

New Models for Transformation Final Report Recommendations

Summary

**Cambridge University Science and Policy Exchange
working with
Cambridgeshire County Council**

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Cambridgeshire County Council Policy Challenges

What are the next generation of models to transform organisations, and how could they benefit Cambridgeshire County Council?

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Summary

As part of the Cambridgeshire County Council Policy Challenges, a team of three researchers was challenged to address the question of:

What are the next generation of models to transform organisations, and how could they benefit Cambridgeshire County Council?

The council is facing significant pressures due to the need to meet challenging budget reductions whilst delivering services to a growing population in Cambridgeshire. Furthermore, as devolution of power gains traction in the UK, including the establishment of the Cambridgeshire and Peterborough Combined Authority, and digital technology plays a growing role in society, there are opportunities to change how services are delivered.

Within the context of the council's transformation process, through meeting different members of the council and examining the literature, a series of recommendations have been made that span the areas of Governance, Organisation, System Methodologies, Leadership, Culture and Technology. These recommendations can be drawn together into a vision for the potential next step of transformation, involving more radical change across the whole organisation and to its approach and culture, making it more collaborative, citizen focused, agile and responsive, involving greater delegation of delivery, flexibility and improved infrastructure.

This report provides an overview of the work of the project. This begins with an overview of the policy challenges and the brief provided to the team, before discussing the approach taken during the project, the key areas of interest identified and types of models examined, and finally providing recommendations and providing an evaluation and proposal for future work.

Further sub-reports provide detailed discussion of recommendations in each of the six areas, with brief rationale and examples.

The Policy Challenges

In October 2016 Cambridge County Council and Cambridge University Science and Policy Exchange (CUSPE) launched the policy challenges to connect the council with academic researchers to assess salient issues facing the County Council.

Each challenge brought together a small team of researchers to examine one of three key questions:

- What are the next generation of models to transform organisations, and how could they benefit Cambridgeshire County Council?
- Why is Cambridgeshire's educational achievement gap so bad, and what can be done about it?
- What actions would have most impact in reducing deprivation inequalities in Cambridgeshire?

This team focused upon addressing the first of these questions, the results of which are presented in this report.

Project Brief

Upon beginning the project with the council, the team were provided with a brief for the project. This brief outlined the need for transformation within the council:

'The need for transformation: Cambridgeshire County Council has operated a departmental based approach to business planning and budget setting process for many years. This engendered a culture and a set of behaviours that resulted in a very insular and defensive style of working. As a consequence there were very few cross-organisational, let alone cross-sector, solutions developed to address the financial challenges faced by the Council.'

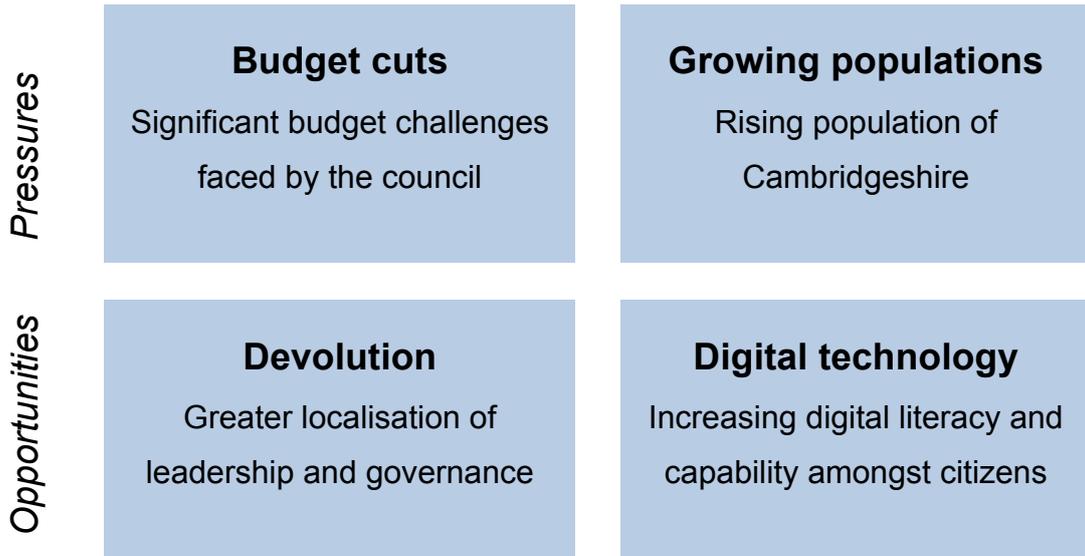
As part of transformation, the brief described a need to determine possible models for transformation at the level of project methodology:

'The models and methodologies behind this transformation are still to be determined – and the Council is interested to know what the vanguard models and methodologies are that we should be looking towards.'

