Essex County Council

# Deploying the Whole Council Transformation Strategy

*"Essex County Council is ambitious and by 2030, it will be one of the most forward looking, effective and financially sustainable Councils in the country."*

**November 2023**

# Contents

# Introduction

This document sets out the deployment approach for implementation of the Whole Council Strategy (WCT); it should be read in conjunction with the Whole Council Transformation Strategy (WCTS).  It lays out how Essex County Council (ECC/'The Council') intends to manage WCT through the different transition phases.

The deployment of the Strategy should be seen in context of the accompanying business case.  There will be a business case for each Transition phase, which will identify the resources needed and the schedule of projects and programmes for each phase.

# Section 1: Financial Sustainability

## Financial strategy

The WCTS sets out why The Council is doing WCT and the strategic drivers for change (these are not repeated here).   The bed rock is financial sustainability, as without that ECC cannot deliver on the ambitions of Everyone's Essex and respond to the fast-changing world.

In the wake of the pandemic, the UK has experienced persistent double-digit inflation and is now adjusting to higher interest rates.  This presents a major challenge to the financial sustainability of councils across the country. Large cities and counties face significant difficulties in being able to set balanced budgets.  These same pressures will continue to test the financial sustainability of ECC for many years to come.

ECC manages significant resources on behalf of residents and taxpayers and have a huge opportunity to influence outcomes across our county.   As at 2023/24, net spend is **£1.177 Billion** and gross spend **£2.294 Billion**.  The current medium-term outlook is incredibly challenging – the latest forecast (at October 2023) shows a financial gap of £172m by 2027/28, or around 15% of net expenditure.   There are already plans in progress with £71m of savings planned to mitigate this gap but considerably more is needed to secure financial sustainability. **Our aim is that WCT will deliver at least £100m of savings by 2028.**

Unavoidable inflationary pressures are a major driver of the gap, however ECC also faces specific challenges that WCT will be targeted at:

- **Demand**: Growing demand and the increasing complexity of that demand: post-pandemic, demand for adults and children's services has increased beyond our capacity to respond.  Over the next 4 years there is an expected increase of £62m due to an ageing population, the realisation of pent-up pandemic demand, and increasing complexity.   *WCT will focus on early intervention and demand management programmes.*

- **Improving affordability & prioritisation of the capital programme**: ECC has an ambitious capital programme of £1.4bn over the next 4 years.  Increased interest rates (currently 5.25%) and bond rates have driven up the cost of borrowing, eating into spending power.  The annual revenue cost of financing our capital programme is now forecast to grow by £39m over the next four years.   *ECC needs to ensure that the capital resources are focused on those projects and programmes that are a priority for WCT.*

Alongside these pressures, there is considerable uncertainty on other key drivers of cost & income.  For example, the cost-of-living crisis is expected to increase demand for our services, whilst putting pressure on the collection of council tax and business rates.  ECC faces considerable uncertainty around funding from central government.  There are no

guarantees on funding beyond 2024/25, which puts at risk over £400m of general and specific government grants (17% of ECC funding).

ECC's track record of sound, long-term financial management means that it is able to make changes to how it works, to move towards financial sustainability and avoid future crises. WCT will not be the only route to achieving this:
- alongside Transformation all services will also need to delivery efficiencies, savings and continuous improvement through local change.
- Cabinet Members will need to prioritise to identify opportunities to save money and pivot money to focus on higher organisational priorities.

However, WCT will represent a step change and will be major contributor to the future financial sustainability of the Council.

## Resourcing Whole Council Transformation

ECC's change delivery capabilities are already quite mature, with established ways of working, governance, and controls, and a "Transformation Delivery and Support team" (TDS) that stakeholders trust. However, the WCT programme is significantly more complex and challenging to design and deliver than previous transformations. Which means ECC needs to expand the range of capabilities & review the operating model to create a 'Transformation Centre of Excellence' *(the mobilisation approach to review of the operating model is set out in the Transition State 1 business case).*

Delivering WCT will require significant investment. ECC has earmarked reserves to support the change. The financial foundations are the Transformation reserve and the Technology & Digital reserve. The investment over the period to 2028 is £119m or around £20m per annum.

