



## Report of the Deputy Leader/Cabinet Member for Service Transformation

Cabinet – 17 November 2022

### Transformation Goals & Strategy

<b>Purpose:</b>	To review the Council's Transformation Strategy and goals and to seek approval of the council's transformation vision and goals for 2022-27
<b>Policy Framework:</b>	<ul style="list-style-type: none"><li>• 2022-27 Policy Commitments</li><li>• 2022-23 Corporate Plan</li><li>• Transformation and Future Development Wellbeing Objective</li></ul>
<b>Consultation:</b>	Access to Services, Finance, Legal.
<b>Recommendation(s):</b>	It is recommended that:  1) Cabinet approves the transformation vision, goals and governance arrangements as set out in sections 4 and 5 of this report, and notes that a further report will be presented to Cabinet in March 2023 seeking endorsement of a detailed transformation plan for 2023-27.
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#### 1. Introduction

- 1.1 There are extraordinary challenges facing individuals, communities, and businesses in Swansea, especially as a result of the ongoing cost of living crisis. Likewise, the council has never faced such a difficult financial outlook, exacerbated by years of austerity. At a time when our population needs public services most, they are under threat as our costs rise but our funding is expected to fall in real terms.

- 1.2 As well as providing a wide range of statutory and non-statutory services, the council has an ambitious agenda<sup>1</sup> for the next five years focused on:
- Safeguarding people from harm
  - Improving Education & Skills
  - Transforming our Economy & Infrastructure
  - Tackling Poverty
  - Supporting Communities
  - Delivering on Nature Recovery and Climate Change
- 1.3 At a regional level the council also has shared priorities with partners through the Corporate Joint Committee and the Regional Partnership Board, as well as locally with partners on the Public Service Board.
- 1.4 In addition to the financial challenges, the strategic context in which we, the public and our partners are operating will make delivering on all these agendas extremely challenging. For example, there is/are:
- significant political uncertainty at a UK level
  - major macro-economic uncertainty
  - geopolitical conflicts / changes that are impacting on resource availability and prices
  - the prospect of another era of public sector austerity
  - a recruitment and retention problem in key roles and services
  - an ageing population in the county with increasingly complex needs
  - technological advances that are leading to changes in customer behaviour and expectations
  - Significant legislation and national policy requirements on public bodies that will influence service design and delivery
  - A need to reduce the country's carbon footprint and support nature recovery to help tackle climate change
- 1.5 Many of the above factors will continue to have an impact over the medium (i.e., 2027) and even the long-term (i.e., 2040). Against that background, if the council is to meet its statutory obligations and deliver the commitments it has made, we will need to innovate and transform how we operate, working closer than ever with others, while continuing to ensure that everything we do is focused on meeting the needs of our population.

## **2. Background**

- 2.1 Transformation is a word that can often become seen as synonymous with budget savings and improvement. However, it is the scale of change and the focus on outcomes as well as saving money that defines transformation. According to CIPFA<sup>2</sup>:

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<sup>1</sup> [Council adopted a statement of policy commitments on 7 July 2022](#)

<sup>2</sup> CIPFA: Transformation, How Finance Teams are Driving Local Government Innovation, Volume 5, 2018

***“Transformation involves significant change in approach to an organisation’s operating model, technology, processes and/or service delivery to deliver better outcomes and improve efficiency”***

2.2 The council has been on a transformation journey since 2015. *Sustainable Swansea* ran from 2015-16 to 2019-20 and helped the council to make around £70 million savings over that period. In October 2020 Cabinet approved a report that described a three-phase strategy (branded as *Achieving Better Together*) that would take the council from COVID19 recovery to the next phase of transformation by 2022.

2.3 Under the *Achieving Better Together* strategy from 2020-22 the council focused on supporting the county and council’s recovery from the COVID19 pandemic. Attention now needs to turn to what transformation is needed over the medium-term and longer-term. Against that background in July 2022, council made a commitment to prioritise a “review the *Achieving Better Together* transformation strategy and goals”.

