

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Thursday, 18 January 2024</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Reshaping: The Next Phase of Transformation
Purpose of Report:	To seek Cabinet approval for the next phase of the Council's transformational change programme, Reshaping.
Report Owner:	Executive Leader and Cabinet Member for Corporate Performance and Resources
Responsible Officer:	Chief Executive
Elected Member and Officer Consultation:	Cabinet Strategic Leadership Team
Policy Framework:	This is a matter for Executive decision by Cabinet.
<p><b>Executive Summary:</b></p> <ul style="list-style-type: none"> <li>• This report sets out proposals for the next phase of the Council's transformation programme, Reshaping.</li> <li>• Reshaping Services was the transformational change programme launched in 2015 and which enabled the Council to mitigate the impact of austerity whilst delivering significant financial savings.</li> <li>• With a significant financial challenge facing the Council in the medium-term, it is now time for Reshaping to be refocused and this report sets out a framework and early ideas for progressing transformational change under five themes of Target Operating Model, Service Transformation, Strengthening Communities, Digital Innovation and Economic Resilience.</li> <li>• This report seeks Cabinet approval for the proposals to develop the Reshaping Programme including undertaking a process of engagement with various Council Committees, Forums and Networks and that a further report be presented in due course with a prospectus of projects in due course.</li> </ul>	

## **Recommendations**

1. It is recommended that Cabinet considers and notes the content of this report.
2. It is recommended that Cabinet approves the proposals for developing the next phase of the Council's transformational change programme, Reshaping, as set out in this report.
3. It is recommended that Cabinet refers this report to Corporate Performance and Resources Scrutiny Committee, Joint Consultative Forum, Voluntary Sector Joint Liaison Committee, Community Liaison Committee, the Public Services Board, the Regional Partnership Board, the Council's diversity networks and the Equalities Consultative Forum for their consideration and that any views are shared with the Chief Executive and reported to Cabinet in due course.
4. It is recommended that Cabinet receives further updates on the Reshaping Programme as it develops in parallel with the Council's work on the new Corporate Plan and Medium-Term Financial Strategy.

## **Reasons for Recommendations**

1. To apprise Cabinet of the work underway to transform the Council.
2. To enable the Reshaping programme to be developed further.
3. To seek the views of a wide range of stakeholders in the development of the programme.
4. To enable Cabinet to receive further updates in due course and that the work on the transformational change programme is delivered in parallel with the development of the new Corporate Plan and supports the effective delivery of the Medium-Term Financial Strategy.

## **1. Background**

- 1.1 This report sets out proposals to develop the next iteration of the Council's transformational change programme, Reshaping. The original Reshaping Services Programme was established by Cabinet in January 2015 with the aim of the strategy being 'to reshape the Council to enable it to meet the future needs of citizens of the Vale of Glamorgan within the context of unprecedented financial challenges'.
- 1.2 The objectives of the original strategy were:
  - To identify alternative ways of delivering services which provide better outcomes for citizens and/or more efficient means of delivery.
  - To meet the future financial challenges while mitigating the impact of cuts on service users.
  - To develop the Council and its partners to ensure they are able to meet future challenges.

- 1.3** Over the course of five years, the strategy achieved a significant amount, including the adoption of new service delivery models such as Shared Regulatory Services, the creation of Neighbourhood Services, the establishment of five community run libraries, remodelling of functions within Social Services and the establishment of Big Fresh Catering. A new employment relationship was forged via a series of ‘Big Conversations’ with all Council staff resulting in the Staff Charter and latterly Culture Book, engagement groups and a new approach to employee recognition. Against the backdrop of significant savings (£59million from 2010/11 to 2021), the Programme enabled the Council to mitigate the impacts of austerity.
- 1.4** In 2021, the Cabinet approved a report on “Renewing Reshaping” reflecting on the experiences of the Coronavirus pandemic, a review undertaken by Audit Wales, and the Council’s Recovery Strategy. At the time, Council funding was not under the same level of significant strain and three new areas of challenge were developed to progress the newly reframed Reshaping Programme:
- Reshaping with Our Community: To challenge ourselves to work differently with our community, partners and the third sector to take collective action and empower others to meet future challenges.
  - Reshaping with Our Work. To challenge ourselves to embrace new ways of working and delivering services that are fit for the future.
  - Reshaping with Our Resources. To challenge ourselves in how we use our people, assets and financial resources to deliver sustainable services.
- 1.5** Over the course of the last two years, these challenges have helped guide the Council’s activity and develop new approaches to service delivery and relationships with communities. Work with Our Community includes the Llantwit Major More Than Food Project, the Council’s reacquisition and operation of Penarth Pier Pavilion, and delivery of the “Warm Welcome” scheme. Reshaping with Our Work in the post-pandemic period has involved adopting a hybrid approach to working for many of the Council’s staff, the development of new Digital and People strategies and how Council assets are utilised. In the last year, much attention has again been turned to the Council’s financial resources with significant financial challenges presented by high inflation and lower than required levels of funding.
- 1.6** Over the course of the last six months, in parallel with developing budget proposals for 2024/25, the Council’s Extended Strategic Leadership Team has been considering the evolution of the transformational change programme that is required to support the Council in the coming years.
- 1.7** Given the critical medium-term funding position presenting itself, once again the transformation will need to be fully aligned with the Council’s need to deliver significant financial savings as described in the Medium-Term Financial Strategy. The objectives of the original strategy will be readopted to guide this work. However, the reflections from the post-pandemic review of Reshaping whereby emphasis is placed both internally and externally to the Council will shape the next phase of transformational change.