This brief provided a wide scope for the project. Whilst initial examples of specific business methodologies such as Lean and the Agile were mentioned along-side this brief, it became clear during initial meetings, both with political representatives and officers, that the council was keen to explore broader examples of models for transformation, for instance relating how organisations are structured, how they are governed, and how this relates to the delivery of services to the citizens.

Context for Transformation

Transformation within the council is driven both by the need to address several main challenges and take advantage of the changing context within which local government operates. During the project four key influences on transformation were identified.



Key influences on transformation

The most significant pressure currently facing the council is the need to manage significant budget cuts, with the council facing a £100 Million Budget Challenge over the next five years¹. There is therefore a need to consider how savings can be found whilst maintaining high levels of service provision. Cambridgeshire is furthermore experiencing growing populations, placing additional pressure on local services.

Coupled with these pressures, there are potential opportunities that the transformation process can grasp. Devolution provides the opportunity to ensure that services are driven by local needs whether through devolving management of services to citizens themselves, or through working at a regional level with the newly created Combined Authority covering Cambridgeshire, Peterborough and beyond. Finally there is a need to consider the opportunities provided by technology and digitalization. This is important for how the council internally manages delivery of services, how the data held by the council can be shared with others such as developers to make use of this data, and finally its influence on how citizens can interact with the council, with increasing digital literacy in society.

¹ Cambridgeshire's £100 Million Budget Challenge, <https://www.youtube.com/watch?v=9c7ka60lf-8>

Project Approach and Process

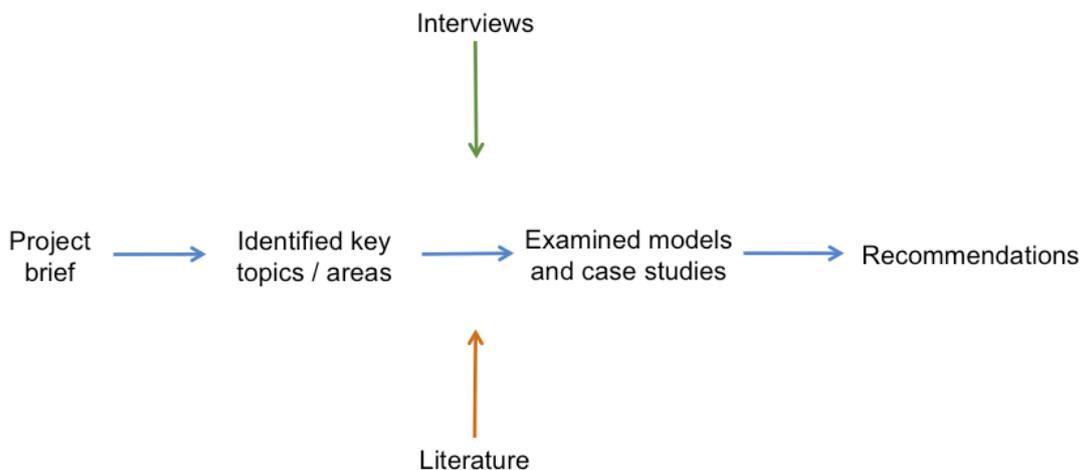
Having been provided with a broad project brief, there were three main steps during the project. Firstly, six key areas of interest were identified and used to organise work around. Secondly, different models or practices were examined relating to these areas, including looking at case studies of where they have been previously applied, or could be applied to new projects. Finally, a series of recommendations were identified as well as providing an over-arching vision that captures these recommendations.

During this process, two main sources were used to guide the work.

