

CHESHIRE EAST COUNCIL

REPORT TO: Cabinet

Date of Meeting:	14 July 2009
Report of:	HR and Organisational Development
Subject/Title:	Transformation Approach

1.0 Report Summary

- 1.1 The journey of transformation has already begun for Cheshire East with the creation of a new unitary Council on the 1st April 2009. There is however some way to go to truly transform the way services are delivered and to achieve the dramatic and sustainable improvement and efficiency savings associated with becoming a flagship authority.
- 1.2 The purpose of this document is to propose a guiding transformational framework and integrated programme management approach to achieving true transformation for Cheshire East Council. The report is a summary of the outputs from joint working between Officers and Cabinet Members in recent weeks.

2.0 Recommendations

- 2.1 The Cabinet are asked to agree the following recommendations:

- (a) the Transformation Framework in Appendix 1
- (b) the outline Transformation Programme in Appendix 2
- (c) the next steps as outlined in Section 17

3.0 Reasons for Recommendations

- 3.1 True transformation in Cheshire East requires clear vision and direction to guide and align all change activities, supported by a robust mechanism to co-ordinate, integrate and deliver the transformational priorities required to achieve the scale of change required across the Council.

4.0 Wards Affected

- 4.1 The outcomes of transformation should have a positive impact for communities and citizens across the whole Borough.

5.0 Local Ward Members

- 5.1 Not applicable

6.0 Policy Implications

- 6.1 Specific policy implications have yet to be determined, however, this document proposes the adoption of a “Lean thinking” or a whole systems approach to how Cheshire East Council operates and delivers services.

7.0 Financial Implications for Transition Costs

- 7.1 We are currently exploring the possibility of invest to save funding to support the need for:
- staff to support the transformation process
 - the development of organisational capability and capacity in Lean Systems and programme, project and change management

8.0 Financial Implications 2009/10 and beyond

- 8.1 The outline business case for the transformation programme will be developed as part of the programme definition cycle and once defined will then be integrated with the medium term planning process.

9.0 Legal Implications

- 9.1 The key legal implications will be identified as part of the programme definition cycle.

10.0 Risk Management

Risk	H, M, L	Mitigating action
Shortage of funds – to sustain the transformation programme delivery and invest to save opportunities	M	Determine through outline business case
Lack of capacity – to drive and deliver the transformation and realise potential benefits	H	Determine and prioritise required resources through outline business case
Inefficiencies of silo working - Council wide view not taken therefore programmes not integrated	M	Priorities agreed and co-ordinated centrally and value streams mapped
Dis-engaged employees - staff demotivated as not involved or consulted and changes seen as primarily cost cutting.	H	A balance in key drivers, early engagement of staff and savings where possible re-invested in front line.

11.0 Background

- 11.1 Cheshire East was created as a Unitary Council on 1st April 2009 to provide a **new type of local authority** focusing on providing responsive, high quality, value for money services that centre on the needs of customers and reflect local priorities.
- 11.2 True transformation is about **dramatic change and improvement** i.e. fundamentally changing form and shape, becoming something different, doing different things or being viewed as something different. Transformation in Cheshire East will require robust insight into customer and community needs and expectations, the building of new or changing relationships and radical changes in delivery methods.
- 11.3 Transformation in local government is about bringing together **people, place and experience** and therefore significantly improving customer satisfaction and organisational efficiency and effectiveness. By looking outwardly, encouraging and seeking new and radical ideas and systematically taking these forward, Cheshire East can quickly become a flagship Council that others will aspire to.

12.0 Creating a Lean Organisation

- 12.1 The adoption of the 'Lean Systems' approach is key to driving forward excellent service delivery and achieving true transformation. The Lean philosophy is to create an organisation which is obsessively focussed on delivering 'value' for customers and one which continually strives to eliminate non-value activity or "waste".
- 12.2 Lean puts customers at the heart of everything we do, simplifying the way we work, building a culture of continuous improvement and ultimately reducing our operating costs. Lean organisations only do what they need to do to meet customer, organisational and statutory requirements. They manage streams of work that add value – as systems rather than discreet units. This creates a number of challenges to traditional approaches. Lean requires leaders and managers think differently about the work, the purpose of the organisation and continually strive to improve.

13.0 Culture and transformation

- 13.1 True transformation is about significant and sustainable change in both what we do and how we do it. Building the right culture within Cheshire East will be critical to effecting true transformation. Research tells us that exceptional organisations are held together by a **high performance** culture that "glues" the organisation together. By focusing on **how** we do things as well as **what** we do, new norms can be established and cultural change can be achieved more quickly. The key principle is "the way we do things around here" creates a culture, not the other way around.

