



POLICY AND RESOURCES SCRUTINY COMMITTEE – 28TH MAY 2019

**SUBJECT: FUTURE CAERPHILLY TRANSFORMATION STRATEGY –
#TEAMCAERPHILLY – BETTER TOGETHER**

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To present the Scrutiny Committee with the draft Future Caerphilly Transformation Strategy, **#TeamCaerphilly – Better Together**.
- 1.2 To seek the views of Members on the draft Strategy and associated Strategic Action Plan prior to its consideration by Cabinet on the 12th June 2019.

2. SUMMARY

- 2.1 The Council's **#TeamCaerphilly – Better Together** Transformation Strategy is attached at Appendix 1.
- 2.2 The Strategy sets out details of a new 'whole organisation' operating model, which has the following clear purpose: -

"To create capacity and foresight to develop solutions to some of the County Borough's biggest challenges, ensuring the Council understands and responds to the changing needs and priorities of our communities".

- 2.3 The Strategic Action Plan attached to the Strategy provides details of a forward work plan and activities to deliver on the key elements of the new operating model.

3. RECOMMENDATIONS

- 3.1 Members of the Scrutiny Committee are asked: -
 - 3.1.1 To consider and comment upon the content of the Strategy and Strategic Action Plan prior to its consideration by Cabinet on the 12th June 2019.
 - 3.1.2 To support a recommendation to Cabinet that £425k be set aside to fund 3 fixed-term posts for an initial period of 2 years, to provide the additional capacity required to support the delivery of the Strategy.
 - 3.1.3 To support a recommendation to Cabinet that the £425k for the proposed 3 fixed-term posts should be funded from the £1.8m earmarked reserve approved by Council on the 31st July 2018, which was established to provide funding for one-off costs associated with delivering savings to support the Medium-Term Financial Plan (MTFP).

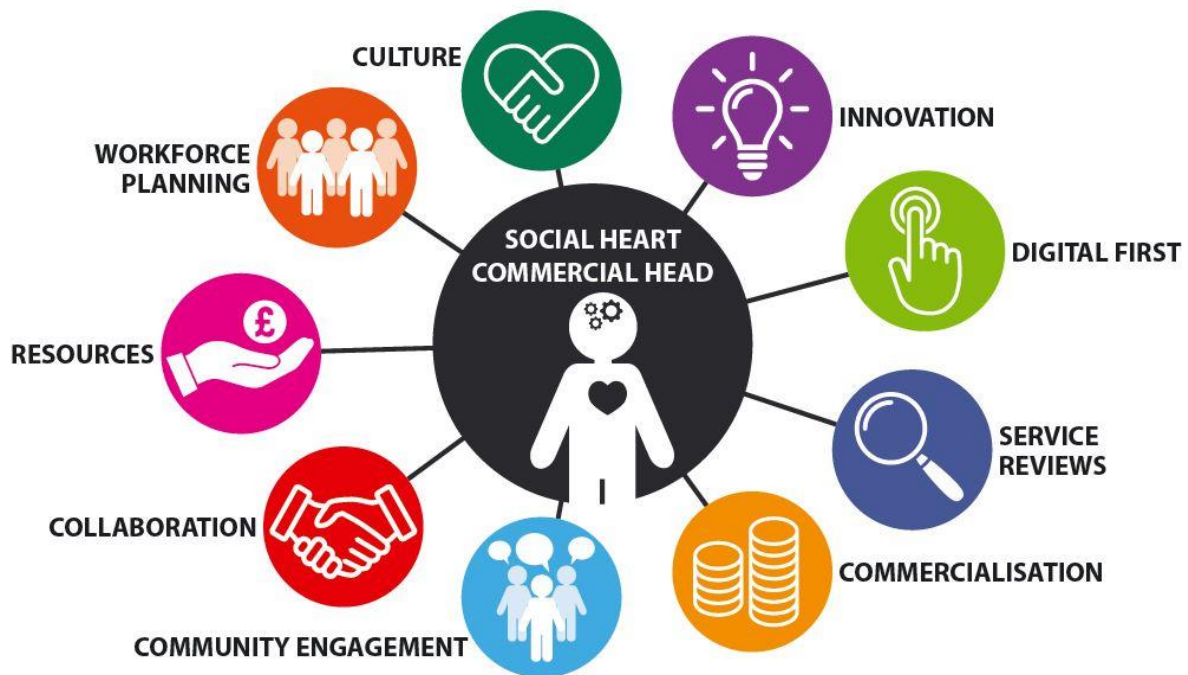
4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the views of the Scrutiny Committee are considered prior to the **#TeamCaerphilly – Better Together** Transformation Strategy being presented to Cabinet.