- 1.8** The timing of this refresh of the transformation programme comes at a critical time for the Council, not only due to the financial forecast for coming years, but also as work commences on developing the Council's new Corporate Plan for 2025-2030. It is planned that the work on Reshaping will be an important part of developing the Council's overall strategy that will help shape the organisation we need to be for our residents and colleagues by 2030. The steps taken to transform now are intended to ensure the Council can continue to meet the needs of the most vulnerable members of the community, to ensure universal services that are valued by residents are available and that the organisation remains financially sustainable to deliver Strong Communities with a Bright Future.
- 1.9** This report sets out the framework and approach to developing Reshaping and seeks endorsement from Cabinet to embark on a process of involvement, engagement and consultation with a wide range of stakeholders prior to reporting a fuller programme of activity to Cabinet in due course.

## **2. Key Issues for Consideration**

### **A Framework for Future Transformation**

- 2.1** Cabinet considered a framework for the Reshaping Programme in reports considered in July and November 2023 (which are referenced in the background papers to this report). This framework has been developed through a process of involvement and engagement with senior colleagues within the Council, taking into account practice from elsewhere in the UK, reflecting on the earlier iterations of the programme described above, the development of the Council's Annual Delivery Plan and Self-Assessment, as well as the initial findings from the Let's Talk About Life in the Vale Survey.
- 2.2** The framework contains five interrelated themes:
- Target Operating Model
  - Service Transformation
  - Strengthening Communities
  - Digital Innovation
  - Economic Resilience
- 2.3** These themes will be used to identify, develop and deliver individual streams of activity within the overarching Reshaping Programme.

#### Target Operating Model

- 2.4** This theme considers issues around the Council's processes, people, structure, governance and technology and how the organisation should look and function to deliver our priorities and core activity.
- 2.5** The Council's Target Operating Model (TOM) is the way in which the overall strategy of the organisation (via the new Corporate Plan) will be delivered in strategic terms. Defining the organisation's TOM will take the objectives of the

Reshaping Programme and vision of the organisation for Strong Communities with a Bright Future and enable a set of organisation-wide principles to be developed on issues such as structure, delivery models that will/will not be acceptable, the Council's strategic approach to partnership working, how people are managed and developed, as well as decision making, performance and scrutiny approaches. The TOM will provide the direction and enabling activity to deliver the work involved in the other transformation themes, supported by key Council strategies such as the People Strategy, Digital Strategy, Medium-Term Financial Plan, Corporate Asset Management Strategy and forthcoming Data Strategy. This theme is both about 'what' we do and also 'how' we do it.

### Service Transformation

- 2.6** A key component of the transformation programme will be in considering how individual services can be transformed to make them more sustainable in the medium to longer term.
- 2.7** This theme will take the principles defined by the TOM and apply them to individual services (or combinations of services). Consideration will be given to the best model for operating services, such as in collaboration with partners, by internal reorganisation, the role of digital technology and other service delivery models such as social enterprise, not for profit arms-length trading and others.

