WIRRAL

POLICY & RESOURCES COMMITTEE

Wednesday, 1 December 2021

REPORT TITLE:	CHANGE PROGRAMME
REPORT OF:	CHIEF EXECUTIVE

REPORT SUMMARY

This report presents the proposed Change Programme required to support the implementation of the Wirral Plan by ensuring the Council's operating model is as effective and efficient as possible. This will lead to the optimisation of Council resources in relation to delivering the Wirral Plan priorities and outcomes.

The programme takes account of the linked to exceptional financial support External Assurance Review (EAR) recommendations published on the 2nd November 2021. The Change Programme has been put forward as part of the Council's evidence to the Department for Levelling Up, Housing and Communities (DLUHC formerly MHCLG) that the Council has the capability to implement a programme of change to deliver the required savings to achieve financial sustainability.

The EAR reports and recommendations provide a clear steer to the Council and officers have acknowledged this in the design of programmes presented in this report. The overall goals of the Change Programme are to:

- Support the delivery of the Wirral Plan, approved by Council 1 September 2021, by helping improve outcomes for residents.
- Support the delivery of the Medium-Term Financial Strategy by ensuring the Council's operating model provides best value in prioritising our services and investment around the greatest need.

The Change Programme affects all wards within the borough and is a key decision.

RECOMMENDATION/S

The Policy and Resources Committee are recommended to: -

1. Request the Chief Executive progress and implement the Change Programme and required service reviews to deliver a new operating model.

2. Agree that oversight of the Programme be through P&R Finance Sub-Committee who will review emerging business cases and receive regular updates on progress.

1.0   REASON/S FOR RECOMMENDATION/S

1.1   The Change Programme will support the implementation of the Wirral Plan by ensuring the Council's operating model is as effective and efficient as possible. This will lead to the optimisation of Council resources in relation to delivering the Wirral Plan priorities and outcomes.

1.2   The Change Programme has been developed to align closely with the Council's Medium Term Financial Strategy which is reported separately on the agenda. Business cases brought forward for approval will have a direct link to the achievement of managing demand pressures as well as the required efficiencies over the life of the Strategy reducing core spend.

1.3   The Council requires a structured approach to transforming the organisation towards the implementation of a new operating model and delivery of the required efficiencies to deliver against the Medium-Term Financial Plan (MTFP). The approval of Policy & Resources Committee is being sought to enable officers to proceed with implementing the Change Programme.

2.0   OTHER OPTIONS CONSIDERED

2.1   The Change Programme provides a framework for delivering organisational change that supports the delivery of the MTFP. The scale of the financial challenges over the life of the MTFP requires a structured and controlled programme management approach. All change projects will be supported by clear business cases setting out the net business benefits of the changes being proposed.

2.2   Doing nothing is not considered a valid option as this would result in an unacceptably high risk of not achieving the MTFP. The impact of this would be the greater likelihood of the Council having HM Government intervention as a result of being unable to set a legal budget, and/or not meeting the recommendations set out in the EAR reports.

2.3   The Change programme provides a coordinated approach to business change activity. An un-coordinated approach to delivering cross cutting business change risks key projects delivering at the same time, using the same resource increasing the risk of non-delivery.

3.0   BACKGROUND INFORMATION

3.1   Previous Transformation Programmes aligned with the former Wirral Plan 2015-2020 were focussed on the delivery of alternative delivery models. Following the emergency response to the Covid-19 pandemic a new Wirral Plan 2021-26 has now been approved (6th September 2021). This provides a clear identification of the Borough's priorities and how the Council's resources should be deployed in support of these.

3.2   The Change Programme takes account of the learning from previous transformational approaches, recognising that:

- The Change Programme must be clearly aligned with the MTFP, with related business cases and benefit realisation plans
- Solutions should be co-designed
- Engagement with service users and staff is essential
- The requirement for effective Member engagement and oversight

3.3 Work to identify the programme(s) began during the early development of the Wirral Plan and the emergence of associated delivery plans. Early definition, architecture and opportunities for savings supported the Council's Exceptional Financial Support request and submission, to provide DLUHC with evidence that the Council has a plan to deliver a programme of change, supporting financial sustainability. Work has evolved on this over the last six months ahead of the EAR outcome, with a consolidation of programme activity. Where there has been opportunities to initiate projects that support the delivery of improved financial management and sustainability, improve outdated processes, technology and projects which provide enabling foundation to support a programme of change, these have been started e.g. SmartBusiness (ERP replacement), system replacement, Customer Experience, contracts review and workforce remodelling.