5. THE REPORT

- 5.1 Our core purpose is to support sustainable and resilient communities across the County Borough. For the last few years we have managed the tension between reduced funding and the growing demands for services. The disparity continues to increase, and to thrive within this new environment, demands a new way of thinking. We are a strong, resilient Council with a detailed knowledge of our people and place, so we are well placed to rise to the challenge and seize the opportunities our journey of transformation will bring.
- 5.2 We provide over 800 services to the citizens of Caerphilly and there are many demands placed upon them: -
- The financial challenge and the need to deliver more with less;
 - Our ageing population who want to be able to live in their own homes whilst managing complex health needs;
 - Our varied communities and the gap we have between poverty and prosperity, underlying the need for high quality jobs and an attractive local environment;
 - Climate change and increasing energy costs, which demands a focussed approach to green energy; and finally
 - The fast pace of digital technology, which can offer so many opportunities to change the services we provide and how we work with our communities.
- 5.3 A simple response to these challenges might be to reduce service provision and staff numbers; an approach we wish to resist. Our current organisational operating model is described as “traditional”, but it has served us well. However, we now have to stretch ourselves, to think about the future and how our County Borough will look in the next decade and beyond.
- 5.4 The authority is embarking on a major transformation programme to examine how services are prioritised, how they can become more business efficient, to explore opportunities for greater customer focus and digital delivery, and to consider alternative delivery models and seek out commercial opportunities.
- 5.5 To make this ambitious programme of change a reality, courageous political and officer leadership will be essential to ensure that we successfully deliver the outcomes that we are aiming to achieve. Furthermore, to enable us to continue providing high quality value for money services in an environment that will require new approaches and new skills, we will also need to build a new relationship with our staff and our communities.
- 5.6 The Transformation Strategy **#TeamCaerphilly – Better Together** is attached as Appendix 1 and articulates the combined vision of the Cabinet and the Corporate Leadership Team that has been developed over the last 12 months.
- 5.7 The Strategy is multi-faceted and at the core of this programme of change will be our new mantra of *Social Heart and Commercial Head*. This recognises our commitment to public service and the needs of our citizens, but also demonstrates a commitment to explore commercial and investment opportunities, where appropriate, to generate income that can be reinvested in services to help them remain resilient.

5.8 The strategic programme of “whole-authority” work will be delivered through the following key themes, which will underpin the new operating model of the Council: -



5.9 Underpinning this model of delivery will be an integrated programme of social, economic and environmental regeneration projects that will begin to reshape the County Borough. These are: -

- The completion of a £261m physical improvement programme to our housing stock by 2020, through the delivery of the Welsh Housing Quality Standard (WHQS). Using Phase 2 of the emergent WHQS programme we will continue to invest in our existing housing stock to provide high quality, energy efficient, affordable homes for life. This will be further enhanced with an exciting and innovative new build programme
- Implementing the Shared Ambitions Strategy to raise standards and ensure our learners are healthy, confident, proud and ambitious and can benefit from high quality educational opportunities, settings and experiences.
- The commencement of the second phase of the 21st Century schools programme, providing £110m of new educational facilities.
- Delivering the Council’s emerging Digital Strategy by opening the Digital Front Door and introducing a wide ranging digital transformation programme that transforms every aspect of service delivery.
- The provision of a new Children’s Centre, which will be a “state of the art” centre of excellence providing respite care and therapeutic services for our vulnerable children and their families.
- Continuing the delivery of the Sports and Active Recreation Strategy, providing a sustainable approach to leisure and physical activity provision.
- The introduction of an integrated “one-stop shop” public service offer located within the heart of our communities, through the provision of strategically located integrated hubs, enhancing our engagement and service offer to the public.

- An exciting programme of economic, social and environmental investments to enable inclusive growth and opportunity across the County Borough, that aligns and positions us firmly with the City Region's economic ambitions. This will also include maximising our Green energy credentials through effective and innovative use of our assets.
- Making best use of our financial resources through a managed "risk-based" investment approach to enable delivery of the programme.