### Strengthening Communities

- 2.8** This theme will develop the Council as an enabler and facilitator rather than direct provider of some services as well as defining how the organisation interacts with partners.
- 2.9** Work to strengthen our communities is integral to how we transform as an organisation and there are a range of activities underway to take forward this work, reflecting our role as an enabler and facilitator as well as a provider of services.
- 2.10** This theme will be important as the financial position of the Council means that in the future some services may not be possible to deliver directly (and indeed, as has been seen, are sometimes more appropriately and effectively delivered by others with support of the Council, for example, the previous service transformation to create community libraries which ensured libraries continued to be viable within individual communities).

### Digital Innovation

- 2.11** The digital innovation theme will involve the Council seeking to ensure that digital innovation is at the heart of what we do and secures efficiency across the board.
- 2.12** The newly adopted Digital Strategy sets out four areas of digital activity:
- Community & Involvement
  - Organisation & Processes
  - People & Skills

- Data & Insight

**2.13** This work will be progressed as outlined in the Digital Strategy and provide significant opportunity to support the other themes, notably Service Transformation and Strengthening Communities.

#### Economic Resilience

**2.14** The theme of economic resilience is centred around the Council's role in supporting economic resilience in how to 'level up' and ensure that a place-based approach is effective in the creation of sustainable communities with good employment.

**2.15** Areas of focus within this theme will include the Council's response to the UK Government's Levelling Up and Transforming Towns funding, alongside the use of Council assets to support economic resilience. The TOM will influence this theme in the Council's approach to working with Capital Region partners in the attraction of business to the county to support sustainable and high-quality jobs.

#### **The Developing Prospectus: Early Proposals and the Budget 2024/25**

**2.16** As part of the development of the budget proposals for 2024/25, Directors and their teams have identified tactical savings opportunities for 2024/25 and also early opportunities for transformation using the five themes above.

**2.17** The following illustrates some of the early work that is proposed and will be developed further (some subject to Council approval as part of formal budget setting process). It is proposed that Cabinet consider these early proposals at this stage and that they be developed further with input from stakeholders during a period of engagement and consultation and are provided to provide an overview of the current work in progress. The list is not intended to be definitive, but to provide a flavour of each theme and how they interrelate.

#### Target Operating Model

**2.18** Work will commence shortly on the development of the Council's new Corporate Plan for the period 2025-2030 and will focus on the organisation we need to be for residents and colleagues by the end of the decade. The way the Council operates strategically and culturally will be a key component of delivering this strategy.

**2.19** Work to define the TOM to support this change will include work on areas such as:

- How processes which support operational and political activity can be simplified and streamlined, in particular using digital technologies.
- How the Council operates across its physical estate, including office accommodation and the developing proposals for a Corporate Landlord function to take central responsibility for property related matters.
- Reducing duplication, building capacity and sharing skills across teams – for example in the provision of disabled facilities grants, community engagement, project delivery and capacity building.

- Budget management for key areas of expenditure. In addition to the centralisation of responsibility for property management, consideration will be given to spend in other areas to ensure consistency and value for money, for example on ICT related expenditure.
- Engagement and communication with residents and other stakeholders. This would include how members of the public access key Council services, how messages are disseminated and how the Public Participation Strategy can give citizen an even greater voice in shaping Council decisions.
- The Council's strategic approach to partnerships, including the Public Services Board, Regional Partnership Board, Cardiff Capital Region and others in order to ensure the Council's core objectives influence the work of these partnerships.
- The approach to different service delivery models and the balance of the Council's funding from sources such as fees and charges.
- The reporting, monitoring and scrutiny of activity, including the delivery of the Corporate Plan and corporate performance.

**2.20** Key to successful work on the TOM will be the Council's integrated planning work on people, procurement, finance, assets, risk and performance management. This work is overseen by the Council's Insight Board who will continue to ensure that work across these fields is aligned with the transformation agenda. This work will also support the cultural aspect of the TOM theme, for example through the work to deliver the People Strategy and associated work on organisational culture, attraction, retention and recognition.

### Service Transformation

**2.21** Early opportunities for service transformation have been identified based on the experience of previous tranches of Reshaping activity, reflection on lessons learnt and the experience of the pandemic.

**2.22** Service transformation opportunities that are under consideration include:

- Adult Social Care – supported living approaches for adults with learning disabilities, the remodelling of day services and expansion of Telecare services.
- Children & Young Peoples Services – developing closer to home residential care facilities and supported accommodation for unaccompanied asylum-seeking children.
- Alternative models of operation for community-based assets, such as playing fields, single-use sports facilities and community centres.
- Income generation potential from commercial opportunities, including the Council's garage, pest control service and commercial waste operations.
- Collaboration and shared services or functions within Corporate Resources.
- A further assessment of the way Neighbourhood Services are delivered.