**Figure 2: Availability of reserves to 2028**
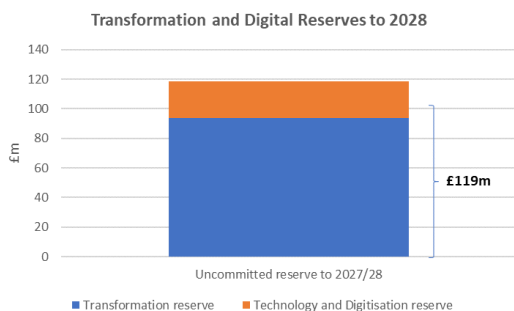


WCT needs to deliver cumulative cash savings by 2028 in the region of £250m-£300m against a base line revenue saving of **at least £100m**. During Transition State 1, ECC will define a profiling of the investment to ensure it is phased and sustainable over the lifetime of WCT. ECC will balance between investment in early-stage research to assess viability of ideas; in experimentation & piloting; versus investment to deliver projects. Invest-to-save will be a key driver around future prioritisation as to how Transformation reserves are deployed.

# Section 2:  Requirements for Deployment

It would be impractical  to set out a detailed roadmap to 2030, and unwise to make specific predictions about the future.  Where others have attempted to do this, their predictions have, in almost all cases, been wrong in important ways and can lead to higher costs and poorer outcomes for residents and communities.

ECC can draw conclusions about the *type* of challenge faced to 2030 and use this to shape WCT plans.  The challenges set out in the WCT Strategy will be more complex than many of those faced in the past.  It is essential that WCT develops a **different operating model**, encompassing new ways of working, new systems, processes, structures and cultures.

Good services will remain core – any future operating model must preserve ECC's role in serving residents.  Changes to our operating model will need to increase the effectiveness and resilience of the Council, including building the capability and culture that enables ECC to learn, change and adapt.  The critical success factors will be the extent to which change equips ECC better to tackle the challenges facing communities, to deliver on the promise of Everyone's Essex, and to move towards financial sustainability in the short to medium-term.

The specific factors that influence future change will evolve.  There are, however, a range of areas where the Councils need to make significant progress in how it works.  WCT will provide the framework by which ECC can make strategic leaps to:

- **work more effectively within, and exert influence upon, the wider interconnected system of public services** and political decision-makers.  This means collaborating effectively to influence the policy levers controlled by other partners & adapting to changes secured through devolution**.**   Whatever the outcome of the current round of negotiations, ECC will continue to pursue greater devolution from government, meaning that ECC will need to build the capability to influence decisions within a new local government model.

- **strengthen our capabilities around managing demand,** investing in the future by focussing on medium and long-term demand reduction and avoidance, recognising that, in some cases, direct returns are unlikely to be seen for several years.

- **exploit joint opportunities on workforce, property, shared services and joint commissioning.**  This will require radical thinking and the exploration of options which have not previous been exploited, including with partners.

- **make better use of data, insight and evidence** on the needs, perspectives and lived experience of our communities, populations and of specific groups and cohorts.  Enhanced insight capabilities will enable us to take decisions, shape services and target interventions in ways that better reflects the specific needs and identities of these groups.

- **deploy advances in technology -** improving engagement with citizens, building a fundamentally better experience for residents as they interact with the council, and automating processes where appropriate to secure efficiencies.

- **become a more effective learning organisation** – one that is agile, intuitively adaptive, flexible, and equipped to deal with new challenges and changing circumstances.

- **work more effectively at 'place' level** – delivering change alongside partners and communities across a range of intersecting geographies; and

- **enable political choice** – including the development of options that enabled members to maintain levels of council tax at the lowest levels consistent with sustainable services.

These changes will have an impact on the use of technology, property, and the workforce over the medium term. ECC will avoid setting arbitrary targets around the size of our estate, the type of technologies deployed or the future size of our workforce. Future decisions will be evidence based, driven by changes to our operating model, and the specific outcomes ECC is aiming to achieve.

# Section 3: Implementing the framework

In recent years ECC's approach to securing strategic change has been driven from the 'bottom-up' by the council's functions and business units. This has delivered significant successes in key service areas – including the unprecedented Ofsted assessment that ECC's Children's Services are 'outstanding' in all areas of inspection.

To deliver WCT, we will need to create a new framework and create new conditions to secure effective change. These will build on the strengths of functional level change programmes, supporting and enabling a joined-up **Whole Council** approach to transformation.