5.10 Through this cohesive, whole-authority programme we are aiming: -

- To have strong working relationships with our communities and partners to maximise the use of our collective resources to ensure a resilient County Borough for the future.
- To embed a new operating model that will encourage innovative approaches to service delivery and ensure that we are making the best use of our resources.
- To help close the gap between poverty and prosperity through improving educational attainment and stimulating the local economy to create high quality jobs.
- To make Caerphilly County Borough a better place to live, work and visit.

5.11 There will be a need to ensure that we have sufficient capacity within the Council to drive forward the ambitious transformation programme to achieve successful delivery. We will harness the range of skills and experience within our workforce and create opportunities for staff to lead and be involved in various workstreams.

5.12 Whilst we will maximise the use of existing staff, there will be a requirement to establish some additional capacity to help drive forward our new approach at pace. It is therefore proposed to appoint three Transformation Managers; initially on fixed-term contracts for a period of two years. The individual portfolios for these Managers will be: -

- Innovation
- Commercial Investment
- Workforce Planning

5.13 The new ways of working will lead to efficiencies, savings and additional income that will help us deal with the continuing financial challenge that we face. In that regard the proposed investment in the three fixed-term posts should be seen as an 'invest to save' approach. If we do not create the capacity and embed the new ways of working then we will inevitably revert to a 'salami slicing' approach to achieving financial savings.

5.14 Effective communication and engagement will form a key part in the implementation of the **#TeamCaerphilly – Better Together** Strategy as it is vitally important that all our stakeholders (internal and external) are aware of this exciting new approach and get the chance to fully engage with the process to help shape our services in the future.

5.15 If Cabinet are minded to approve the Strategy, the first phase of communication will focus on 'launch' activity to raise initial awareness about the new approach. The main aim initially will be to signpost people to further information about the Strategy, which will be hosted on the CCBC website.

5.16 This will be done using a mix of digital and traditional communication channels to reach as many stakeholders as possible across the County Borough. A short video will be produced and the Council's popular social media channels will be fully utilised. The June edition of Newline will include a prominent feature about the new Strategy and this will be delivered to every home in the County Borough. Information will also be issued to the local media outlets.

- 5.17 A significant amount of internal communication will be required to ensure that staff at all levels across the organisation are fully briefed and engaged in the process. Video blogs, newsletters, briefing notes and Intranet information will be made available to employees and Elected Members to coincide with the launch activity. We will also be arranging a new series of Staff Roadshows during the autumn.
- 5.18 Looking further ahead, this work will form a key part of the Council's 'Caerphilly Conversation' campaign as we seek to engage with all sections of the community in our journey of transformation moving forward.
- 5.19 We will also ensure that effective feedback mechanisms are in place to enable us to update our residents, staff and other stakeholders and maintain a two way flow of communication throughout the process.
- 5.20 The Strategic Action Plan for **#TeamCaerphilly – Better Together** is appended to the Strategy document and identifies both political and officer leads for the key actions that will help us manage the transformation journey, and will allow us to monitor and demonstrate our progress.
- 5.21 As the initial high-level strategic actions are brought to fruition, a range of further specific actions, key milestones and measures will emerge. The overarching Strategic Action Plan will be regularly updated to reflect these changes.
- 5.22 Progress against the Strategic Action Plan will be reviewed on a quarterly basis by the Corporate Management Team, in its capacity as the **#TeamCaerphilly Project Board**.
- 5.23 Members will note that six-monthly progress reports will also be presented to Cabinet, and the Policy and Resources Scrutiny Committee will receive an annual progress report.

Conclusion

- 5.24 With reducing budgets, mounting demand pressures, and commitments to localism, place-shaping and focussing more upon the needs of citizens; our current operating model is no longer fit-for-purpose.
- 5.25 The **#TeamCaerphilly – Better Together** Transformation Strategy sets out details of a new 'whole-authority' operating model to meet the significant challenges that lie ahead, and to ensure a resilient Caerphilly County Borough for the future.
- 5.26 The challenge is big but the opportunities to repurpose and reshape the Council and the County Borough are even greater!
- 5.27 This is our collective 'call to action' and we're confident that through working together as **#TeamCaerphilly**, we have a real opportunity to thrive.

