

Report to:	EXECUTIVE CABINET
Date:	23 March 2022
Executive Member:	Cllr Brenda Warrington, Executive Leader
Reporting Officer:	Sarah Threlfall, Director of Transformation
Subject:	ESTABLISHMENT OF A TRANSFORMATION TEAM
Report Summary:	<p>The financial challenges that the Organisation face have been well documented. The Organisation faces a significant budget gap beyond 2021/22, and this budget gap will increase if planned reductions in spending are not delivered. The Organisation must ensure a relentless focus on delivery of savings, close the gap in future years. Budgets have been balanced through the use of reserves over the last few years, to provide services with the time to improve, but this is not sustainable in the long run and the Organisation needs to ensure robust and transparent management of these services to ensure the delivery of the improvement plans and transformation.</p> <p>There is a need to put in place dedicated capacity and skills to drive the focus on budget reductions and to support service areas to consider improvements and alternative delivery models.</p> <p>To that end, it is proposed to implement a Transformation Team for 2 years. Previously allocated budget for service improvement bids would be utilised to fund this team.</p> <p>The Transformation Team will work in partnership with services, providing enabling capacity to implement improvement work and drive forward change. The focus will be to help services continue to transform to create better outcomes for our residents with a view that financial savings will follow.</p> <p>The remit will expand cover all Directorates but it is recognised that the priority must be afforded in the first instance to the area of highest risk, namely Children's Services. Subsequent focus and a detailed Transformation Programme will be developed in partnership with external specialists following a Organisation wide and service level diagnostic exercise.</p>
Recommendations:	<p>That Executive Cabinet be recommended:</p> <ul style="list-style-type: none"> (i) To approve the creation of a Transformation Team primarily resourced through the deployment of existing members of the workforce and recruitment to temporary roles for a 2 year period. (ii) To approve the governance arrangements for the Transformation Team detailed in this report. (iii) To approve the initial areas for focus identified in the Transformation Programme overview and acknowledge that these priorities will be of utmost priority across the Organisation. (iv) To approve the creation of a £5m Transformation Fund, utilising earmarked reserves already identified and agreed within the MTFP
Corporate Plan:	The Transformation Programme underpins all aspects of the Corporate Plan, with phase one specifically linking with Starting and

Living Well.

The programme will also provide capacity around key enablers identified as key to delivering the vision, aims and priorities of the Corporate Plan

Policy Implications:

None at this time although a review of policies relating to certain transformation projects will be required longer term.

Financial Implications:

**(Authorised by the statutory
Section 151 Officer & Chief
Finance Officer)**

The financial challenges facing the Organisation are well documented. In order to help to address these challenges, it is essential that the Organisation creates additional, specialist, 'transformational' capacity to work closely with the Directorates to help them to transform services which will lead to improved outcomes and subsequently realise significant financial savings.

Funding has been built into the Medium Term Financial Plan for a £5m Transformational Fund, utilising budgets previously allocated for service improvement bids. This will be utilised to pay for the Transformation Team for a period of up to 2 years at a cost of approximately £1.8m.

The remaining balance of £3.2m will be used to fund transformational activity, including the appointment of a specialist Transformation partner, which is subject to a separate report.

Legal Implications:

**(Authorised by the Borough
Solicitor)**

The reasons for the creation of the transformation team are set out in the main body of the report.

Critically the team is proposing to address the financial challenges that the Council faces, as we must be able to deliver a balanced budget in order to comply with legislation and to avoid the ultimate sanction of intervention by the Secretary of State.

The financial challenges must be balanced against the requirement for the Organisation to continue to deliver statutory duties such as social care, environment and highways. The team is ambitiously proposing not only to sustain but also to improve these service deliveries for the residents of Tameside.

Given the financial challenges, it would be advisable if the work streams could have clear time lines allocated to each of them so that the progress especially in relation to savings can be closely monitored, as this will be key data for the setting of future budgets.

The requirement to deliver statutory services within a balanced budget is also a key responsibility for Members and therefore the proposed governance structure should enable Members the necessary oversight of this key work stream.

Risk Management:

The implementation of the Transformation Team and associated projects will be overseen by the Governance arrangements as outlined in this report.

