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<b>REPORT TO:</b>	Management Board Cabinet
<b>DATE:</b>	29 May 2018 20 June 2018
<b>SERVICE AREA:</b>	Organisation Development & Improvement
<b>REPORTING OFFICER:</b>	Chief Executive (Wallace Sampson) Improvement & Development Manager (Sarah Cornforth)
<b>SUBJECT:</b>	<b>2024 - HBC TRANSFORMATION PROGRAMME</b>
<b>WARD/S AFFECTED:</b>	ALL DISTRICT
<b>FORWARD PLAN REF:</b>	Key Decision No. or N/A

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**1.0 PURPOSE OF REPORT**

- 1.1 To report on progress against the *Our Strategy for Success* (OSFS) programme and recommend changes to take into account the completion of major areas of work and the challenges faced by the council up to 2024.

**2.0 RECOMMENDATION/S**

That Cabinet:

- 2.1 Note the review of the OSFS programme and its achievements.
- 2.2 Approve the adoption of the *2024 Programme* as the corporate transformation programme to respond to the major challenges and opportunities that both the Council and district will face through to 2024.
- 2.3 Approve the proposed governance arrangements for the 2024 programme and replace the previous OSFS governance arrangements.
- 2.4 Approve the proposed use of underspends and resources to support the programme as outlined in section 6 of the report.

**3.0 RECOMMENDED REASON/S FOR DECISION/S**

- 3.1 The current transformation strategy has been progressing well but only has two years to run until its completion. A review of the programme and the conclusion of some major areas of work have given the opportunity to look further forward and revise the programme to include new projects and

prepare the council for the challenges it faces in the medium term, in the run up to the council's 50<sup>th</sup> anniversary in 2024.

#### **4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION**

4.1 To continue the OSFS as currently written – this is not recommended as major areas of work within the programme have now been completed and resources need to be reallocated to fit the council's future ambitions.

4.2 Not to have a transformation strategy – this is not recommended as there are many areas of work that the council needs to complete in order to deliver the council's ambitions, make the best use of its own resources and successfully influence improvement within the district. An effective transformation programme is important to ensure that this is effectively managed and resourced.

#### **5.0 THE REPORT**

##### **5.1 Introduction**

In March 2016 Council agreed to adopt an updated transformation programme as a successor to the Innovate programme, this was named *Our Strategy for Success* and is due to run until 2020. The programme had a number of significant achievements in the past two years, including:

- Completion of a new civic centre and successful relocation of 500 staff and customer facing services
- Achieving projected income in excess of £2.5m through the commercialism agenda
- Development of an award winning website
- Over 26,000 online accounts set up by customers
- Roll out of a leadership and management programme to increase skills and effectiveness of senior managers
- Embedding of new Standards of Behaviour and staff recognition programmes

A summary of achievements across the programme are contained in [appendix 1](#).

A midpoint review of the programme has been carried out and shown that while much has been achieved the focus of the transformation programme now needs to be widened to enable the delivery of the council's ambitions, both externally for the Harrogate District as a place and internally to continue the council's improvement journey.

##### **5.2 Organisational strengths and weaknesses**

Looking at the at the strengths and weaknesses of the organisation over a number of key issues it is clear that the council has made good progress in many areas:

- *We are ambitious and delivering a wide range of projects well with dedicated staff.*
- *Investment in strategic management has paid off and we are working more closely together as 'one council'.*
- *We are in a strong financial position with an ambitious commercial*

*strategy.*

- *Governance is well established, sound and there is a supportive relationship between officers and members.*

*But*

- *We sometimes try to do ‘too much’ with ‘too little’ and it results in staff becoming stretched in some areas and not always aligned to the council’s priorities. Although staff are dedicated they often go above and beyond pay and contractual hours to get the work done and this can impact on staff morale.*
- *More work is needed to give clarity on the role of the Management Team working together and improved visibility of management.*
- *Although the commercial strategy is ambitious some feel it is overly so and we may struggle to have the skills and capacity to deliver the agenda fully.*
- *The decision making process can sometimes be too lengthy and there is a lack of clarity on where some decisions need to be taken.*

5.3 There are a range of issues facing the council – Political, Ecological, Social, Technological, Legal and Economic, these are set out in [appendix 2](#).