### **3. *Achieving Better Together* strategy and goals**

3.1 The main purpose of the *Achieving Better Together* strategy between 2020-2022 was to help the council navigate the challenges presented by COVID19, while enabling a sustainable, efficient, and effective organisation with the citizens of Swansea at the heart. The strategic aims (or goals) were:

- The core purpose of the Council
- Transforming services to be effective and efficient
- Greater collaboration with other Councils, organisations, community groups and residents, with a focus on regionalisation
- Balancing the budget for current and future years (including meeting the aspirations and targets within the MTFP)
- Greater and more meaningful engagements with our residents and community

3.2 The first two phases of the strategy ended in May 2022 having supported a range of activities, including:

- The establishment of the Corporate Joint Committee
- An expansion of Local Area Coordinators and community networks
- Balancing the council’s budget and the delivering required savings in 2020-21 and 2021-22
- Ongoing transformation and improvement activities within each directorate
- The development of a council workforce strategy

3.3 The strategy recognised that the third, transformation, phase could not be defined after the local government elections in 2022 to take account of the priorities of the new council and the associated development of a

new corporate plan and MTFP. Notwithstanding, the following goals were included in a report to the Governance and Audit Committee in April 2022:

- Ensuring strategies and action plans (e.g., housing, schools, economy, and social care) are embedded and change is visible and increasing in pace
- Reviewing and updating the corporate plan
- Ensuring the culture of the organisation is aligned to the delivery of the corporate plan
- Ensuring all priority service areas have new models of delivery maturing
- Delivering a balanced budget and long term MTFP that is sustainable

3.4 An exercise is currently underway to capture the lessons learned from the Sustainable Swansea programme and the first two phases of *Achieving Better Together*. This exercise is due to conclude by the end of the calendar year and its findings will be considered as we develop the detail of our transformation plans for 2023-27.

#### 4. Transformation Strategy 2022-27 and beyond

4.1 Given the challenges ahead, without transformation the council will be unable to meet its statutory obligations and deliver on the commitments it has made for this administrative term. But successful transformation is itself dependent on several critical factors, including having:

- A clear rationale and narrative for transformation which is effectively communicated and understood
- Effective buy in from stakeholders
- A clear route map
- The resources (financial, human, technological and physical) needed to prepare and implement transformation programmes
- Programmes, supported by robust businesses cases, that are effectively structured to deliver defined benefits
- Effective enabling tools that support change management

4.2 The council's transformation strategy vision & goals for 2022-27 has been co-designed by the Cabinet and Corporate Management Team to ensure these critical success factors are addressed, starting with the following vision for transformation which provides a clear rationale and narrative for transformation:

***“Between 2022 and 2027 Swansea Council will deliver at least the same if not better outcomes for our population and improve our efficiency by making significant changes to the way we work and how our services are designed and delivered”***

4.3 Importantly the vision recognises that improving outcomes may not be achievable across all services, even with significant changes to the way we work, due to the unprecedented challenges we face. The following six strategic goals provide a more detailed route map as to how the vision will be achieved:

- To remodel services, focusing on meeting people's needs, within the funding available
- To facilitate economic prosperity through already committed major infrastructure investment
- To build inclusive, resilient, and cohesive communities by working with partners and the public to maximise use of combined resources
- To develop excellent customer services and maximise efficiency, including through the use of digital technology
- To reduce the council's impact on the environment
- To develop a motivated and committed workforce that is innovative, supported, skilled and customer-focused

4.4 Underneath the vision and goals we need to identify and agree where we should focus our transformation efforts. By looking at how the council is currently operating we can identify what specific significant changes are needed to deliver the same or better outcomes and improved efficiency while responding to the enormous challenges ahead.

4.5 Our workforce and draft digital strategies<sup>3</sup> outline the changes we need in those areas, and our current accommodation strategy sets how our administrative estate needs to change. The 2023-27 MTFP is currently being developed and will reflect the transformation goals and over the next four months we will identify any changes that are needed to other parts of our operating model (such as governance and culture). It is envisaged that the most significant changes to our operating model will form the basis of our corporate transformation effort.

