

Assessment Report

Investors in People assessment report for
LANCASHIRE COUNTY COUNCIL

Undertaken by
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on behalf of Investors in People North of England

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Commercial in Confidence

Introduction

Lancashire County Council, one of the largest local authorities in the country, was accredited as an Investor in People in June 2010. In September last year the Council undertook a strategic review which enabled it to have a period in retaining recognition. Since the strategic review, restructure, reconfiguration of services and the drive towards achieving efficiencies continues. Following open recruitment, the County has appointed the former Acting Chief Executive to the substantive position. Reorganisation of the senior team is taking place with internal recruitment to the new posts underway. This will replace the former Directorate structure. The next phase will occur in 2015 and will involve reorganisation of the next tier of leadership and management. Many of the features driving change and the time of last year's strategic review remain and include:

- the need to achieve efficiencies, balance budgets and to maintain services provided for the residents of Lancashire
- re-aligning structures to make them fit for purpose
- working with national economic and policy changes that have often been fluid and challenging to interpret
- a need to reduce staffing sensitively, avoid disruption and compulsory redundancy

This review is now focused on several key priorities and is aiming to return the County Council to full accreditation as an Investor in People.

The staffing structure is constantly changing in line with the County's efficiency and cost reduction strategies. Following a number of planning meetings and complex analysis of current organisation structures, about two percent of the current staffing took part in discussions about its Investors in People practice. This meets the sampling guidance given by the United Kingdom Commission for Employment and Skills for a County Council of this size.

Outcome

Lancashire County Council meets the Investors in People Standard. On behalf of Investors in People North of England, we would like to congratulate it on this achievement. The discussions were interesting and it was a pleasure to talk to members of the team about their work, successes and their aspirations for the future. We thank everyone for their contribution.

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SUMMARY – WHY IS LANCASHIRE COUNTY COUNCIL an INVESTOR in PEOPLE?

The Council has acted decisively to redefine its strategic approach to transformation. It is presenting it as an opportunity to make the most of the overall revenue funding that is available to provide services. It is using a top level line by line budget analysis to create the overall picture of what a £684 million organisation will look like. The transformation approach is unique and innovative and is closely aligned to the question *“If we were setting up a new County Council, how would we do it?”*

The Council engages well with UNISON. Both understand the very difficult circumstances that face the public sector and the County and take an approach that tries to blend the interests of its members, the Council’s future and most importantly, the people of Lancashire. Where there are differing views, for example, over communication or grievances, the culture is one of healthy debate and trying to find solutions.

People comment positively about the communication and consultation on the plans and journey. They can see that some of their views have led to changes in the approach. People give the Council credit for starting the restructuring at the very top. A comment summing up *“the most accessible information in all the changes I have been through – if anyone doesn’t know about transformation, it’s because they don’t want to.”* To their credit and despite the obvious concerns about futures, people remain committed to serving the people of Lancashire.

The Council’s learning and development culture remains a strength and offers a great diversity of opportunities that are accessible and use different techniques to support learning styles. It is constantly looking to improve and develop its offer and to align it to needs. It has, for example, introduced opportunities to help people cope with change including development on *“selling yourself”*, support for career advice and a How to Guide. Since the previous Investors in People review the Council has opened a new training centre at Leyland.

The Council benefits from a diverse workforce that brings many talents and skills to it. It understands differences, it meets learning styles and needs well and people feel that development, especially that covering change is now actively encouraged. Managers value constructive ideas and suggestions, not just those that impact on corporate strategy, but also those that make a difference to practical and day to day operational work. This culture of constructive challenge is assuming great importance as the Council empowers its leaders and managers to design a structure and capacity for a new, £684 million revenue budget, organisation.

Many of the teams are self-starters and readily take ownership and responsibility for organising their case work, leading innovation in learning and development or in supporting the assessment and consequent provision for children who have special educational needs. Looking ahead to the next stages of restructuring, people view it with some trepidation and many do see potential and opportunity through being able to apply for three roles including those at higher grades. People see the broad picture and understand that this reorganisation is radical, *“like starting a new authority”* and has to happen within a challenging time scale. People take pride in key successes such as achieving well in inspections or in being recognised as exemplars of good practice in their specialisms; several share their knowledge and contribute to regional and national developments.