## Transformation Design Principles

WCT will not be achieved in a single step. It will be a function of the many choices made on the design, development and delivery of specific portfolios, programmes, and projects. It is important, therefore, that these choices are made with reference to a consistent set of 'transformation design principles' that are applied across the WCT programme. These eight design principles will be used to evaluate, test, and refine all work being advanced within the WCT Programme and will form an explicit part of the decision making for all change projects or programmes:

1. **strengthen systems working** – enhancing ECC's role in the wider system of local government and public service provision across Greater Essex. Change should enhance ECC ability to operate effectively alongside partners, and to influence the broader system to improve outcomes and secure financial sustainability. Proposals will have an explicit and conscious decision around the opportunities to collaborate with Essex councils.

2. **co-design services**– change should be rooted in the views, perspectives and lived experience of residents and communities. Service users should be appropriately involved in designing services and there will be work with communities to co-produce user solutions.

3. **avoid demand** – proposals for change should create opportunities to reduce demand in the medium and long-term, and/or avoid potential new demands on services, recognising that the direct returns may not be seen for several years.

4. **exploit digital opportunities** – enabling, or being enabled by, efforts to push digital and data capabilities to the next level. The Council will need to be innovative to 'leapfrog' to new solutions. To achieve this, we will need to thread digital thinking throughout WCT and create a framework that supports experimentation in digital and AI.

5. **strengthen relationships** with providers, enabling us to harness suppliers' and markets' widest capabilities & problem solving abilities to secure outcomes.

6. **magnify existing strengths** - building on and sustaining areas where the Council has enjoyed success and being bold enough to stop things that don't work as hoped. The Council must demonstrate it learns lessons from both good practice and historic mistakes. This applies equally to our services that are well run and our attention to continuous improvement.

7. **unlock innovation** – enabling experimentation, piloting and test and learn approaches in new areas, employing capabilities from all sectors (e.g., universities, public, private and third sector) to support discovery and research, with a balanced Whole Council portfolio.

8. **follow the evidence** – change proposals are based on strong evidence and rooted in delivering the difference for residents, improving outcomes in the long term, and addressing challenges facing our communities now.

Where the evidence suggests that proposals align with these principles ECC's leaders should be confident to progress change.

## Conditions for Success

To progress WCT, the Council needs to set the right conditions across the organisation to foster success. The creation of these conditions will be underpinned by pieces of work called 'enablers' which are set out in the business case for each transition state; there are specific pieces of work and investment required to build the culture, capability and conditions required for WCT. There are seven conditions that will be essential to success (*the accompanying business case sets out the resourcing approach for these in transition state 1*):

1. **Whole Council ownership:** Creating WCT requires leaders, managers and team members across ECC to work in the interests of the whole council. This means behaving, and take decisions, as a single organisation, recognising the connections and interdependence between our functions, promoting the financial sustainability of the whole council, and enabling a culture and behaviour set which values collaboration over competition. WCT requires a 'Whole Council mindset'. *How: this will be achieved through having one governance and decision-making framework (section 4)*

2. **Workforce buy-in**. WCT cannot be achieved without the engagement of ECC's workforce. Ongoing engagement, and meaningful dialogue, around our approach to transformation, emerging plans and specific solutions will be vital if employees are to get behind transformation and feel confident to offer their ideas*. How: the business case outlines an investment into communications and employee engagement capacity to underpin the programme*

3. *Fostering creative ideas*. There is a risk that the process of planning, structuring, and delivering change crowds out the space for employees, teams and leaders to express their creativity and to develop solutions that can be trialled, tested and taken to scale. As the Council implements WCT it will need to work hard to preserve and support creativity – enabling the best ideas from our teams to shape the change. *How: The Council will invest in capability of staff to build their commissioning capability (Workforce Strategy investment November 2023). It will invest in research and experimentation as part of each Transition state set of projects & programmes.*

4. **Leadership development**. The Council will support senior political and officer leaders to build a clear and shared understanding of the major issues faced, and to define a clear direction for continuing success. The Council will support the leadership to create a culture that is accepting and supportive of change. This will mean a shift of attention from reactive problem solving to co-creating the future. The Council will also support the development of change professionals. Practical support

will be provided to managers to build personal and team resilience, helping people and teams to manage both intended and unintended consequences of change. *How: The Workforce Strategy (November 2023 investment) includes a leadership development programme underpinning WCT*

5. **A stronger learning culture**. ECC wants to develop a WCT in which everyone is supported to be comfortable with uncertainty and hungry for experimentation. The Council will need to try things out and to be confident to stop them if they aren't working, reflecting, and capturing the learning to inform future decisions. *How: an agile approach to development funding small scale experimentation will be developed in Transition state 1.*