#### 5.4 Horizon scanning and vision

A horizon scanning exercise has been undertaken by officers to look at the key issues that are going to face the district in the run up to 2024. It is suggested that the timeframe for a new transformation programme should be to 2024 when, like every other local authority formed through reorganisation in 1974, Harrogate Borough Council will be 50 years old. The horizon scanning exercise resulted in a number of challenges and opportunities being identified:

##### 5.4.1 **Key Challenges 2024**

- **Ageing workforce** – large number of retirements in the coming years and hence need to plan for talent retention and succession planning.
- **Sustaining finance** – stable/growing income generation
- **Organisational culture** – maintaining agility and learning in order to keep up with and capitalise on the pace of change
- Changing **customer expectations**
- **Capacity** – ensure it is focused on priorities and has the right skills mix
- Competition
- **Technological change** – keeping abreast of the pace of change via a targeted flow of infrastructure investment → smart working
- Continuing to provide **discretionary services** (eg, Lifeline) with constrained resources and alongside other changes in the Health & Social Care governance and geography
- Defining and agreeing what **type of Council** is best for citizens and the operating environment
- Effective **collaboration** in an environment of shrinking resources
- **Recruitment and retention** – optimum Terms & Conditions in an environment where some posts and skill sets operate in a highly

competitive environment.

#### 5.4.2 Key Opportunities 2024

- **4-year political terms** – will allow difficult policy decisions to be made early, and support longer-term planning
- **Digital** – service interface with customers/citizens; improved and speedier communications; better use of Big Data for planning and service design; process automation; etc.
- **Alternative service delivery models** to take advantage of greater commercial or financial freedoms (Turkish Baths; Housing Company; Sport and Leisure; parts of Environment Services – waste collection....)
- These link to **income generating opportunities** to strengthen financial sustainability.
- Regarding **Waste collection**, explore opportunities for strategic collaboration with other authorities,
- Other **collaboration** opportunities around shared management services
- **Devolution** – a settled but probably large greater Yorkshire sub-regional geography will require politicians and senior managers to work strategically to influence the policy agenda in our favour.
- This links to developing the Council's **place-shaping and community leadership** roles with public partners to counter Government incoherence and apathy regarding local governance and service integration.
- **Transport** – determining HBC ambitions and priorities to influence road and rail strategy at a sub and regional level plus local measures that HBC can implement/influence
- **Housing** – growth and innovation – need to use our planning and policy muscle to ensure balanced and sustainable growth, seek to enable and accelerate sufficient and well distributed supply, including proportions of affordable and social housing, along with lifetime home standards and promotion of sustainable and carbon neutral new build and adaptation.
- **Agility** – Need to be an agile, opportunist and flexible organisation with the ability to respond quickly to major changes, particularly structural and governance changes as a sub-regional or regional level.
- **Events** – using opportunities of high profile events such as the UCI world road race cycling championships in 2019 to boost the profile of the district on a national and global level to help boost tourism and investment, and building on this opportunity to develop a broader longer term strategy for Harrogate as an 'events destination'.
- **Social Media** –Using social media to improve communication and engagement with residents/ customers/citizens, especially young people, whilst also using digital opportunities to support the Council's customer service and commercial ambitions.
- **Internal Service Reviews** – consider bespoke designs and income generating potential to tailor to specific customer groups

Taking these into consideration there appears to be key challenges around harnessing technology, ensuring the workforce is properly skilled and meeting the changing needs and expectations of customers.

This is balanced with opportunities to improve on a strong technology infrastructure as a result of the civic centre move, options to look at how we deliver services and use our influence in place shaping both in the physical form by our own developments and influencing the changing regional governance arrangements around us.