Background Information:

The background papers relating to this report can be inspected by contacting Emily Drake



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1. INTRODUCTION

- 1.1 Since 2010, funding from central government to local government has on average reduced by half in real terms. At the same time, the Council and CCG have faced growing cost pressures from increasing demand for services and rising costs. In the last seven years alone the Strategic Commission has needed to find budget savings of £171 million to balance the books.
- 1.2 Recent local government finance settlements have been short term, making it difficult to plan and invest for the future. Despite headline increases in core spending power, funding has continued to reduce in real terms, as Council Tax increases have been expected to generate additional income. In the context of significant rising demand for social care services, the growth in Council Tax income cannot keep pace with rising costs.
- 1.3 The organisation faces a significant budget gap beyond 2021/22, and this budget gap will increase if planned reductions in spending are not delivered. The organisation must ensure a relentless focus on delivery of savings, to close the gap in future years. Budgets have been balanced through the use of reserves over the last few years, to provide services with the time to improve, but this is not sustainable in the long run and the organisation needs to ensure robust and transparent management of these services to ensure the delivery of the improvement plans and transformation.
- 1.4 A failure to turn around these budget areas will in turn result in an inability to set a balanced budget in future years and raise questions on its ability to deliver value for money services for its residents. Short term fixes cannot sustain our current operating model, and there is therefore a need to develop a new business and operating model to enable us to operate sustainably within our financial resources.
- 1.5 In response, this report proposes the creation of a Transformation Team. The objective will be to drive change and help support the organisation in achieving the challenging financial targets required in line with its approved Medium Term Financial Plan and to support the organisation to continue to transform services for residents. It outlines a proposed approach to Transformation and associated governance, the initial areas of focus and seeks approval for this programme of works to take utmost priority across the organisation.

2. TRANSFORMATION TEAM FOR THE ORGANISATION

- 2.1 It is clear that there is a need to put in place dedicated capacity and skills to drive the focus on improved outcomes for residents and budget reductions and to support service areas to consider improvements and alternative delivery models. To that end, it is proposed to implement a Transformation Team for a 2 year period from 1 April 2022 to 31 March 2024. Previously allocated budget for service improvement bids would be utilised to fund this team.
- 2.2 Whilst the catalyst has been the organisation's financial position, the focus of the Transformation Team will be to help services continue to transform to create better outcomes for our residents with a view that financial savings will follow. Underpinning this is the principle that better outcomes drives efficiency, cost avoidance and longer-term demand reduction.
- 2.3 To support the focus on better outcomes for residents, the Transformation Programme will need key leadership and organisational principles to enable change to be effectively driven by the team. These requirements have been identified following consultation with other local authorities who have been on similar transformation journeys and the learning from their experiences. For the Transformation to be successful, these key principles must be embraced to provide sound foundations for the Transformation agenda.
 - Absolute commitment from Elected Members and Senior Management
 - Senior leaders pulling in the same direction
 - Being open to external challenge

- Focus on improving outcomes and the financial benefits will follow
- Design an organisation culture and model fit for the future
- Digital change is key
- Bringing in different subject matter experts as areas of focus evolve

2.4 The team will be pivotal in supporting organisation wide change initiatives. Of key importance will be organisational culture. The organisation's culture will play a huge part in the impact and success of any transformational change. As transformation shifts the strategies, systems, processes and technologies that underpin how we deliver services, we need to ensure our workforce is change ready to adopt new approaches. This will future proof the organisation past the two year transformation programme window. It will ensure that by working with our HR and organisational development teams and service managers, the right skills and aptitudes will be embedded in our workforce to ensure the organisation is adaptable and sustainable in the future. As a result culture will play an important part of the Transformation Team's work.

2.5 To develop of a sustainable future culture that instils transformation and continuous improvement practises into Tameside's 'business as usual', the Team will work in partnership with services, taking a collaborative and supportive approach. This recognises the fact that many services can identify areas where improvements can be made, but that enabling capacity is needed to implement and drive forward change in teams where capacity is limited.

2.6 Breaking work down into key projects and workstreams with clear project management will assist in driving change and ensuring deliverable outcomes. Focus will be given to measuring impact through performance measures, benchmarking and clear accountability supported by robust governance as outlined in section 3.

3. GOVERNANCE OF THE TRANSFORMATION TEAM

3.1 The Transformation Team will need effective governance as it's work will impact on the whole organisation. Given the importance of the programme, it is proposed that the governance of this sits at the highest level.