4.6 The changes we make to our operating model will inevitably also involve changes in the design and delivery of services as will the need to deliver on our statutory obligations and the commitments we have made. Directorates already have strategies and transformation programmes in train, and these will be reviewed over the next four months alongside the corporate plan, MTFP and the transformation goals to determine exactly where we need to focus our service transformation efforts in the coming five years. It is envisaged that the most significant changes to our services will form the basis of our service transformation effort.

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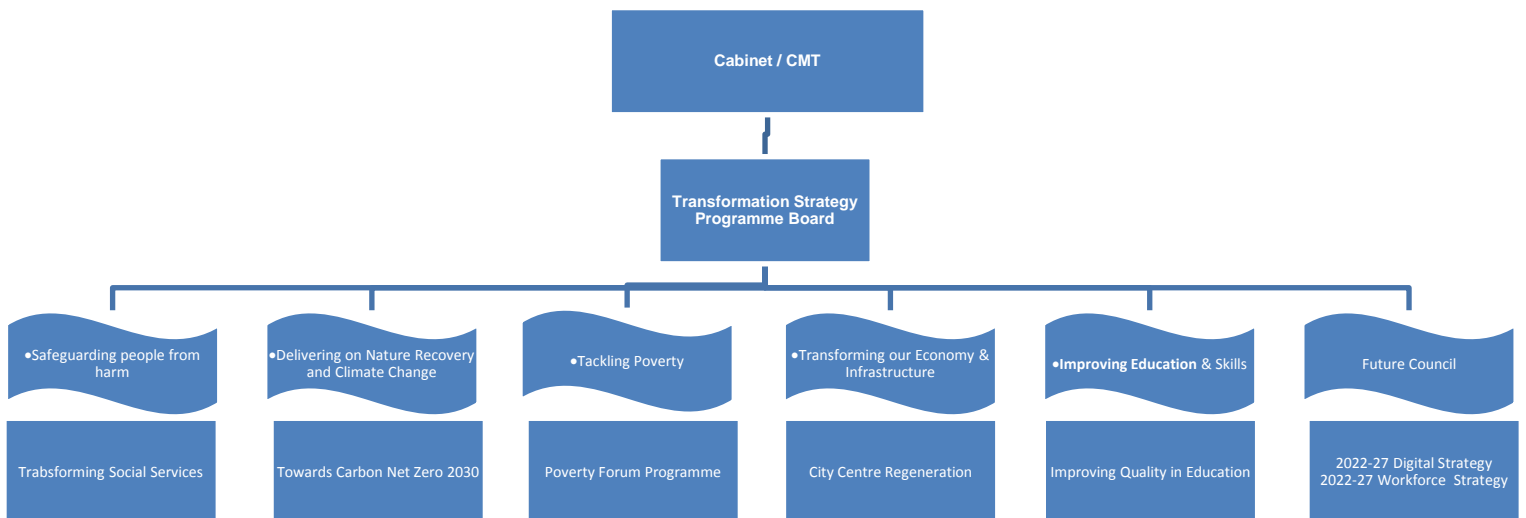
<sup>3</sup> 2022-27 Workforce Strategy approved by Cabinet on 20 October 2022, Draft 2022-27 Digital Strategy to be considered by Cabinet on 17 November 2022

- 4.7 Directors will work with Cabinet Members and partners over the next four months to develop a single coherent transformation plan for the council which supports the vision and goals, bringing together key corporate and service transformation programmes, and aligning them to regional and national plans.
- 4.8 A suite of enabling tools that will support change management will also be developed, including service review and business case templates, co-production guidance and a virtual transformation network.
- 4.9 The council does not have any corporate staff resources or budget to support delivery of the transformation strategy, although resources (e.g., staff) are being deployed within directorates to work on transformation programmes and projects already underway. However, as the programmes are developed and implemented it is likely that specific technical expertise and/or technology may be required. A robust process will be established to ensure any requests for additional resources are made through business cases which will clearly articulate the costs and benefits (financial and non-financial) involved.
- 4.10 In January 2023 the Organisational Transformation Corporate Development Committee will consider the lessons learned report referred to in paragraph 3.4 above and contribute to the development of the transformation plan.
- 4.11 A further report will be brought to Cabinet in March 2023 seeking agreement of the transformation plan and programmes that will support delivery of the 2022-27 transformation vision and goals.