- 2.23** Whilst guided by the work undertaken on the Council’s operating model, the theme of service transformation demonstrates the need for the Council to work in partnership with others, with strong links to the Strengthening Communities theme and will also be heavily reliant upon digital innovation to enable this to be successful.

### Strengthening Communities

- 2.24** Cabinet recently considered and approved work being undertaken to strengthen our communities in response to a series of national Audit Wales reports on tackling poverty and a local report on how we work with the third sector. We have engaged Cwmpas to work with us on a programme of engagement with Council officers, Elected Members, the Third Sector, Town and Community Councils and social enterprises to address the recommendations in the reports but also to assist in the development of the new Corporate Plan for 2025-2030, a revised Town and Community Council Charter and a new Voluntary Sector Compact. This work will not only help with our work to tackle poverty and the cost-of-living crisis but will inform work across all of the Council’s critical challenges set out in the Annual Delivery Plan. How we work with other sectors is also key to our work on climate change and the nature emergency and also how we improve our organisational resilience with the latter encompassing our finances, people, assets and relationship with the local community and this demonstrates clear linkages with the work proposed on the Council’s TOM.
- 2.25** Another area of activity is the work on community focused schools. An example of some of the work being undertaken is that being led by the Executive Headteacher of Cadoxton and Oakfield Primary Schools and the Director of Corporate Resources within the Pencoedre Learning Community to identify how services can work more closely together to meet the needs of families in the area. This includes sharing knowledge and ideas to help shape services that will respond to local needs. This is a whole family approach and offers the potential to join up and reimagine services based on the needs of families and pupils in this area. Currently three workstreams have been identified, ‘safe, secure and healthy’ and are being taken forward by cross-departmental working groups.
- 2.26** Other work that is proposed within the theme of strengthening communities includes:
- The work of the Public Services Board within the three most deprived areas of the Vale of Glamorgan, demonstrating the partnership approach required across sectors to tackle systemic inequities and improve life chances.
  - Project Zero and the community leadership role the Council has set out within the Project Zero Challenge Plan to support communities to be net zero by 2050.
  - The Council’s partnership response to the cost-of-living crisis through work to tackle food insecurity and the provision of warm spaces, for example.
  - Alternative models of operation for community-based assets, such as playing fields, single-use sports facilities and community centres.

## Digital Innovation

**2.27** As described above, the Council has recently adopted a new Digital Strategy and this will influence the way in which the Council operates, services transform, in and how we strengthen communities.

**2.28** Early opportunities to support this activity include:

- Redevelopment of the Council’s website to streamline and simplify the way key information is communicated for residents and to enable more efficient interaction with Council services.
- The maximisation of functionality within key corporate systems, including MS365 and Oracle Fusion to support workforce efficiency, process automation and improvement as well as income collection.
- Digital infrastructure changes, to support more Council systems to be migrated to the cloud and reduce on-premise requirements.
- Data and insight – integrating the wealth of data and information held by the Council to support more effective decision making.

## Economic Resilience

**2.29** The inclusion of the economic resilience theme further demonstrates that, alongside the theme of strengthening communities, the future Reshaping Programme will continue to place importance on outward-facing activity.

**2.30** The economic resilience theme will ensure that the following work is fully integrated into the future activity of the organisation:

- Placemaking approaches in Cowbridge, Llantwit Major and Penarth.
- Barry specific issues and proposals around Levelling Up (Barry Making Waves), Town Fund and wider Place making activity and importantly, how all are aligned.
- Making linkages with the work under the TOM for key assets/sites, such as the Kymin, the Council’s Dock Office and also in developing new income generating concessions.

## **Governance & Delivery Arrangements**

**2.31** Delivering a programme as wide-ranging and strategically significant as Reshaping will require strong governance arrangements that enable effective delivery and oversight.