3.2 The suggested Governance approach is:

- The Leader of the Organisation will be the Programme Sponsor;
- The Portfolio Holder for Finance and Growth will be the day-to-day lead for the programme, on behalf of the Leader.
- It is proposed that the Impact and Recovery Board be re-designated as a Transformation and Recovery Board for this purpose (terms of reference attached at appendix 1).
- Cabinet Portfolio holders will be asked to consider those areas that fall within their Portfolios;
- The Single Leadership Team will collectively take on the Senior Responsible Officer role. They will serve as the Transformation Programme Board.
- A senior officer will be Programme Director, to manage the Programme Managers, to oversee the work of the Programme and be accountable for delivering against agreed targets.
- Project Boards will be established but to reduce impact on capacity existing governance structures will be utilised as required eg Children's Improvement Board
- Any proposed decisions by the Transformation Team will follow the organisation's usual decision-making processes.
- A staff reference group will support workforce engagement in the programme.

4. STAFFING THE TRANSFORMATION TEAM

4.1 It is envisaged that the Transformation Team will be resourced through a combination of

deployment of existing skilled and experienced staff, recruitment to temporary positions (for 2 years) and specialist external support.

- 4.2 This approach will enable the Organisation to move quickly and establish the core team members from our existing workforce, providing development opportunities and harnessing the skills, knowledge and experience of these colleagues. It will be necessary to provide backfill for these colleagues to ensure that their deployment does not have an adverse impact on operational service delivery.
- 4.3 It is proposed that the Programme Director role will be undertaken by the Director of Transformation, to provide leadership and direction for the Transformation Team, supported by two Programme Managers.
- 4.4 It is proposed that the two Programme Managers are appointed for a period of 2 years. There is an option around two internal deployments that would mean prompt recruitment to these key posts, allowing the capacity to progress the Transformation programme more quickly.
- 4.5 The core Transformation Team will require a broad range of individuals who are able to provide skills and capacity. It is envisaged that this capacity will be resourced through internal deployment and external recruitment where necessary.
- 4.6 Whilst the Transformation Team will be at the core of the programme of work, it is essential that service directors and managers continue to hold responsibility and accountability for the continual improvement of their services and functions with ideally an identified project lead from within service. It will be necessary for the Transformation Team to work very closely with this lead / Heads of Service and other colleagues to support the improvement and change programme.

External Specialist Transformation Support

- 4.7 Whilst a core team will provide a sustained and focused approach to the programme of work, it will be necessary, to ensure sufficient scale and pace, and to provide additional capacity and specialist skills to engage external specialist support.
- 4.8 Procurement activity is scheduled to commence in March 2022 with a preferred external partner estimated to be engaged from the start of July 2022. Once selected, the identified external partner will undertake a phased approach of detailed diagnostic work and subsequent implementation.
- 4.9 The provider will be expected to supplement the transformation team by providing knowledge, skills and expertise in the following key areas:
 - **Whole-organisation diagnostic** – using engagement, data analytics and other techniques to understand organisational vision and priorities and assess performance and spend against these priorities.
 - **Detailed service level diagnostic** – using engagement, data analytics and other techniques to understand current operating models for both enabling and frontline services. A collaborative approach to bring services along the transformation journey.
 - **Track record of implementing transformation projects** – clear case studies in a local government setting that demonstrate the ability to develop and implement large- scale change and bespoke service interventions, focussing on improved outcomes for residents, reduction in demand and associated financial savings. Examples of supporting change that delivers measureable benefits at whole organisational level, and enabling and frontline services.
 - **Medium and Long Term Planning** – ability to monitor and project medium and long-term demand trends and associated financials.
 - **Business systems and process re-engineering** – implementation of Organisation systems and processes including multi agency settings.
 - **ICT systems and business integration** - understanding of current infrastructure and

application portfolio, delivery and implementation. Drive innovative solutions to service provision that is accessible and drives out inequality of access.

- **Extensive knowledge of alternative operating models** for delivery of Organisation services to better outcomes for residents
- **Base budget review processes** – current budget, spend and income levels and future predictions
- **Workforce** – ability to understand the organisation’s culture and engage its workforce in the transformation agenda and new operating models.
- **Embedding knowledge and new ways of working** – an approach to train and upskill the workforce to ensure a sustainable approach and continued programme of improvement post project as part of business as usual.

4.10 There may be requirement to seek further support from other external organisations as the transformation programme progress. This may include peer reviews, reviews from external professional bodies etc. to ensure a robust framework of impartial external challenge, shared learning and professional expertise. Any such support would require separate governance and appropriate procurement.

5. WORK PROGRAMME

5.1 The Transformation Programme will initially be for two years from 1 April 2022 to 31 March 2024, at which stage progress and impact will be reviewed.