6. **Mature approach to benefits realisation** focussing not only on savings but also cost avoidance where demand is escalating. Ensure that approaches are embedded that give weight to achieving defined outcomes for residents, using evidence to baseline and measure non-financial benefits that have the greatest impact on our communities. *How: a new business case approach and assurance approach will be implemented in Transition state 1. There will be a greater use of external bodies to independently verify benefits in parallel with building in-house capability.*

7. **Integrating WCT with our wider planning framework.** WCT is just one element of ECC's wider framework for securing change. The way Essex plans transformative change, takes decisions and allocates resources to change must compliment and align with ECC's planning framework. Business planning is a key organisational capability: this encompasses business-as-usual service delivery, maintain leading edge professional practice and securing continuous improvement. *How: for the 2025/26, the Council will have in place a mature and consistent whole council planning framework integrating transformation, service and financial planning (in pilot during 2024/25).*

# Section 4: Managing the ongoing process of change.

Securing change in ECC at a scale and at a pace to match changes in our operating environment is a major challenge. How the Council "does change" is as important as what it changes. Throughout the WCT programme, ECC will seek to honour people's sense of choice, freedom, autonomy, and agency.

## Structuring our change journey

To help ECC manage uncertainty in a safe way, and to maintain focus and pace when working to a long-term time-horizon, there will be a series of 'transition states' to structure WCT in clearly defined time frames.

Each transition state will be a defined point along the journey where shifts in capability, milestones or specific outcomes are achieved. ECC will define, for each transition state, the outcomes, capabilities, enablers, financial benefits, or service improvements the council needs to demonstrate at that point in time. There will typically be a period lasting no more than 2 years between transition states. Each transition state will also provide an opportunity for ECC to reflect, consider changing circumstances and re-orientate its journey to reflect new priorities, insights or intelligence. Working through transition states will also ensure we can invest time, ahead of key decision points, in enabling research, discovery activity and experimentation.

There will be one Whole Council set of Transformation projects and programmes approved by Cabinet for each Transition state. Change control processes will be embedded through the governance, to ensure prior to initiation of any new Transformation project, it goes

through decision making, to ensure (i) that it is a priority (ii) can be mobilised and (iii) that there is not change overload.

When taken together our transition states will provide structure to our change programme. They will be directional – earlier transition states will be more sharply defined, and later transition states will be defined as the change journey progresses.  We anticipate that our transition states will have influence across the wider organisation – not just on those projects that fall within the scope of the WCT programme, but on business-as-usual activities that contribute to the WCT outcomes.  We anticipate that they will play a role in influencing and guiding business plans, teams' plans and project plans, as well as helping to guide the selection and shaping of projects and initiatives that are necessary to achieve transformation outcomes.

**Transition state 1 is set as April 2024**.  It is focused on mobilising WCT, including enabling workstreams, and delivery of in-flight Transformation projects.

## Developing a cohesive change programme

We will deliver WCT through a single, cross-organisational programme.  This programme will cover all projects and initiatives that support the overall transformation and the inclusion of projects within one programme, enabling WCT to maintain integrity.

We will prioritise resources and effort where it has the greatest impact for WCT objectives and will adopt projects into the programme on that basis, using the transformation principles and delivery of benefits, financial and non-financial.  We will maintain focus on performance and will be clear in our approach to change control where projects have not progressed as planned.  We will be bold in stopping things that are not working.  Where projects are successful, they will end well, and the learning will be shared to inform future practice: there will be a series of 'spotlights' highlighting and sharing good practice at the Transformation Board.

Alongside the Transformation Programme itself there will be a range of activity delivered within functions that contributes to the outcomes defined in WCT, this will be understood in each delivery portfolio so outcomes can be tracked.  This will include delivering savings or transition state outcomes defined in the delivery portfolios. This work will not have access to Transformation resources but will form part of the outcome reporting provided to Transformation Board.

The definition of each transition state, and the process through which change activity is prioritised is vital.  The process is often iterative and almost always based on imperfect data.  As we define future transition states, senior leaders will prioritise investment requests that meet the Transformation Principles above and reflect the key drivers of the programme: Everyone's Essex ambitions, changes in the world we live in, and the need to secure financial sustainability.

To support the successful delivery of outcomes and savings of the WCT transition states our work will be structured into 'Delivery Portfolios': these are set out in more detail in the Whole Council Transformation Programme Mandate for TS1Business Case section 3. This enables all work to be aligned to the outcomes of WCT while empowering experts to lead delivery.  It allows us to create the 'balanced delivery portfolios' essential for success, each overseen and sponsored by a member of ECC's Corporate Leadership Team, accountable for its success.