It is clear that there are lots of opportunities but our resources and focus now needs to be prioritised to benefit from these.

#### 5.4.3 **Vision for 2024 – what will things look like?**

Looking ahead the vision needed to meet these challenges and use these opportunities can be separated to paint a picture of what things could look like on a district, organisation and people level.

In 2024 the district will be ‘a progressive and vibrant place to live, work and visit’. We will be a district:

- Where demand as a place to live is strong, with cohesive communities and where people feel safe.
- That is reaping the benefits economically from major developments, both public and private sector led, and which has helped to grow the economy of the district.
- Well connected – with a more robust infrastructure both by transport and technology helping to support businesses;
- With a strong reputation for sustainability and protecting the environment.
- Supporting employment in high growth areas with more well qualified and highly skilled people residing and commuting into the district;
- Enabling more housing to support communities and growth;
- An events destination that has broadened its offer to a diverse offering that has helped to cement Harrogate’s reputation as the events destination of the north.

In 2024 the organisation will be ‘one council that is customer focused, commercially driven and fit for the future’. We will be a Council:

- With strong visibility nationally, regionally, sub regionally and locally and where we punch our weight with a strong voice;
- Financially stable and managing our assets well;
- Engaging & communicating well with customers;
- Operating commercially driven services that are commercial in their approach;
- Delivering our core purpose well;
- Developing and recognising talent. (Enabling staff to fulfil their potential via coaching, mentoring and sharing knowledge and expertise)
- Collaborating and working in partnership with others;
- Utilising technology – more reliance on technology & providing online 24/7 access;

- Intelligently using data to inform service delivery and make decisions;
- Environmentally friendly (electric vehicles in fleet/an exemplar in reducing single use plastic);
- Delivering different services in different ways – not all of our services will sit within the Council being delivered ‘in-house’.
- Changed from our current form – it is possible that through local government reorganisation that the Council may cease to exist in its current form, although there will be local government services covering the Harrogate district.

In 2024 the people working at HBC will be:

- Empowered, skilled and flexible.
- Diverse and valuing all contributions.
- Positive & proud ambassadors for the council.
- Looking for new ways to deliver our services to our customers.
- Working together to be a high performing organisation.
- Working for an ‘Employer of choice’ and others will want to work for HBC.

## 5.5 Corporate Plan and Strategic Actions

Taking account of the SWOT and PESTLE analysis, horizon scanning exercise and vision, it is considered that our corporate plan ambitions remain relevant and does not need to change. Our ambition for the district remains **‘to build on our heritage and to be a progressive and vibrant place to live, work and visit’** and our ambition for the Council is **‘one council that is customer focussed, commercially driven and fit for the future’**.

This is underpinned by the council’s four corporate plan priorities:

- a) A strong local economy
- b) A sustainable environment
- c) Supporting our communities
- d) Excellent public services

Taking all of this into account the strategic actions can now be updated and reflected in the four themes that will form the 2024 transformation programme:

### **Sustainable Harrogate:**

- *Use our assets, powers of intervention where necessary and effective partnership working to support economic growth and housing delivery, including affordable homes, at an accelerated pace*

### **Destination Harrogate:**

- *Promote and shape improvements to Harrogate as a progressive and vibrant destination.*
- *Ensure that the district is a healthy and safe place to live, work and visit.*

### **Digital Harrogate:**

- *Improve our marketing and communications – both internally and externally particularly through the use of digital communications and*

*social media*

- *Harness opportunities in digital technology to ensure a connected district, improve access to services, reduce isolation and improve the effectiveness of the council*

#### **Commercial Harrogate:**

- *Enable and embed a commercial culture to ensure that new and existing income generation opportunities are maximised in order to support the Council's self-sufficiency agenda.*
- *Make better use of resources by identifying commercial opportunities for income generation and improving efficiencies*
- *Support the development of alternative delivery models that provide the best opportunities for commercial success.*

