



COUNCILLOR
ANN MCLACHLAN

CABINET
MONDAY 21 MARCH 2016

**OUTLINE TRANSFORMATION
APPROACH**

Councillor Ann McLachlan, The Deputy Leader of The Council, said:

“Ongoing austerity policies from national Government are changing the nature of public services. Huge funding reductions combined with changing and increased needs from residents are combining to demand fundamental change in how public services are designed and provided.

“If we are to meet our 20 Pledges to Wirral residents then we have a duty to put this Council in the best possible position to adapt, be flexible and ensure the biggest impact on residents’ lives from diminishing public resources. The Wirral Plan sets out our vision for this borough, our developing transformation programme sets out the blueprint we will follow to deliver on our 20 Pledges.”

REPORT SUMMARY

This report sets out the principles of a new approach to transformation and a new operating model for the Council; which will ensure the organisation is best equipped to achieve the Pledges committed to in the Wirral Plan.

RECOMMENDATION/S

Cabinet is requested to agree:

- (i) the principles of the new operating model and the next steps required to make progress towards implementation set out in section 3 of this report; and
- (ii) a report detailing a revised management and organisational structure

to support the new operating model to be presented to the Employment and Appointments Committee as soon as practicably possible.

- (iii) the operating principles attached at appendix 1 of this report that will inform the future design of new models of service delivery.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

The Council must review its current operating model to ensure that the organisation is effectively organised to support the achievement of the Wirral Plan. Working with partners, the Council needs to have the appropriate skills, resources and commercial awareness to support delivery of the Wirral Plan.

2.0 OTHER OPTIONS CONSIDERED

A review of the Council's current operating model is required to support delivery of the Wirral Plan. The new operating model will focus on customer need and outcomes, rather than traditional services and processes.

3.0 BACKGROUND INFORMATION

The Wirral Plan sets out a vision for Wirral: a set of 20 Pledges which will be achieved over the next five years to improve the lives of Wirral residents. In order to achieve these ambitions, the Council needs to modernise and work in a completely different way, and ensure it has the right culture, abilities, skills and approach to deliver the 2020 vision for Wirral.

In order to deliver this plan we committed to delivering a modern public service and organising ourselves to deliver our aims. This report sets out how these two core themes will now be taken forward: (1) a new transformation programme, working to develop new models for service delivery and (2) the implementation of a new operating model. These themes will be developed and implemented concurrently, ensuring that the Council is able to deliver change at pace and continue to deliver positive outcomes to improve the quality of life for Wirral residents.

Transformation Programme

In order to achieve change of such magnitude, it is vital that the organisation continues to strengthen its approach to transformation. This view was strongly endorsed by colleagues from the Local Government Association during the Council's recent Peer Review.

The review identified the need for the Council to be much more commercially focussed, harnessing the spirit and practices of commerce to secure outcomes for residents. This will mean leveraging greater value from assets and resources as well as maximising commercial opportunities and income generation through a range of service models delivered within a public sector ethos.

The Council is now developing a detailed programme which will set out, in a transparent way, how the change will be delivered and the resources required to deliver it. A standard, robust and detailed approach to business case development and options appraisal will be embedded to make certain any proposals for change are robustly evidenced and aligned to the agreed

principles.

The programme will be managed through comprehensive methodologies, ensuring all transformation activities support the delivery of the 20 pledges. Robust governance arrangements, proportionate to each initiative will be at the core of this function, providing monitoring and control, clear escalation routes for risk and issues. The assurance necessary to provide confidence that the programme is being delivered will be provided by Audit. Elected Member engagement in the programme will be paramount. The approach to scrutiny and pre-decision scrutiny will be refreshed to ensure that Elected Members are fully engaged in supporting, overseeing and promoting the Council's transformation agenda.

A New Operating Model

The new operating model for the Council will implement a completely new approach to how the organisation does business. It will make the organisation more flexible, more effective and deliver better value for money and ensure that the Council is structured based on delivering better outcomes for Wirral residents, rather than traditional service blocks.

The new operating model will reflect the fundamental change in how the Council must work, plan, and deliver in the future. This change will be enabled through re-organising ourselves and making sure we have the right skills in the right places. It will ensure that the Council is better placed, with our partners, to be able to deliver on what residents need, to develop innovative and improved models for delivering services and achieving the outcomes which residents want.

It is proposed that the framework of new operating model will consist of three main functions:

The **Strategic Hub**, which will have overall accountability for the leadership, direction and effective delivery of the strategic plan and related delivery plans. The Strategic Hub will work closely with the Leader, Cabinet, Chief Executive and Senior Leadership Team to establish and monitor the key strategic priorities for Wirral. This will involve researching, analysing and communicating data, intelligence and insight to support evidence-led policy development and decision-making. It will enable key stakeholder and partner engagement through building relationships and working collaboratively to maximise opportunities for Wirral.

The **Business Change** function will enable the effective and efficient functioning of the Council and the services it commissions. It will include key support functions such as legal, finance and human resources: providing high level technical and professional advice and programme and project management to ensure effective and efficient business transformation and greater commercial awareness.