- 13.2 The engagement of staff is critical to enable employees to contribute effectively to transformation. Harnessing the skills, ideas and energy of staff will be essential to creating a common sense of purpose and collective ownership. Engagement can be seen as ultimately about transformation, because **harnessing the discretionary effort** of people improves performance.

14.0 Transformation Framework

- 14.1 Recognising the scale of transformational change required across Cheshire East aligning and empowering individuals, teams and services to identify and action new ways of doing things will be critical for success. Whether these are the “small things which make a big difference” which can be implemented locally or the bigger ideas which may need to be managed as part of a bigger project or programme.
- 14.2 Taking the vision, values and objectives in the Corporate Plan as the start point, work has been done to define what becoming a flagship Authority will entail and the development of Transformational Priorities and Principles to guide, align and challenge all change initiative across the Authority to ensure that the vision of the Council is achieved.
- 14.3 The Transformational Priorities (or 3 C’s) are summarised below and underpinning Principles to support these are defined fully in the **Transformation Framework** contained in **Appendix 1**.
1. Delight our **Customers**
 2. Manage our **Costs**
 3. Develop our **Culture**
- 14.4 Underpinning these priorities is the need to ensure a “**cross-cutting**” perspective to transformation is adopted so that systems are seamless and potential benefits are fully realised across the Council.

15.0 Transformation Programme

- 15.1 Transformation in Cheshire East will only be achieved by fully integrating associated activities as part of what a Directorate or Service has to do and is not in addition or outside of this. Looking across the Council there are many transformational, transitional and service improvement projects underway, all of which contribute to the achievement of our corporate objectives and priorities.
- 15.2 To achieve true transformation the appropriate balance needs to be struck to enable Directorates and Corporate Services to drive and deliver their own transformational agenda’s – whilst ensuring an integrated and co-ordinated approach to those few key initiatives which when managed as a collective whole will together deliver a “step change” in performance for the Council.

15.3 Following a review of all projects underway across the Council, six key programme areas, have been identified as those which are interconnected, primarily cross-cutting and when managed as a “whole system” will be major contributors in achieving our aim of becoming a flagship Council. These are summarised below and in **Appendix 2**:

Outline Transformation Programme

1. Closer to Customers
2. Partnerships and Shared Services
3. Childrens and Adults
4. Health and Wellbeing
5. Total Transport
6. Enabler and Asset Strategies

16.0 Defining and Delivering the Transformation Programme

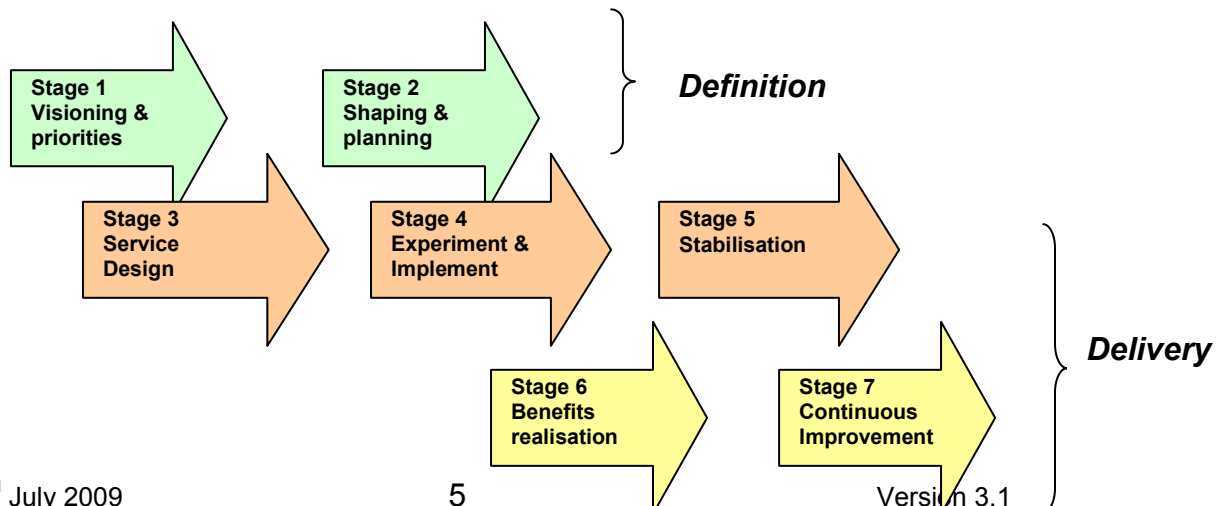
16.1 To realise the full benefits from the transformation programme an integrated approach will be required to the way the programme is managed. It is recognised that the various components of the outline programme are at very different stages and whilst not wanting to slow down progress, some work may needed to re-define and align the six areas based on a whole systems approach and the transformation principles defined in the transformational framework.