Our delivery portfolios will also enable a mature approach to benefits realisation:  non-financial outcomes and financial.  We will ensure that costs are not shunted between

services, that support services and front-line functions are recognised as contributing to the same objectives, and that realistic assessments of demand and cost avoidance are appropriately valued alongside cashable financial savings.

To enable this, we need to strengthen our evidence base throughout WCT, ensuring that we set clear baselines and understand expected delivery for all projects and initiatives – our delivery assurance framework will ensure the transparency though the governance hierarchy. This means actively monitoring performance with activity milestones that link clearly to our over-arching outcomes.  There will also be a clear link back with functional business plans to further strengthen links between 'managing the business' and 'transforming the business'.

## Change Methodology

Our WCT programme will be bold and ambitious and will support experimentation.  We will use best practice project methodologies to ensure that risks are managed, and that experimentation is contained within acceptable parameters.

**Figure 4: Whole Council Transformation project delivery methodology**
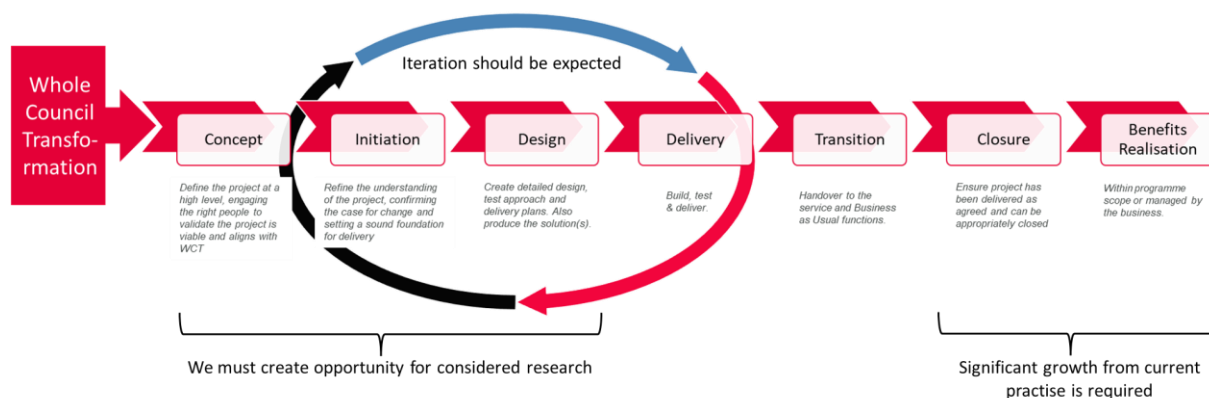


The change management methodology that is used at Essex County Council is ADKAR. Both the project delivery and change management process are in use, but just as we describe a big leap in ambition for transformation, we should expect a commensurate leap in capability and standards in the change professions and change leaders.  This is particularly so in the design/research phase where more analysis is needed and in benefits realisation which we highlighted as a key condition for success.

## Transformation Governance

WCT will be underpinned by effective governance.  The success of our governance structures and processes will be defined by their ability to:

- enable collective, whole-council decisions on prioritisation and direction.
- drive performance by holding those leading change to account for delivery.
- support delivery – including by unlocking resources in a timely way.
- adapting to changing circumstances.

Boards created to oversee WCT (shown in figure 5 below) will be the only forums that will review and approve funding or resourcing for transformation activity across ECC.  This recognises that other non-Transformational activity will occur within the 'wider planning

framework' but the activity that is most important for the Whole Council will be prioritised, sequenced, and approved through WCT governance processes, collectively agreed by the Transformation governance.  Impacts of potential outcomes, delivery results and ambitions can be balanced at a Whole Council level.  The key elements of this model are illustrated below.