3.4 The EAR has been used as an opportunity to review the arrangements of the Change Programme to ensure it delivers against relevant recommendations. Financial sustainability is key to our continued ability to deliver and improve outcomes. As well as learning from COVID-19, we must take account of the fact the external environment has been changing for some time. Financial challenges, an ageing population, rising demand for key services and changing customer expectations all place pressure on council services. Therefore, we must take a creative, innovative and bold approach to transforming the way we work.

Change Programme

3.5 The Change Programme is established to manage the Council's organisation-wide transformation agenda including the approach, prioritisation, and delivery of service reviews embedding the new operating model using agreed principles for re-design. The principles were agreed as part of the Wirral Plan. The Change Programme aims to deliver a council that is in the strongest possible position to meet the ambitions of the Wirral Plan, by re-focussing effort on resident outcomes, delivering specific identified savings and contributing to long term financial sustainability.

3.6 Historically, the Council has taken an approach to manage ongoing reductions in funding and rising demand through individual efficiency initiatives including service budget reductions. The EAR reports highlight that this is no longer sustainable or an option for the Council. If the Council was to progress with this approach for the medium term the service offering would be close to or at the 'base level' of statutory obligations. This would have a major impact on residents presenting too high a risk for core services for the most vulnerable.

3.7 The Change programme provides an approach that takes a Council-wide view of the full range of services and outcomes delivered. This approach seeks to optimise service integration and configuration to best deliver the outcomes set out in the Wirral Plan.

Operating Model

3.8 An Operating Model is a detailed description of the way an organisation works. The current Operating Model has developed iteratively over the years, adapting and changing over time in response to specific issues, technological and policy change and the absorption of loss of revenue. Deliberately designing a new model of operations will allow the Council to consider holistically the ways things are done and how they best fit together in the interests of efficiency and effectiveness.

3.9 The EAR provides an opportunity for the Council. Within the context of tight financial constraints and a requirement for difficult decisions to be made, this represents a one-off opportunity to re-set the organisation's delivery model and financial framework.

3.10 The Operating Model does not determine what the Council will do but how it will work. It interrelates with wider strategic policies and plans which set out the Council's agreed priorities and objectives and is integral to the delivery of those priorities. The decision-making, oversight, scrutiny, and representative roles of Elected Members are central to the Council's purpose and functions. The intention of the Operating Model is to be the vehicle by which the Council can ensure that it has the right capabilities, processes, structures, people, information, technology, governance and culture to deliver agreed vision, policy and plans, as set out by Elected Members of the Council.

3.11 The Operating Model will not determine any political, commercial, or service decision making but it will inform and shape the considerations to support those decisions. For example, the Operating Model takes no position on whether services should be delivered 'in-house' or 'out-sourced'. It does however set out the mechanisms and considerations which in the future will support such decisions and sets out the processes, technology, information, capacity, and skills that will be needed in such determinations. Equally, the Operating Model is intended to serve all political governance arrangements.

Operating Model Principles

3.12 The key under-pinning principles for achieving the Wirral Plan were set out in the plan document and approved by Council 6th September 2021. These principles guide our work and underpin our future operating model:
- **Joined up design** – ensuring our services are accessible, person-centric and joined-up.
- **No one left behind** – Inclusive services which recognise the different needs of our residents, their families and communities.
- **Prevention** – Tackling the root cause of inequalities and demands on Council services – providing the right support at the right time.
- **Regeneration** – Investing in infrastructure and supporting businesses for a thriving local economy and opportunity for all
- **Independence** – Enabling individuals, families and communities to help themselves and each other.
- **Relationships** – Working with residents, businesses, communities and partners for a better Wirral.

3.13 There are a series of key components required to support the implementation of the new operating model. These can be viewed as enablers that deliver key capabilities and solutions. The key components are set out below along with work in progress at this stage:

Component	Description	Work in Progress
Governance	The controls in place to govern decision-making and manage risks, including committees and roles and responsibilities. This includes council-based compliance and regulatory obligations.	- LGA Corporate Governance Peer Review - Review of Committee System
Data	The data and reporting required to support the execution of processes and inform decision making at Wirral	- Operational Reporting enhancements
Workforce	Describes the skillsets and capabilities required in the Wirral workforce, structure, and lines of reporting	- Spans of Control methodology - Workforce Strategy
Digital	How Wirral's digital solutions will manage information/data and support the execution of processes	- Digital Strategy drafted - Discovery engagement with technology partner
Commissioning	How Wirral approaches commissioning and contract management	- Contract review
Assets	The assets required to deliver services and strategy	- Asset Management Plan drafted - Operational asset review - Condition Surveys

3.14 Each of the components will provide a framework for re-design to answer questions at an organisational and service level. For example, when defining digital requirements, the following will be considered:
- What technology is needed to enable the workforce of the future?
- What platforms are required to effectively integrate systems across functions and with partners?
- How can technology be leveraged to respond to Customer demands?