Extensive interviews with councillors and officials within the council were used to understand the current transformation process, identify concerns across different stakeholders and examples of different case studies, and testing and discussing potential recommendations. The team met with 20 or more councillors and officials, including the Chairman and Vice-Chairman of the Highways and Community Infrastructure (HCI) Committee, the HCI Committee Spokes, the Transformation, Citizen First and Business Intelligence Teams. Furthermore meetings with external organisations including the Local Government Association (LGA) supported this work.

In parallel, literature relating to other councils and organisations was examined to understand different models and approaches to transformation.

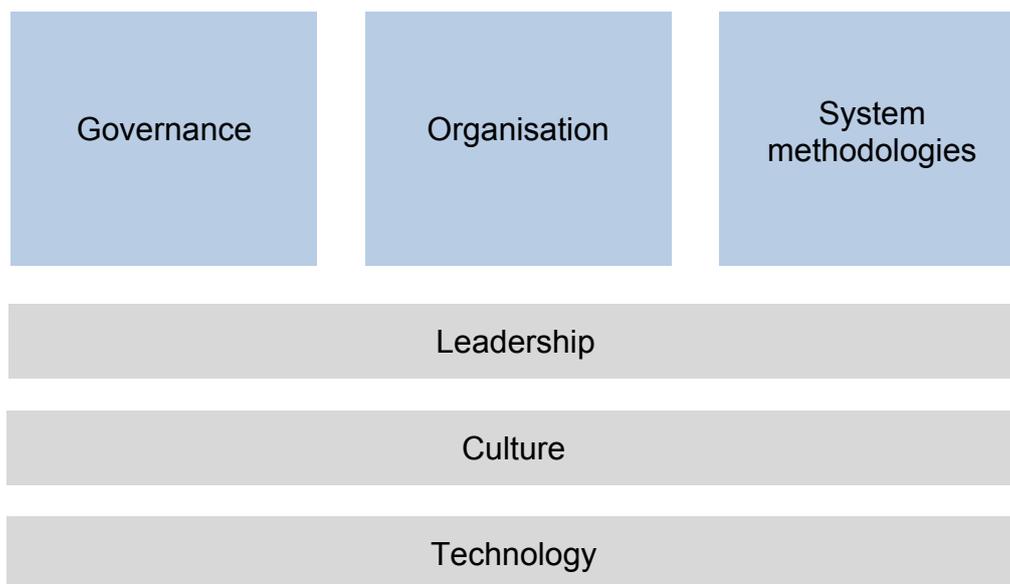
The findings of the project were then presented at the council Senior Management Team (SMT) meeting in April 2017.



Approach taken to project

Key Areas Identified

Early in the project, six key areas of interest were identified. These include three main pillars of Governance, Organisation, and System Methodologies, and three cross-cutting themes of Leadership, Culture and Technology. These areas were used as a framework to categorize different issues and guide research and discussion around models for transformation.



Key areas of interest identified

Examined Models and Case Studies

It is possible to identify numerous models that apply to each of these areas. For example there are many different models of organisational structure – some descriptive and some prescriptive. Similarly there are many models of leadership, for driving cultural change, for governance and so on. We were influenced in the choice of models by the (often implicit) models that interviewees appeared to be using, explicit models that were brought to our attention and the models we found in the literature, in particular models proposed by the Local Government Association and models that other local authorities appeared to be using with some success. We were also influenced by a desire to combine the models in such a way that if applied together they would provide an overall coherent and aligned set of recommendations.

