phase of our transformation journey.
6. The Council Plan, Your Nottinghamshire, Your Future sets out a bold and ambitious vision to make Nottinghamshire a great place:
 - a. To bring up your family
 - b. To fulfil your ambition
 - c. To enjoy your later life
 - d. To start and grow your business.
7. Continuing to make progress in delivering this vision will require us to think differently about how we further transform the organisation. To shape early thinking, the Council's Leadership Team has engaged in a series of round tables with leading thinkers and facilitators of transformation in public services and industry. The County Council has also drawn on its increased profile and reputation nationally and with Government to position the Council at the heart of the debate regarding the future of local public services. There is much here from which we can learn to build on our current practice and achievements.
8. The learning and insight gathered has helped define a number of features of transformation that are being tested or implemented across the country and abroad:
 - a. An emphasis on being insight and intelligence driven, focussed around a shared understanding of the most important outcomes, underpinned by evidence and data
 - b. Place based and reflective of the different strengths, assets and opportunities to build on achieving outcomes across different communities
 - c. A greater emphasis on prevention, early intervention, building resilience and demand management
 - d. Collaboration with partners at a deeper level, generating new and better ways of working
 - e. Digitally enabled services with technology playing a more active role in the design of new service models

- f. Citizen focused – with greater levels of co-design, involving local people in shaping the services that they access and the places in which they live
- g. More joined up, exploiting opportunities to work horizontally across teams and services within organisations and across partnerships.

Moving Forward

- 9. Our current approach has without doubt yielded results in driving out savings through change and improvement. This has been in no small part due to the role played by teams in the Chief Executive's Department and in particular, the teams now brought together as the Transformation and Change Team working in support of services across the Council. The Council has developed an enviable track record of project-based innovation and projects are delivered, monitored and concluded effectively. However, these successes have tended to be project-based and bound by time, scope and controls as well as being focused within individual departments or services.
- 10. The Council currently spends £4.4m from a combination of sources, including core revenue, reserves and capital funding to resource our corporate approach to transformation and change, ICT change, and programme and project management.
- 11. These functions were brought together under the leadership of a new Group Manager for Transformation and Change in October 2018 and temporary staffing arrangements were put in place.
- 12. What is apparent is that we have many of the key ingredients required to move forward. We have a number of highly skilled officers who have great knowledge and experience to shape, design and drive change across the Council. We also have some early examples of us starting to change our approach. The Council's new Digital Development Programme and Investing in Nottinghamshire Programme are illustrative of a more collaborative, corporate and smarter way of delivering change, but even these examples can be pushed further to be more transformative.

A New Approach

- 13. Given the context of ongoing financial pressures, increased and complex demand and changing resident expectations, a new model for transformation is proposed to support the organisation to move forward and build on our strong foundations.
- 14. The following 3 tier approach is proposed to reposition the Council and embed some of the features described above.
 - Tier 1 – Strategic review of outcomes (Achieve)
 - Tier 2 – Targeted cross cutting transformation reviews (Transform)
 - Tier 3 – Ongoing efficiency as part of continuous improvement (Save)
- 15. The Corporate Leadership Team is working collaboratively with Members and partners to review our data and intelligence to reframe our strategic outcomes. This will lay the foundations for a review of the Council Plan in 2021. A key part of this work is in cementing the County's position as a leading authority recognised by Government, partners and communities for providing excellent services, future proofed for a changing world.

16. To support the Council on this journey, it is proposed that a strategic partner is procured. It is envisaged that a partner would complete a series of deep dive diagnostics across service areas, working closely with Members and Officers. From that diagnostic phase, opportunities for cross cutting transformation will be identified and subject to Committee approval, transformation programmes will be initiated. A small number of targeted cross cutting transformation programmes, for example all age disability, and Special Educational Needs (including SEND transport) have been identified as possible areas for consideration early in the programme of work
17. A key feature and early deliverable of the external support would be to help redefine the Council's approach to intelligence and insight-led transformation and build a new model to move the organisation forward. A prerequisite would be to create internal capacity and capability so that the Council is self-sufficient and fit for the future. This will draw on the available resource in the Transformation and Change Team and help develop and build new skills, capacity and culture across the organisation to embed new and sustainable approaches. A new operating model and structure will be developed drawing on the insight, experience and practice of the partner we procure.
18. It is proposed that authority for developing the potential scope of the programme of work and providing oversight of the process to engage the external partner is delegated to the Section 151 Officer in consultation with the Deputy Leader. Reporting on progress and member oversight of the work programme undertaken by the external partner will be via the Improvement and Change Sub-Committee.
19. In the interim, it is proposed that the temporary staffing arrangements in place for the Transformation and Change team are extended until 30th May 2020. This will provide the opportunity for the new strategic partner to advise on best practice and assist with the development of a new model and approach for change and transformation. This will include identification of the necessary skills and capabilities required and a development plan to ensure that these are embedded within the Council.
20. To support the Council's new approach to transformation moving forward it is proposed to establish additional strategic intelligence, insight and policy capability to work alongside and advise the Corporate Leadership Team and senior members about potential opportunities to do things differently. This will include horizon-scanning and understanding changing demands, external context and potential impacts for Nottinghamshire; identification of best practice and alternative service models and analysis of their potential for application within the Council. This will underpin the next iteration of the Council Plan. It is proposed to establish a fixed term additional Executive Officer post within the Chief Executive's Office to provide additional capacity to fulfil this role whilst work is undertaken with the external partner to ensure this is embedded within the Council in the longer term.