The **Delivery** function will lead on designing, negotiating and implementing

appropriate delivery options for a range of services, in order to drive major improvements and efficiencies, promote innovation and improve customer experience. As part of this work some services will be re-organised and grouped with other services with shared outcomes. It will work with the Strategic Hub to identify, evaluate and develop commercial opportunities.

The Council's emerging plan for a new operating model was shared with the LGA challenge team who concluded that it was an appropriate model and endorsed the view that a strengthened transformation capability, a move from short term financial planning to long term alignment of resources to pledges, and an operating model with appropriate capacity, would support the Administration to deliver change. The Peer Review team also highlighted the strength and potential of the Wirral Partnership, and reinforced the Partnership's view that joining up the public sector, in terms of maximizing resources, and sharing expertise and services, is particularly important to the future of public services.

New business models will enable long term sustainable services for Wirral. The delivery options which will be developed for Council services will embody quality, efficiency, local employment, equality and diversity. They will drive an efficient, commercial and value-driven approach to public services. One size will not fit all; each model will be individually developed and evaluated in line with these principles, which have been provided in full at Appendix 1, and will guide the organisation in our approach to the design of new models, as well as aid elected members in their democratic engagement in the process.

Delivering our plans will require a change in culture. We must think and behave differently and change our approach to successfully transition to new ways of working. This also requires a new model of involvement and engagement with a clear, shared understanding and purpose at all levels of the organisation. Our staff will play a critical part in shaping the new ways of working and in developing an understanding the new competencies required, in order for them to play a constructive role in the new operating model.

The proposed changes to the Council's operating model will involve changes to some roles and a re-organisation of some services over a period of time. The Chief Executive will therefore need to consult with employees who are potentially affected and identify the support required for those staff.

A report with a proposed management and organisational structure to support the new operating model will be detailed in the report on the operating model to be considered at a future meeting of the Employment and Appointments Committee when this work is finalised.

4.0 FINANCIAL IMPLICATIONS

There are no financial implications arising from this report. Any financial implications related to the new operating model will be detailed in the report on the operating model to be considered at a future meeting of the Employment and Appointments Committee.

5.0 LEGAL IMPLICATIONS

Any legal implications related to the new operating model will be detailed in the report on the operating model to be considered at a future meeting of the Employment and Appointments Committee.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

Any resource implications related to the new operating model will be detailed in the report on the operating model to be considered at a future meeting of the Employment and Appointments Committee.

7.0 RELEVANT RISKS

The Council is required to consult with the Trade Unions and affected staff on proposed changes to role and responsibilities, structures and services.

8.0 ENGAGEMENT/CONSULTATION

Affected staff and the Trade Unions will be consulted on the proposed changes to the Council's operating model. Feedback from consultation will be detailed in the report on the operating model to be considered at a future meeting of the Employment and Appointments Committee.

9.0 EQUALITY IMPLICATIONS

An EIA will be undertaken on the new operating model. This will be detailed in the report on the operating model to be considered at a future meeting of the Employment and Appointments Committee.

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APPENDICES

REFERENCE MATERIAL

N/A

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|-----------------|------|
| | |

APPENDIX 1 - PRINCIPLES FOR SERVICE MODELS – POLICY & ETHICAL

| Principle | Evaluation |
|---|--|
| Achieves the ambition and vision set out in the Wirral Plan and associated pledges | Must be able to demonstrably deliver Wirral Plan pledges. |
| Achieves improved outcomes for Wirral residents, businesses | Measurable outcomes linked to the Pledges and Strategies |
| Service design reflects the views of residents, businesses | Appropriate level of consultation; use of published material e.g. customer insight |
| Delivers savings or reduces the burden to the Council's net revenue funding | Achieve savings / reduce operating costs for the Council / or reduce demand |
| Council retains robust accountability and governance arrangements | Appropriate governance/ contract management arrangements are in place. |
| Resilience and flexibility to emerging issues in service delivery | Ability to respond to changing statutory duties/ future opportunities for service delivery Ability to adjust in a timely manner to political direction/legislative or procedural changes. |
| Partners and local businesses believe the Council is easy to do business with | Regular engagement takes place with partners and local businesses to develop joined-up-approach. |
| Promotes equality and diversity | Promotes equality and diversity amongst its residents and workforce through undertaking robust equality impact assessment. |
| Impact on employment and the local economy | Availability of training and development opportunities. Secures commitment to sustainable local employment. |

METHODOLOGY PRINCIPLES – BUSINESS & COMMERCIAL

| Principle | Evaluation |
|--|---|
| The application of an agreed business methodology | Adherence to Gateway Process - outline business case; option appraisal; full business case |
| Evidence of commercial expertise | Where there is a market, any in-house bid demonstrates how it would be competitive. |
| Risk appetite proportionate to the case | In many cases, small delivery units with low costs offer much lower risks than high cost personal services. This should be accounted for in the Gateway and project management reporting arrangements |
| Compliance with legislation | Assurances should be sought from professional /technical experts in the field, quoting the relevant sources of law and statutory guidance |