The aims are supported by three further strategic actions that will support the delivery of this agenda:

- *Maximise and lead opportunities for partnerships, influence, collaboration or joined up services to improve strategic outcomes*
- *Put our staff at the heart of change and promote a can do culture*
- *Ensure that the supporting infrastructure and data quality is improved in order to make better use of information and data*

An overview of the suggested programme is contained in [appendix 3](#)

#### **5.6 2024 Programme**

The programme should:

- Support the ambition for the District and the Council
- Address the strategic actions
- Maximise the opportunities identified in 5.4.2 above
- Be more clear and agile in decision making
- Have clarity on responsibilities throughout the programme
- Re-prioritise resources to areas where resources don't match our ambition e.g. commercial
- Be more outward facing in transformation rather than concentrating on internal processes/improvements

The governance arrangements of the delivery of the programme have been developed to ensure that the organisation can remain agile to respond to changing factors but there is sufficient oversight and clarity on order to effectively manage performance and delivery. Quarterly oversight by the Management Board will also ensure that there is also a strategic overview of the entire programme and that sufficient resources are in place from a financial, legal, skills base and that the changes in the culture of the organisation are being achieved. This will also include the ability to flex the programme according to any emerging changes as a result of changes in regional and sub regional governance. [Appendix 4](#) sets out the proposed governance arrangements for the programme; in summary this includes two boards overseeing the four themes of work. Each theme has a responsible director that is responsible for the delivery of each theme and is supported by other officer within services and the Improvement & Development Team.

#### **6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS**

- 6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.
- 6.2 In order to provide capacity and support to the 2024 programme the Improvement and Development Team within the Organisational Development and Improvement Service will be reviewed to ensure that corporate internal capacity is aligned with the needs of the programme. In particular, capacity will be developed in the following areas:
- Lead on the delivery of the commercial agenda within HBC by assisting in the design and delivery of new commercial opportunities
  - Provide programme management support to the 2024 programme
  - Provide project management to transformation projects
  - Provide project management support and advice to the wider council projects
  - Support the roll out of new technology initiatives
  - Value for money reviews
  - Business process improvement

Capacity will also be developed to support the ‘Sustainable Harrogate’ theme through the review of the Planning and Development Service.

Capacity will also be required from many services to deliver this programme and we need to work with services to ensure capacity and skills are there to meet our ambitions. There will be a particular need to work closely with the ICT service when developing the programme and PIDs to ensure ICT resource and capacity is aligned or where it cannot be that is managed appropriately.

The 2024 programme is an ambitious programme of transformational change and will require funding support to supplement the capacity provided through officer resources. An underspend bid has been made for £375k to support the work of the 2024 programme, this equates to just under £100k per work stream but will be managed centrally and allocated on a needs basis in order to deliver this ambitious programme.

- 6.3 Human Resources have been fully consulted on the content of this report and will provide the advice and support required to support the transformation programme as well as supporting employees who are affected by the change.

## **7.0 CONCLUSIONS**

- 7.1 Delivery of large numbers of projects within the OSFS programme and the identification of major projects that currently lie outside of the programme means that a refocussing of the council’s transformation programme and vision is necessary.



- 7.2 Strengths, weaknesses, issues faced by the council and emerging challenges and opportunities to 2024 suggest that the council needs to focus its work in 4 key areas:
1. Its use of development projects to influence change to ensure the district remains a sustainable and vibrant place.
  2. Ensuring the district develops a strong and enviable reputation as an events destination
  3. Harnessing the changes in digital technology to benefit residents, businesses and visitors alike.
  4. Being more commercial to deal with financial pressures and support our ambitions to be self-sustainable.
- 7.3 Establishing a transformation programme and governance arrangements around four themes of Sustainable Harrogate, Destination Harrogate, Digital Harrogate and Commercial Harrogate will seek to deliver this transformation in a managed appropriately resourced manner as the Council approaches its 50<sup>th</sup> birthday in 2024.

## **Background Papers – Our Strategy for Success**