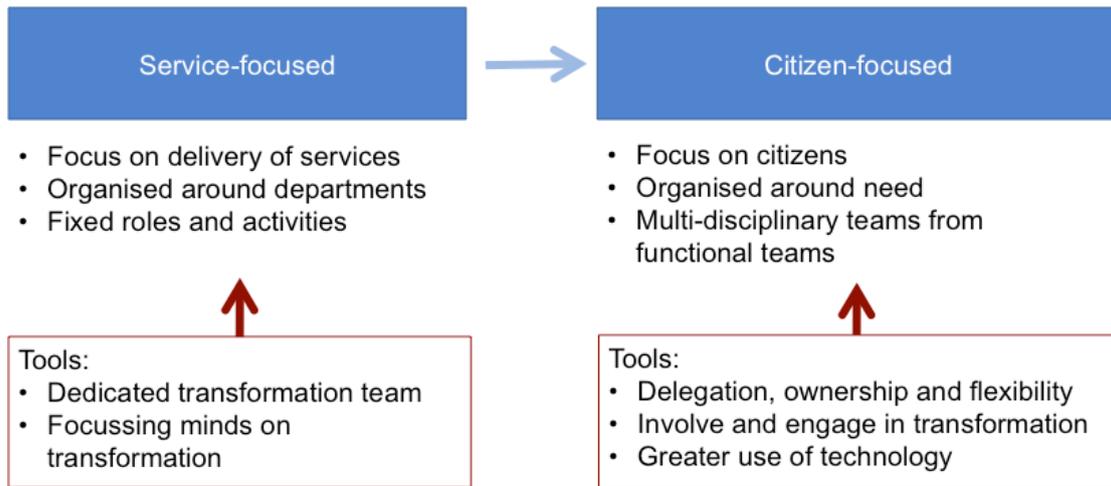
Recommendations and Rationale

Across the six key areas identified, over 50 recommendations have been made across each of these areas, further outlined in each of the sub-reports.

These recommendations can be brought together into a broader vision for council transformation. It was apparent from the outset of the project that the scale of the challenges facing the council means that a piecemeal or silo approach to transformation would have limited impact, hence the creation of the Transformation Team to provide a cross-cutting team to lead the transformation process. The next step of transformation could involve a more radical change across the whole organisation and to its approach and culture, making it more collaborative, citizen focused, agile and responsive, involving greater delegation of delivery, flexibility and improved infrastructure.

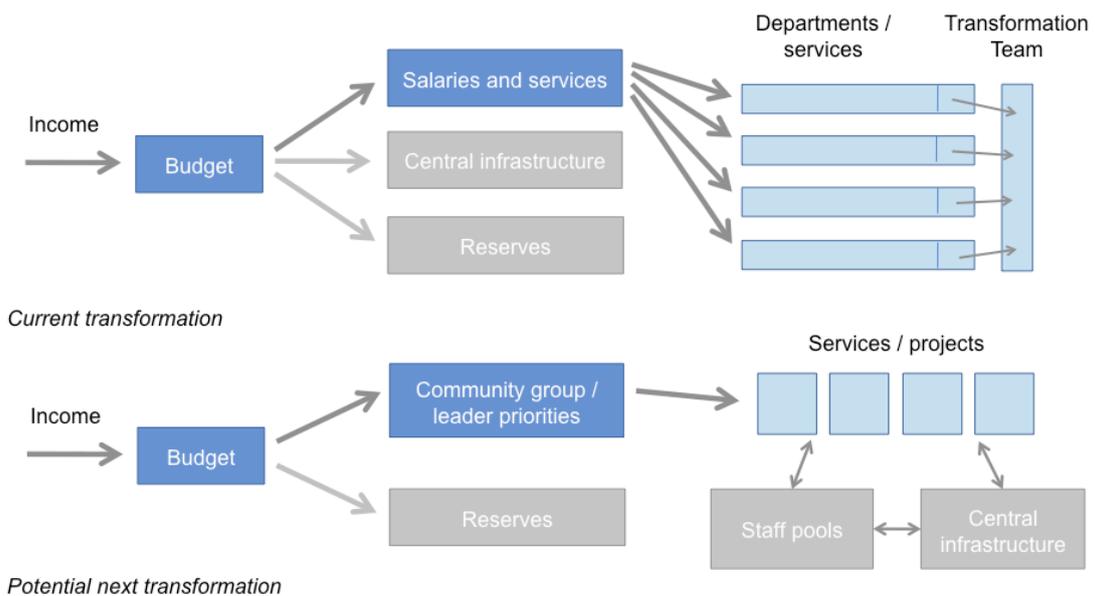
Many of the recommendations are designed to involve and empower citizens in council activities, making services more personalised and focused upon priorities and outcomes for communities and individuals. The main mechanisms where cost savings are anticipated are through tightening the loop between decision-making and outcome, and further opportunities for achieving economies of scale could be brought about by working with the Combined Authority. In summary, implementing the recommendations provided involves the application of methodology and technology within a new culture, leadership and organisation framework, such that the whole process is made more flexible, responsive, relevant and efficient.