16.2 At a high level programme management can be grouped into interconnected two cycles:

- **Programme Definition** – understand, prioritise, balance, plan
- **Programme Delivery** – benefits management, financial management, stakeholder engagement, resource management, organisational governance, management control

16.3 The model outlined below shows the generic stages of transformation. Broadly we are at “stage one - visioning and priorities” and agreement to this document will form the mandate to proceed to stage two.

Definition and Delivery model



17.0 Next steps

- 17.1 The management of the Transformation Programme will be based on a virtual matrix team approach where individuals will have both Directorate and Council responsibilities to deliver common objectives. The following actions are recommended to initiate the Transformation Programme:

What	By when
1. Agree and populate transformation programme management structure and governance <ul style="list-style-type: none">• Agree transformation programme management structure• Establish and mobilise various groups• Explore appointment of a critical friend / strategic partner• Establish a programme office	End Aug 09
2. Develop transformational capacity <ul style="list-style-type: none">• Develop and deliver Lean Education programme• Define and agree Cheshire East approach to programme, project and change management• Develop and deliver programme, project and change management skills programme	Autumn roll-out
3. Develop Council wide blue print for change (view of future state) <ul style="list-style-type: none">• Value stream mapping• Develop future operating model	End Sept 09
4. Establish structure for individual sub-programmes and scope	End Oct 09
5. Develop out-line business case and benefits plan <ul style="list-style-type: none">• Define benefits• Obtain baseline measurement	End Oct 09
6. Undertake key stakeholder analysis and develop high level communications plan	End Oct 09
7 Develop overall transformation programme plan	End Oct 09
8. Develop detailed business case and align with MTP	End Feb 10

18.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Rosie Ottewill
Designation: Organisational Change Manager
Tel No: 01244 977288
E-mail: rosie.ottewill@cheshireeast.gov.uk

APPENDIX 1 – TRANSFORMATION FRAMEWORK

Our Vision - Work together to improve community life		
Our Values Action – take responsibility for making the right things happen Support – work and learn together in order to succeed People – put customer and community needs at the heart of what we do Integrity – be open, honest and fair, expecting the same of others Recognition – value all views, efforts and achievements Excellence – strive to improve all that we do	Our aim – become a flagship Authority within 2 years We will show consistent improvement across all our services so that we deliver more satisfaction to all who have contact with us. We will think people and place in all that we do, so that the services we deliver are responsive and relevant to the needs of local communities. We will demonstrate effective community leadership to positively influence and leverage the whole system with partners so that customers and communities will see improved outcomes and believe that the Council is addressing the aspirations of all its citizens .	
Our Council Objectives 1. Children and Young People –enable all children and young people to fulfil their potential 2. Adult Health and Well Being –improve the wellbeing, health and care of people 3. Stronger Communities –ensure that people in local communities have a greater say about how resources are targeted in their area 4. Safer Communities –work with others to make all of our communities safer places to live, work and play 5. Tackling Exclusion & Promoting Equality –enable people to have a good quality of life irrespective of where they live or their social or economic background 6. Local Economy –shape and maintain strong and prosperous neighbourhoods in which residents are skilled and economically active, where businesses want to invest and where people want to visit 7. Environmental Sustainability –provide an attractive and sustainable environment which communities can be proud of 8. Building a New Council – build a Council that is responsive to changing needs and delivers value for money		
Our Transformational Priorities and Principles – 3 Cs		
Delight our Customers	Manage our Costs	Develop our Culture
<ul style="list-style-type: none">• Easy access to services that people need from the place they need it• Locally based services which reflect how families and communities live• More services to keep people well and safe for as long as possible• More personalised services, to give people more choice and control over the resources available to them• First point of contact resolution for the majority of customer enquiries and issues.	<ul style="list-style-type: none">• Better and more flexible use of Council and partner assets and resources.• Services to be provided by those people / organisations best placed to deliver• Sharing of support services with partners where appropriate• Only provide services which are core to our business• Better use of appropriate technology to modernise and improve service delivery• Outcomes measurement and evidence of improvement and value in all we do	<ul style="list-style-type: none">• Lean services to suit customers and not ourselves, understanding the end-to-end customer journey and experience• Actively engage and involve customers, communities, partners & employees• Experiment with new methods and take sensible risks, learn from our mistakes.• Invest in and support our people to learn and develop so that they grow with the organisation• Work as one team across organisational boundaries to build “Team Cheshire East”.

APPENDIX 2 – OUTLINE TRANSFORMATION PROGRAMME