5.2 The remit will cover all Directorates and focus on organisation-wide initiatives including but not limited to culture, operating models, digital and business improvement in the future programme.

5.3 However, initial priority must be afforded in the first instance to Children’s Services considering the service has the biggest associated financial and operational risks. Children’s Services have an approved 7 point turnaround plan which urgently needs additional capacity in order to deliver its key objectives at pace. In 20/21 the Organisation approved the use of £12.4m of reserves to balance the in year budget position and allow Children’s Services time to implement their 7 point plan. However, as yet, none of the progress has translated into financial savings and, to date, Children’s Services continues to forecast a significant overspend.

Initial Areas of Work Identified

5.4 Over the last 6 months some informal transformational capacity has been afforded to Children’s Services, enabling scoping of some initial priority areas for the Transformation Team to focus on. In addition, further priority areas have emerged, some of which are Organisation wide, others which are directorate specific.

5.5 These initial areas for focus will form the basis of the Transformation Team’s work programme from January – July 2022 and are identified below:

Project	Overview
Accommodation (Children’s)	To support provision of appropriate and affordable accommodation for our cared for children and care leavers. <ul style="list-style-type: none"> ○ Solo Provision (including DfE Bid) ○ Residential Review ○ Respite ○ Foyer ○ GM House ○ Grow our fostering offer

	<ul style="list-style-type: none"> ○ Care Leaver provision and experience
Locality Hubs (Children's)	Establishment of multiagency Locality Hubs to support the neighbourhood model, the integration of health and social care and the development of new relationship between public services, citizens and communities (includes bid to Family Hubs: Local Transformation Fund)
Foundations work (Children's)	Back to basics on systems and process improvement work. Focus on financial systems, health outcomes, business support, care leaver housing benefit.
Workforce Strategy – Recruitment and Retention (Children's)	Improve recruitment and retention of social workers in Children's.
Signs of Safety (Children's)	Two year capacity to embed signs of safety across the Children's workforce to improve the quality of support provided to children and families
Housing support and options (Place)	Improving housing allocations and nominations (links to care leaver accommodation provision)
Poverty Truth Commission (Organisation wide)	Embedding a person centric approach to addressing poverty and supporting the vulnerable.
Parking Review (Place)	Review of parking across the borough.

5.6 Further cross cutting savings proposals or programmes of work that may require transformation support include:

- Digital Programme
- Capital Review
- ICS Transition
- Income review- including external funding
- Workforce- Including Agency Review
- Estates Rationalisation
- Active Tameside
- Worksmart
- Review of key contracts and 3rd party spend and social value
- Refocus Business Planning
- Cultures and behaviours

Longer Term Transformation Programme

5.7 As outlined in 4.7 to 4.10 above, establishment of the Transformation Team will be complemented by engagement of external specialist transformation partners.

5.8 On appointment (estimated early July 2022), the external partner's initial piece of work will be a organisation-wide review of the culture and operating model to ensure the organisation can drive change to deliver better outcomes and is capable of operating sustainably within its financial resources. More detailed diagnostic work at service level would follow.

5.9 This diagnostic will allow full scoping of priority work streams that will generate service efficiencies, savings and / or better outcomes for residents. The creation of a detailed full transformation programme would then be created explicitly linking outcomes, financial and performance data bringing enhanced accountability. Based on soft market testing this diagnostic phase will take approximately 4-6 months. Implementation of recommendations based on prioritised opportunities with associated delivery plans to support the activity of work would follow, with an anticipated duration of 18 months.

- 5.10 It should be noted that a change management project of this scale will have elements of flux. Part of deciding the areas of focus will be an expected outcome from any diagnostic work. We can, based on benchmarking and our own organisational self-awareness provide a guide of where projects may initially focus, but there must be an acceptance that this may change as the programme progresses and our evidence base increases. This may in turn require different types of internal capacity for different pieces of work.

6. FINANCIAL IMPLICATIONS

- 6.1 As outlined in section 4 above the staffing establishment for the Transformation Team costs £1.8m over 2 years period 1 April 2022 to 31 March 2024.
- 6.2 The remaining balance of £3.2m will be used to fund transformational activity, including the appointment of a specialist Transformation partner, which is subject to a separate report.