Making customer priorities and outcomes a central driver of council activity requires a different mind-set from setting up services that are aligned with the legislative framework. Instead of addressing one piece of legislation at a time, it requires considering communities, families and individuals holistically with each having its unique set of needs. This demands the joined up integration of services around priorities and outcomes that are measured, not in terms of the council's performance indicators (KPIs) or the legislative framework, but in the terms of the communities and users that the council is servicing.



The potential next step in transformation

How this next transformation could be achieved in practice would require further examination and consultation with a wider base of stakeholders within the council. However, the schematic below provides an overview of how financing and delivery could be re-designed around community group / leader priorities to deliver particular services or projects, underpinned by staff pools and central infrastructure.



Schematic of how council financing and delivery could be re-designed

A brief summary of recommendations in each area is as follows.

Governance

- Adopt and communicate a policy of focusing on customer priorities and outcomes in terms of citizen wellbeing.
- Devolve decision-making and budgets to the lowest level, and involve citizens more in priority setting, exploring place-based leadership.
- Promote a policy of citizen participation in all aspects of the councils operations of developments (analysis, co-design, co-development, evaluation).
- Promote openness, open data and information sharing and track developments in open government and digital democracy.
- Use technology to open up decision-making processes.
- Set up working groups to explore where the combined authority can lead to greater quality of service and efficiencies.

Organisation

- Establish competence-based staff pools, and move away from fixed organizational structures towards flexible project-based working to address citizen needs.
- Create flatter structures and more distributed leadership, re-thinking staff motivations and incentives, and encourage spin-outs.
- Define roles in terms of outcomes rather than activities, and increase staff mobility and communication within councils and across the Combined Authority.
- Move towards 'place-based' organization and budget holding.

System methodologies

- Examine whole systems user-centred design (UCD) approaches.
- Use AGILE and iterative development for new projects and consider LEAN for well-established services.
- Use models for assessing social costs and benefits when evaluating project proposals, and develop statistical models for attributing the causes of outcomes.
- Re-focus performance metrics on citizen outcomes and other stakeholders.

Leadership

- Give leaders ownership of priorities and outcomes rather than ownership of staff, and allow for greater autonomy to set priorities.
- Develop models of place-based leadership and define processes for local place-based leaders to emerge;
- Promote 'authentic', 'distributed' and 'invisible' leadership defined by common purpose.
- Follow LGA Guidelines for developing digital leadership skills.

Culture

- Focus on customer priorities and outcomes as opposed to process.
- Loosen up to enable flexibility, mobility and responsiveness and devolve, decentralize and empower.
- Open up to enable data sharing, closer collaboration, greater transparency and accountability.
- Engage more with citizens, other organizations and other internal departments.
- Set up a guiding coalition to lead cultural change and encourage innovation.

Technology

- Examine a common architecture for data storage and secure/controlled access by different user groups (staff, citizens, developers).
- Examine technology to manage staff pools and project-based working.
- Develop notification and reporting technologies.
- Commission a technology roadmap (for the combined authority).
- Track developing technologies that could influence the provision of services by the council, such as cloud computing, the internet of things, blockchain, machine learning, big data and artificial intelligence.
- Consider the role of data in all new projects.

Evaluation and Further Work

This project has engaged with a wide number of stakeholders within the council and with wider organisations, as well as examining literature for examples of how other organisations are approaching transformation.

During the project members of the council were very open and keen to engage with the work. This included providing significant resources and support to arrange meetings with different stakeholders within the council, and external interaction with the LGA.

It is proposed that future work should focus upon how these recommendations could be implemented. This could range from examining radical whole-scale change across the entire council or considering specific recommendations that could be implemented in isolation.

A practical step would be to hold workshops with both senior management and those directly involved in delivering services to discuss the recommendations, and identify opportunities for their implementation and potential barriers that would need to be overcome.

Furthermore, it would be beneficial to determine how this work could feed into wider national discussions around local government, particularly through work with the LGA who were receptive to the project during discussions with them.