3.15 Each component will be developed and support service reviews through a defined programme of activity. Delivering an Operating Model through a phased service review is a major initiative and the scale of change should not be underestimated. The Council will effectively be re-designed in full.

Service Reviews

3.16 The EAR specifies all service reviews to include a financial goal at the outset. The service review framework is therefore being updated and will set out the approach and tools for delivery and target setting. The service review framework provides a

consistent tool for the application of operating model principles enabling services to re-imagine how best to configure their service offer to maximise desired outcomes.

3.17   Financial goals for service reviews will be formed during an assessment stage using benchmarking and other relevant information. Local context and previous decisions will also be considered. All service reviews will present opportunities and recommendations through costed business cases and will embed operating model design principles. Service reviews will be business-led and carried out in line with the MTFS, DLUHC recommendations, operating model design principles and key strategies.

3.18   There is a risk in approaching service reviews in isolation of the wider system in which they operate. A silo approach to reviews would risk re-design outside of context and miss the wider system opportunities through collaborative working and effective relationships. For example, it is recognised that services targeting support to our most vulnerable people will require a system-wide understanding and joined-up approach to redesign.

Resilient Communities

3.19   It is recognised that Wirral comprises of many different and diverse communities where outcomes vary and demand for services is contrasting. To review services without acknowledging this could compound existing inequalities across the Borough. In short, continuing to approach these long-standing challenges in the same way will lead to the same outcomes.

3.20   The Wirral Plan sets out the vision for equity for people and place. To achieve this a programme has been identified to connect and engage with communities. This will identify where essential services could make a difference to peoples' lives and facilitate this change through the actions of dedicated individuals and organisations.

3.21   The Resilient Communities programme will use our intelligence and data to marry the needs of people living in communities with the physical plans for each place. Commitment to this approach in our strategic planning and financial strategy will provide an important consideration for service reviews and re-design. A detailed outline of the programme and its deliverables will be brought forward to a future committee meeting for review and approval by Elected Members.

Programme Summary

3.22
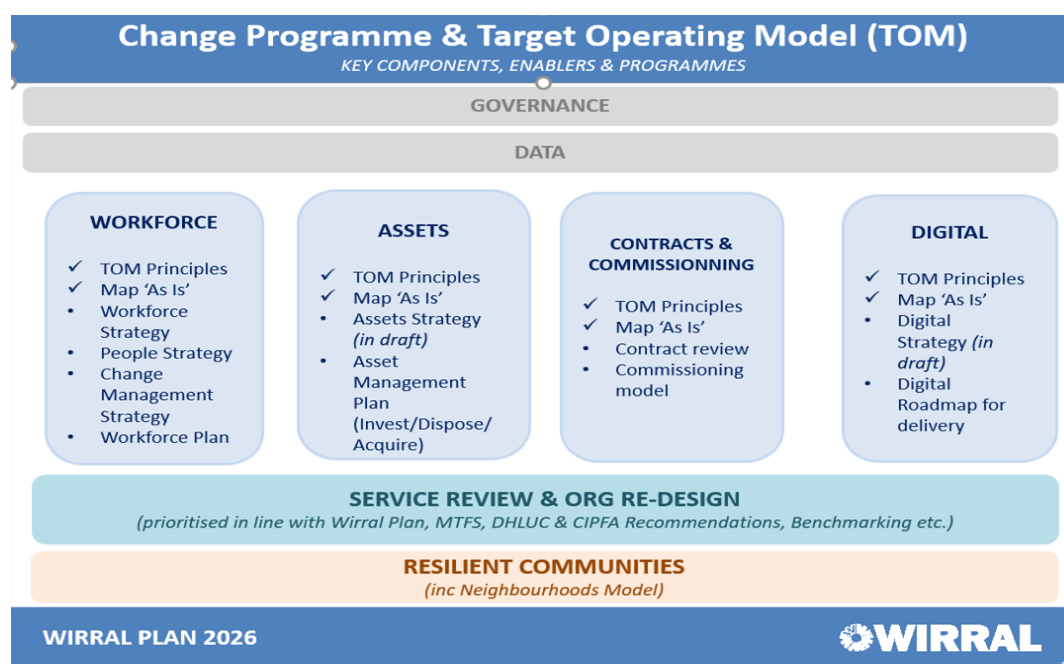
Programme Governance

3.23 It is proposed that improvements to the tracking of benefit realisation (financial and non-financial) are made to programme governance arrangements, learning the lessons from the previous Transformation programme. The implementation of the new financial platform from April 2022, will provide a step change in the Council's capability to benefits management.