**2.32** It is proposed that the overall approach to the development of the new Corporate Plan and Reshaping Programme (including the Target Operating Model theme) will be managed by the Cabinet and Strategic Leadership Team. The work to transform individual services (or combinations) will be managed by directorate service transformation boards. New boards will be established to progress work associated with the economic resilience theme (Strategic Place Board) and Digital (Digital Strategy Board). A steering group will be established to progress the work of the Strengthening Communities theme. The Strategic Insight Board will have a role to ensure that the enabling activity (including development and delivery of

key integrated planning activity and strategies) is delivered as required. Further tactical groups will be established or strengthened reporting to the Insight Board to progress individual thematic aspects of the programme in relation to issues such as assets, income & debt, people & culture, data and participation.

- 2.33** Consideration will be given to the membership of these boards and groups in the coming weeks and will include consideration of the inclusion of relevant partners who have particular experience and insights into the subject matter.

#### **Next Steps**

- 2.34** It is proposed that this report is referred to a range of Council committees, partners, networks and groups in order that the views of a range of stakeholders can be shared at this formative stage of the programme's development.
- 2.35** In the interim, work will continue, overseen by Cabinet & SLT, on the development of proposals within each of the themes, with a view to a further report being presented to Cabinet in due course. As individual proposals are developed, these will be reported via the governance arrangements and Cabinet/Council as required.

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** Embedded across all of this work and all five of the transformation programme's themes are the five ways of working, involvement, collaboration, prevention, long term and integration. These can be seen in our approach to the above activities which are just some examples of work already underway or being planned and which are also reflected in many of our partnership activities including the Public Services Board, Safer Vale and the Regional Partnership Board.
- 3.2** The approach described in this report demonstrates the integrated approach proposed to developing both the Council's new Corporate Plan within which the wellbeing objectives of the organisation will be set, the transformational change programme and integrated planning activity.

### **4. Climate Change and Nature Implications**

- 4.1** The Council has declared both Climate and Nature emergencies and these are reflected as a critical challenge in the Annual Delivery Plan. These will be key considerations across the five themes of transformation and in the development of the next Corporate Plan.

## **5. Resources and Legal Considerations**

### **Financial**

- 5.1** The Reshaping Programme will be an integral part of the Council's Medium Term Financial Strategy and contribute to the delivery of financial savings and sustainability in the future.
- 5.2** The Council has established a series of financial reserves to support the transformation of the organisation, including the Risk & Reshaping Reserve, Corporate Landlord Reserve and Digital Reserve.

### **Employment**

- 5.3** There are no direct employment implications associated with this report. The future approach to engagement and involvement of Council staff will be considered as part of the enabling activity within the Target Operating Model.
- 5.4** Communication and engagement with colleagues will continue to be an important part of the Council's work and commitment to its workforce and this includes regular dialogue with the Trades Unions.

### **Legal (Including Equalities)**

- 5.5** There are no direct legal implications associated with this report.
- 5.6** The equalities impact of individual proposals will be considered as part of the development and delivery of individual streams of work, with Equality Impact Assessments being undertaken as required.

## **6. Background Papers**

MTFP Refresh, Cabinet November 2023

[https://www.valeofglamorgan.gov.uk/Documents/\\_Committee%20Reports/Cabinet/2023/23-11-16/MTFP-Refresh.pdf](https://www.valeofglamorgan.gov.uk/Documents/_Committee%20Reports/Cabinet/2023/23-11-16/MTFP-Refresh.pdf)

Digital Strategy Update, Cabinet November 2023

[https://www.valeofglamorgan.gov.uk/Documents/\\_Committee%20Reports/Cabinet/2023/23-11-16/Digital-Strategy-Update.pdf](https://www.valeofglamorgan.gov.uk/Documents/_Committee%20Reports/Cabinet/2023/23-11-16/Digital-Strategy-Update.pdf)

Strengthening Communities & Tackling Poverty, Corporate Performance and Resources October 2023

[https://www.valeofglamorgan.gov.uk/Documents/\\_Committee%20Reports/Scrutiny-CRP/2023/23-10-18/Strengthening-Communities-and-Tackling-Poverty.pdf](https://www.valeofglamorgan.gov.uk/Documents/_Committee%20Reports/Scrutiny-CRP/2023/23-10-18/Strengthening-Communities-and-Tackling-Poverty.pdf)

Financial Strategy Cabinet July 2023

[https://www.valeofglamorgan.gov.uk/Documents/\\_Committee%20Reports/Cabinet/2023/23-07-20/Financial-Strategy-2024-25.pdf](https://www.valeofglamorgan.gov.uk/Documents/_Committee%20Reports/Cabinet/2023/23-07-20/Financial-Strategy-2024-25.pdf)