Other Options Considered

21. The previous expectation that the operating model and structure for the Transformation and Change team would be submitted for approval in October has been reviewed and amended in light of the opportunity to engage with external support for advice on best practice and ensuring the model aligns with the organisation's revised approach.

Reason/s for Recommendation/s

- a. To seek approval for a new, intelligence and insight- led model of transformation
- b. To approve in principle the procurement of external partners to enable the Council to maximise the opportunities for and benefits from Council wide transformation and change
- c. Extension of the current temporary staffing arrangements until the end of May 2020 to seek external advice on the development of a new operating model and structure for transformation and change.
- d. Creation of additional strategic intelligence and insight capacity to advise senior officers and members about opportunities for further transformation and change to improve outcomes for local people.

Statutory and Policy Implications

22. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

23. The £4.4m cost for funding resources referenced in point 10 varies from year to year depending on demand, but for 2019/20 this is made up of £1.386m from Revenue Budget, £2.365m from Capital Receipts, and £640k funded by Departments. At present there are no indicative figures for the procurement of external partners, this is dependent on the scoping of the requirements in preparation for going out to market. It is proposed this activity is delegated to Section 151 Officer in consultation with the Deputy Leader.

24. The costs associated with extending the current interim staffing arrangements will be under £4k to cover the honoraria being paid to two members of the team. This will be covered from the existing revenue budget. The additional fixed term post will cost in the region of £104k over a two-year period and will be funded from within the existing budget for transformation.

Human Resources Implications

25. It is proposed that the existing temporary staffing arrangements within the Transformation and Change Team are extended until 30th May 2020. Employees within Transformation and Change will be involved in the work with any external partner to identify new approaches and a new operating model for transformation. This will provide the opportunity for knowledge and skills transfer which will be part of the arrangements with any external partner. Employees and the recognised trades unions will be formally consulted as part of the process to develop the proposed new staffing structure. Any new structure and appointment to the fixed term Executive Officer post will be implemented in accordance with the Council's agreed employment policies and procedures.

Smarter Working Implications

26. A new approach to transformation and change will be designed to build upon and be consistent with the Council's smarter working objectives.

RECOMMENDATIONS

It is recommended that Policy Committee approves:

1. The launch of a new and ambitious model of transformation and change across the Council as set out in the body of the report.
2. The procurement of external partners as set out in the body of the report and delegates authority for this process to the Section 151 Officer and Deputy Leader.
3. The extension of the current interim staffing arrangements within the Transformation and Change team until 30th May 2020.
4. The establishment of a fixed term Executive Officer post, band D, within the Chief Executive's Office until 31st December 2021.

Councillor Reg Adair, Deputy Leader

For any enquiries about this report please contact: Sue Milburn, Group Manager, Transformation and Change

Constitutional Comments (KK 23/09/19)

27. The proposals in this report are within the remit of Policy Committee.

Financial Comments (NS 08/10/19)

28. The report proposes extending interim staffing arrangements until 30th May 2020 at an estimated additional cost of less than £4,000 and an additional fixed term post with an estimated cost of £104,000 over a two-year period. This additional cost will be spread over financial years 2019/20 and 2020/21 and will be funded from the existing revenue budget allocation of £1.386 million.

29. The report also proposes the procurement of external partners to support the council in future transformation and change work. At present there are no indicative figures for the procurement of external partners, this is dependent on the scoping of the requirements in preparation for going out to market which is pending approval by this Committee.

HR Comments (MT 26/9/19) These are set out in the body of the report and confirm that employees will be involved in the development of new approaches and models and that they and the recognised trades unions will be formally consulted, and new approaches implemented in line with agreed employment policies and procedures. The fixed term post will be appointed to in line with the Council's agreed policies and processes.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All