**Figure 5: WCT: High level governance model**
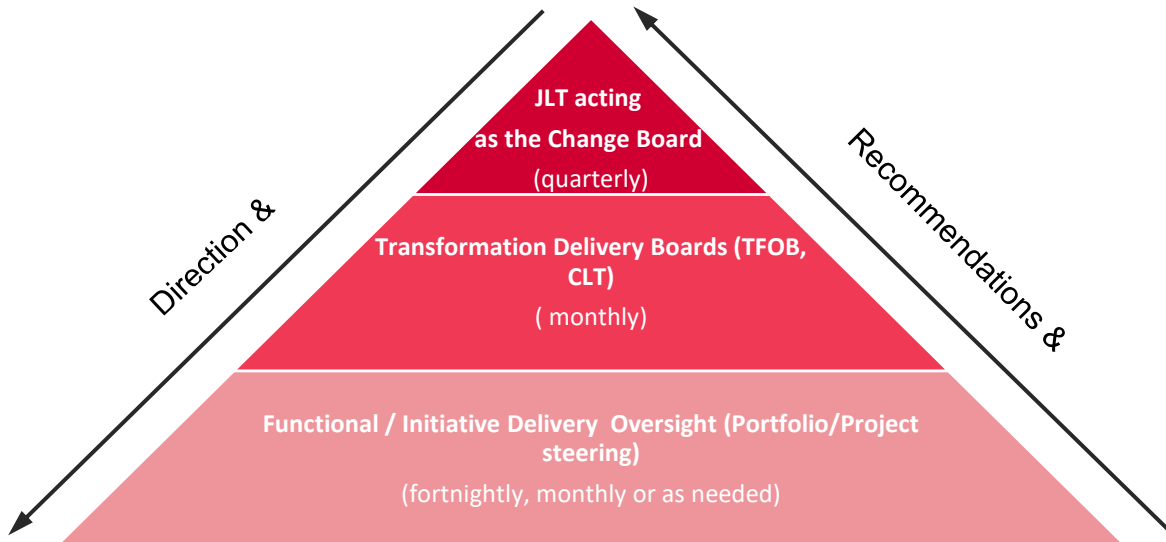
Decisions on the strategic direction of WCT, the outcomes the programme seeks to achieve, and the council's overall investment in the change will be taken by Members of ECC's Joint Leadership Team (JLT) – Cabinet and Corporate Leadership Team (CLT) members working as a single body. PLT continue to provide political oversight to ECC including WCT.

The Transformation and Finance Oversight Board (TFOB) and the Corporate Leadership Team (CLT) will play complementary roles in monitoring and providing assurance on delivery and activity.  The TFOB will maintain an overview of expected outcomes and the financial benefits, ensuring these are achieved as expected across transformation projects, delivery performance of the overall transformation and scrutinise projects prior to their approval and any draw down of resources required through a Cabinet Member Action (CMA).   The Corporate Leadership team will monitor the delivery of each transition state and guide the direction of overall delivery to 2030.  CLT will also play a role both in managing stakeholders to help drive successful project and outcome delivery and, where appropriate, resolving cross council dependencies; and in releasing appropriate resources to support the capability and capacity of the WCT Programme.

Finally, local delivery portfolio boards and project steering boards will play a role in overseeing project delivery within the agreed parameters set by their approval.  Although governance structures have been designed to strengthen the 'Whole Council' approach, the delivery of change may be led within individual functions and portfolios.  Where these local oversight arrangements are in place these will work openly with the WCT governance providing information required to allow progress to be tracked at the aggregate level.

## Section 5: What next? Your role in Whole Council Transformation

The approach to WCT set out in this document will see ECC take a strategic leap forward in its ability to deliver better outcomes and secure financial sustainability.  The approach will bring about profound and fundamental shifts in the way the Council thinks about its role and

about how it operates.  This will feel uncomfortable at times – securing meaningful change always is.

The Council has deliberately not set out an 'end state' or 'vision' of what the council will look like in 2030.  Rather it has set out the mechanisms through which it will deliver change in the short to medium-term, and the conditions that will be put in place to enable innovation and unlock creativity.  As the Council advances through the defined transition states, it will develop and refine a clearer picture of the destination, with ongoing iteration and review.

All employees and all Members will have a role to play in supporting WCT.  ECC's most senior leaders have committed to developing a WCT programme that is inclusive and harnesses the value of our Members' and employees' insights and experience.   Political and officer leaders will depend on everyone's support and input to help them define and refine thinking on future changes.  They will need employees to offer their ideas, to engage with the challenges facing the council, and to provide constructive challenge where this is necessary.

To play this role, employees and Members will need to engage with the programme, be kept informed about its scope and progression, and understand that changes are motivated by the desire to make a real difference in the lives of residents and communities across Essex – however uncomfortable these changes may feel in the moment.

Working together in this way – with a 'Whole Council mindset' – gives the Council the best chance of success.  It will be fundamental if ECC is to move the council towards a financially sustainable footing, deliver political leaders' ambitions for the county, tackle the challenges facing Essex and continue to make a meaningful difference in the lives of those who rely on Essex services.