7. CONCLUSION

- 7.1 The organisation faces a significant budget gap beyond 2021/22, and this budget gap will increase if planned reductions in spending are not delivered. The Organisation must ensure a relentless focus on delivery of savings, both in 2021/22 and planned for 2022/23, to have any chance of closing the gap in future years. The Organisation therefore needs to ensure robust and transparent management of services to ensure the delivery of the improvement plans and transformation.
- 7.2 The establishment of a Transformation Team from internal and external recruitment will provide dedicated capacity and skills to help address this gap. The team will work in partnership with services, providing enabling capacity to implement improvement work and drive forward change. The focus will be to help services continue to transform to create better outcomes for our residents with a view that financial savings will follow.
- 7.3 The team will thrive from clear and aligned strategic leadership that values and is open to external challenge and learning, with a commitment to developing an organisational culture that supports transformation in the long term. This will be established via the governance framework outlined in this report.
- 7.4 Over the initial 6 months up to July 2022, key pieces of work focussed around accommodation, housing and key enabling projects in children's services will ensure capacity is provided where most needed in the organisation. Following this, support from an external partner will bring in specialist expertise to develop a detailed evidence based transformation programme, explicitly linking outcomes, financial and performance data and bringing enhanced accountability.

8. RECOMMENDATIONS

- 8.1 As set out at the front of the report.

APPENDIX 1

TERMS OF REFERENCE

Title	TRANSFORMATION & RECOVERY BOARD
Role	To provide oversight and strategic direction for Tameside Organisation’s Transformation and Recovery programme.
Membership	<p>Chair: Cllr Brenda Warrington Deputy Chair: Cllr Oliver Ryan</p> <p>Membership:</p> <ul style="list-style-type: none"> • Executive Cabinet • Single Leadership Team • Chair of Audit and Overview
Key Objectives	<p>To focus on the following objectives to improve outcomes for local communities (residents and businesses) and a sustainable resource position for Tameside Organisation:</p> <ul style="list-style-type: none"> • Reduce inequality and improve outcomes. • Build a sustainable long-term financial position based on increased income, improved efficiency, cost avoidance and reduced demand for services. • Support services to develop new ideas through the provision of high quality enabling services such as governance, legal, business support, finance, human resources, training, policy, engagement and equalities, procurement and commissioning. • Put the public service reform principles at the heart of plans with an ambition to improve resilience and independence in communities. • Use the Corporate Plan as the guiding document to ensure a focus on quality of life as well as financial sustainability. <p>To provide strategic direction to, and support the development and implementation of, a Transformation and Recovery programme.</p> <p>To provide space and opportunity for listening and sharing of ideas and opportunities between senior leaders for further exploration and development by the Transformation Team.</p> <p>To act as a place to gain consensus and agreement at an early stage that initial ideas are developed into fuller and more detailed worked up proposals.</p> <p>To act as a place to achieve shared understanding and common agreement before proposals and reports are then taken into the formal decision making process.</p> <p>To act as a link between Tameside, Greater Manchester and other areas where there are opportunities for collaborative delivery and sharing of good practice.</p> <p>To ensure that the impact on local communities of any transformation projects are duly considered and reflected in final proposals and recommendations – putting the voice of local people at the heard of plans and equality impact assessing where required.</p>

Behaviours & Accountability	<p>The Chair will ensure that:</p> <ul style="list-style-type: none"> • A shared culture, common purpose and trust is developed through a collaborative style. • Every member of the Transformation & Recovery Board has the opportunity to contribute. • Meetings are conducted in an inclusive, professional and open manner. • Recommendations are clear with timescales and responsibility assigned. <p>Transformation & Recovery Board members will:</p> <ul style="list-style-type: none"> • Participate in the work of the Transformation & Recovery Programme and make every effort to attend meetings and constructively contribute. • Keep their areas of responsibility informed of the activities and recommendations of the Transformation & Recovery Programme. • Engage with and be accountable to the Transformation & Recovery Programme and the organisation or community they represent. • Report back any relevant and non-confidential matters and discussions to the Transformation & Recovery Programme from their areas of responsibility and/or the communities of interest they represent. • Endorse and work within the agreed collaborative and inclusive approach of the Transformation & Recovery Programme.
Reporting to	<p>Executive Board – at least quarterly and as required for formal decision making.</p> <p>Executive Cabinet – at least quarterly and as required for formal decision making.</p>
Access to information	<p>Meetings in private.</p> <p>Reports to Executive Cabinet publically available via the Tameside Organisation website.</p>
Schedule of meetings	<p>Monthly.</p> <p>Ad hoc project specific meetings in between as required.</p>
Commissioned	<p>September 2021.</p>
Review	<p>March 2022.</p>