## **5. 2022-27 Transformation Strategy Governance**

- 5.1 To minimise bureaucracy and ensure we have a single coherent transformation plan, wherever possible existing governance mechanisms will be used to manage individual programmes and to provide oversight, as outlined in the diagram below. The diagram shows for illustrative purposes at this stage, transformation programmes (based on existing strategies/ programmes) aligned under each wellbeing objective, noting that the objectives and programmes will be developed as part of the corporate plan and Medium-Term Financial Plan planning process.

**Diagram 1: Swansea Council Transformation Strategy Outline Governance**



5.2 It is proposed that once agreed each programme will be governed by a board which will be chaired/sponsored by the relevant Director and may include the relevant Cabinet Member. Once a quarter Directors will report (on programme performance, risks and issues) to the Transformation Programme Board which will be chaired by the Deputy Leader (Service Transformation) and will comprise Directors, the Monitoring Officer and the Head of Communications. The Programme Board will then report to Cabinet / CMT three times a year and with a formal report provided to Cabinet on transformation progress annually. Scrutiny and assurance of the strategy will be provided by the Scrutiny Programme Committee and the Governance and Audit Committee in line with existing council procedures. The Organisational Transformation Corporate Development Committee will contribute to the development of policies linked to the transformation strategy and plan<sup>4</sup>.

## 6. Integrated Assessment Implications

6.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

<sup>4</sup> In 2022-23 the Organisational Transformation CDC work programme includes consideration of: rewards & recognition of staff, agile working, recruitment and selection, transformation, customer contact strategy, Swansea as a Human Rights City and co-production

- Deliver better outcomes for those people who experience socio-economic disadvantage
  - Consider opportunities for people to use the Welsh language
  - Treat the Welsh language no less favourably than English
  - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs
- 6.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental, and cultural well-being of Wales by acting in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 6.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 6.4 An IIA Screening Form has been completed with the agreed outcome that the summary of impacts for this report has been categorised as low. However, the accumulative transformation plan during delivery will have a higher impact, for this reason each project/system/service touched on within each programme will have an independent IIA completed as part of the development process recognising the impact on people and/or communities.
- 6.5 The transformation vision that "Between 2022 and 2027 Swansea Council will deliver at least the same if not better outcomes for our population and improve our efficiency by making significant changes to the way we work and how our services are designed and delivered" is aligned to the achievement of the national wellbeing goals.
- 6.6 This report fulfils a commitment to review the Achieving Better Together strategy and goals within the first 100 days and proposes that development of the detailed plan and programmes is undertaken over the next four months, aligned to the development of the corporate plan and the MTFP, with a further report to Cabinet in March 2023.
- 6.7 Directors will work with Cabinet Members and partners over the next four months to develop a single coherent transformation plan for the council which supports the vision and goals, bringing together key corporate and service transformation programmes, and aligning them to regional and national plans.



## **7. Financial Implications**

- 7.1 There are no direct financial implications arising from the recommendations in this report. However, implementation of the transformation strategy will lead to significant changes to the organisation's operating model, technology, process and/or service delivery models.
- 7.2 It is expected that to be successful some programmes may need technical expertise or technology that will require upfront investment (e.g., digital solutions, sector experts). Where this is the case a full business case will be produced including a full financial analysis to make the case for any investment where projected costs cannot be contained within Directorate cash limits. Any such investment is likely to necessitate a draw down from earmarked reserves if external sources of funding cannot be identified. Clearly the pace of progress will be subject to the availability of resources to fund transformation activity over the five-year lifetime of the strategy.

## **8. Legal Implications**

- 8.1 There are no direct legal implications as a result of this report.

**Background Papers:** None

**Appendices:** Appendix A - IIA