3.24 The Investment and Change Board was established in 2019, chaired by the Director of Resources, with membership including strategic directors and other key officers. This board covers all transformational activity across the Council and acts as a 'design authority' to ensure that there is a single and joined up approach to decision making on transformation.

3.25 A small team (the Programme Management Office) supports the Investment and Change Board, ensuring oversight and accountability for all transformation projects. This team will enhance arrangements for compliance with organisational processes and ensure effective benefit realisation processes are in place.

3.26 It is proposed that accountability for the programmes is led by Senior Officers reporting to P&R Finance Sub-Committee. The Sub-Committee will consider service review business cases and oversee the delivery programme, making recommendations to P&R Committee and report on progress. Directors will consult with Service Committees as options are developed and implemented.

4.0 FINANCIAL IMPLICATIONS

4.1 Specific costs and savings will be identified in business cases emerging from service reviews and enabling programmes.

5.0   LEGAL IMPLICATIONS

5.1   Any legal implications related to service changes, new operating models or implications affecting statutory service delivery will be set out in the business cases that come forward.

6.0   RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1   Professional programme management will be needed to manage the interdependencies of service reviews, service change and the complexities and risks of managing an organisation in transition between current ways of working and a new model. This capability exists internally to the Council, but external support may occasionally be required to augment and accelerate the programme as required or to support technical implementation.

6.2   Resource will be required for organisational design, communication, engagement, re-training and change management and this is currently being analysed against internal capacity. It is envisaged that internal support can be leveraged to deliver against requirements.

6.3   This report contains no direct implications for individual staff. As service reviews are presented, staff impact assessments will be undertaken as part of the process and consultation delivered in line with requirements.

7.0   RELEVANT RISKS

7.1   See Appendix 1

8.0   ENGAGEMENT/CONSULTATION

8.1   Engagement with Elected Members, service users and partners are a fundamental element of the approach to redesign, and therefore a timetable for engagement will be brought forward as part of the prioritisation and planning phase of the programme. The Council is required to consult with the Trade Unions and affected staff on proposed changes to role and responsibilities, structures, and services. Such engagement will be timetabled as appropriate. Service reviews will conduct relevant statutory consultation with service users as required.

9.0   EQUALITY IMPLICATIONS

9.1   There are no equality implications as a result of this report. However, implications identified in service reviews and the related recommendations for change will be addressed in future business cases in advance of implementation.

10.0   ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1   There are no environmental or climate implications emerging from this report. Individual business cases and related key decisions will set out any such implications in future reports in advance of implementation.

11.0   COMMUNITY WEALTH BUILDING

11.1   Community Wealth building opportunities will be considered in the development of business cases. Implications identified in service reviews and the related recommendations for change will be addressed in future business cases

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APPENDICES

    Appendix 1 - Risks

BACKGROUND PAPERS
Wirral Plan
Wirral Metropolitan Borough Council external assurance reviews -
  - Governance Review (Ada Burns Report)
  - CIPFA Local Government Finance Review

P&R Committee Report 30th November 2021 – Ministerial External Assurance Review
Letter of 9th October 2021 requesting capitalisation directive
Letter of MHCLG of 10th February 2021
Wirral Council Medium Term Financial Strategy

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy & Resources Committee	7th Oct 2020
Council	1st March 2021
Policy & Resources Committee	9th June 2021
Policy & Resources Committee	30th November 2021

		APPENDIX 1
Ref	**Risk**	**Mitigation/Management**
7.1	Risk of double counting savings between each programme/initiative and other Directorate efficiency savings	• Robust business cases which quantify all anticipated savings & benefits • Clear governance for and between 'Business As Usual' and Change Programme.
7.2	Reliance on Voluntary Redundancy (VR) and natural wastage may be challenging and not result in best outcomes	• To be tested in service review business cases • Scenario planning and 'stretch' benefits to be explored in service review business cases
7.3	Lack of capacity (or in some areas technical capabilities) to deliver	• Clear programme scoping and forward planning supported by resource plans • Prioritisation process to be adopted • Expediate recruitment/ commissioning as required in accordance with risk and priorities
7.4	Ongoing impact of Covid response on capacity and Member/Senior Officer priorities and focus	• To be considered at outset when roles/responsibilities and resource is allocated
7.5	Members, staff, trade unions, partners not feeling engaged in the key activities of the programme	• Stakeholder mapping and comprehensive engagement and comms plan • Effective governance structures in place • Roles & responsibilities and approach defined and agreed with heads of service up-front to ensure all service reviews are business led
7.6	The requirement to make short term	• Development of target operating model design principles against

	savings may impact long term goals	which all potential tactical decisions can be assessed • Programme developed to enable short term 'quick wins' and savings to be delivered alongside Wirral Plan outcomes