6. ASSUMPTIONS

- 6.1 It is assumed that the Council will continue to face significant financial and service challenges as we move forward and the 'business as usual' approach is no longer appropriate. This underpins the need for the programme of change in the **#TeamCaerphilly – Better Together** Transformation Strategy.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The **#TeamCaerphilly - Better Together** Transformation Strategy introduces a new operating model for the local authority. For this reason it supports whole-authority delivery.

7.2 Corporate Plan 2018-2023: -

The Strategy, and associated Strategic Action Plan, supports the delivery of the Corporate Well-being Objectives in the Corporate Plan 2018-2023: -

Objective 1 - Improve education opportunities for all.

Objective 2 - Enabling employment.

Objective 3 - Address the availability, condition and sustainability of homes throughout the County Borough and provide advice, assistance or support to help improve people's well-being.

Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment

Objective 5 - Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015.

Objective 6 - Support citizens to remain independent and improve their well-being.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 The **#Team Caerphilly – Better Together** Transformation Strategy will assist the authority in its duties as a public body under the Well-being of Future Generations (Wales) Act 2015 to contribute to the well-being goals for Wales: -

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh Language
- A globally responsible Wales

8.2 Delivery of the Strategy is dependent on using the sustainable development principle within the new operating models: -

- **Long Term** – The Strategy will enable the authority to meet its long-term aims and secure sustainable services. Its approach takes a long-term view of assessing all services to ensure their fitness for the future.
- **Prevention** – Taking a commercial approach will allow reinvestment in services and will enable us to protect delivery that may be at risk of further budget cuts.
- **Integration** – Working with communities will support a shared understanding of community well-being; releasing our staff capacity and considering the use of our assets for community purposes are part of our contribution to **#TeamCaerphilly**, in which we expect communities to play their part.
- **Collaboration** – The Strategy sets out a strategic approach to collaboration that maximises opportunities and outcomes.
- **Involvement** – We support greater engagement with communities and will support our staff to be more innovative in finding solutions to problems.

9. EQUALITIES IMPLICATIONS

- 9.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential unlawful discrimination and/or low level or minor negative impact has been identified; therefore a full EIA has not been carried out.

10. FINANCIAL IMPLICATIONS

- 10.1 The “*#TeamCaerphilly – Better Together*” Transformation Strategy aligns with the Cabinet's Medium-Term Financial Plan (MTFP) savings principles, and the new operating model will be a key element in ensuring that the Council remains financially resilient moving forward.
- 10.2 Whilst we will maximise the use of existing staff, there will be a requirement to establish some additional capacity to help drive forward our new approach at pace. It is therefore proposed to appoint three Transformation Managers; initially on fixed-term contracts for a period of two years. The individual portfolios for these Managers will be: -
- Innovation
 - Commercial Investment
 - Workforce Planning
- 10.3 The total cost of the proposed 3 fixed-term posts for a period of two years will be £425k. It is recommended that this should be funded from the £1.8m earmarked reserve approved by Council on the 31st July 2018, which was established to provide funding for one-off costs associated with delivering savings to support the Medium-Term Financial Plan (MTFP).
- 10.4 As the various elements of the Strategy are further developed there will be a need for one-off investments to pump-prime the service changes required. Investments will need to be supported by robust business cases, clearly demonstrating how the funding will lead to service efficiencies and savings. These additional investments will be subject to further Cabinet reports as they arise.

11. PERSONNEL IMPLICATIONS

- 11.1 Apart from creating the required capacity to drive forward the ambitious transformation programme at pace there are no other direct personnel implications at this stage.

12. CONSULTATIONS

- 12.1 All consultation responses have been reflected in this report.

13. STATUTORY POWER

- 13.1 The Local Government Acts 1998 and 2003.

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Consultees: Leader and Cabinet Members
Corporate Management Team
Heads of Service and Management Network
Cllr J Pritchard, Chair of P&R Scrutiny Committee
Cllr G Kirby, Vice-Chair of P&R Scrutiny Committee
Cllr C Mann, Leader, Plaid Group
Cllr K Etheridge, Leader, Independent Group
Lianne Dallimore, Unison
Kelly Andrews and Neil Funnell, GMB

Background Papers:

Cabinet Report (27/06/18) - Provisional Outturn for 2017/18

Council Report (31/07/18) - Financial Statements 2017/18

Appendices:

Appendix 1 – Future Caerphilly Transformation Strategy – ***“#TeamCaerphilly – Better Together”***