The County continues to provide leadership development programmes including Aspire and Inspire. It uses Institute of Leadership and Management standards. Its good practice in learning and development innovation extends into leadership and management and it is currently developing a new senior leadership programme. For operational leadership, it supports relevant professional development and higher level degrees. The reorganisation is planned to empower

and engage managers and as they are appointed they will be expected to take ownership and implement structures for their services and maximising available resources.

The Council has made significant progress in redefining its partnership working with BT Lancashire Services. This now concentrates on information technology and payroll services, both are areas where shared resource and expertise bring benefits. The view of people seconded into the partnership is much more positive now. This is because:

- its leadership is more open, visible and engaging and has developed and communicated the business plan
- there is positivity about support from line managers
- people feel more secure in their roles and their contribution to the County
- there is greater emphasis on development and commitment to it

“There is now less of a fear factor, more transparency, greater involvement rather than control”

The staff conference is a very positive move and as one person put it *“gave an insight into the corporate plan – a brilliant approach.”* The service sets itself a target of improving staff survey feedback by ten percent.

People see further opportunities in:

- developing reward and recognition
- clarity over how the current reorganisation of the County may affect what they are expected to do
- information technology investment strategy, particularly to bring about efficiencies

Most people still feel passionate about the County Council, what it does for the people of Lancashire and its status as a good employer compared to other authorities and sectors.

WHAT NEXT? – SUGGESTED CONTINUOUS IMPROVEMENT PLAN

TRANSFORMATION:

The majority of people seen are pragmatic about the Council's need for change. They also understand the severity and, consequently the radical approach to the change journey. As the journey extends beyond grade 11 posts and into reorganisation of grades 10 and below people see risks that can be managed through:

Potential Risk	Suggestion Actions
Cynicism and complacency creeping in to plans through slippage on time scales	Maintaining the openness of communication, feedback and consultation, especially about preventing leaks, misinterpretation and the rumour machine. Imperative to complete the first stage and communication for the next stage on time as this will allay fears and show people that decisive action is being taken.
Views that people may not have enough information about which roles are <i>"ring fenced"</i> or already filled in the new structures and that this may affect their use of the three opportunities to apply for posts Clarity over how longer-term seconded staff or those on part-time or job share roles may fit in to new structures	Clarity as the next stage of the structure emerges and the tier of leadership responsible for reconfiguring services makes decisions on what is needed and how roles will be aligned to needs.
Marginalising some key functions that could impact very positively on transformation, the possibility of perceptions of favouritism in appointments	As the <i>"below grade 11"</i> structures develop and emerge this will give people a clearer picture of where and how their roles will fit in. There may be a need to manage disappointments. Making sure that recruitment at all levels is open, transparent and follows procedures and that the culture of starting from a blank canvas is a reality.
In some areas, there is a culture of managers <i>"fire fighting"</i> and being too involved in detailed and operational work	Clarity about the scope and purpose of new leadership and management roles, using leadership development programmes, including coaching, and making sure new structures build capacity that avoids this.
Perceived lack of openness in the recruitment process for new posts and questions about if can it be done in the time scale	Openness in recruitment and selection, clear rationale for any posts that are ring fenced. Constant communication and update on progress against planned time scales. Clarity over the magnitude of the task, how it will be done and the resources needed.

Concerns over the potential disproportionate loss of high level technical and professional skills that are essential for roles but not necessarily for leadership and management jobs	Development of the detail of the new structure and careful management of relevant posts so that cynicism over openness to apply for any position does not develop.
Buy in and understanding of the new culture of <i>“what we need to do, what we should do and the way we do it”</i> Keeping the positivity and impetus of communication about transformation so that rationale remains clear and secures buy in from lower grades	Communication strategy and how this may need to change as detail develops. Giving leaders and managers the tools to convey the message consistently and positively with the vision for services and new ways of working at its heart.
Personal agenda coming into the cascade of information leading to dilution of values or seeing change being about structure rather than the impact on services Possibilities of people seeing new structures as Directorates by any other name and therefore missing opportunities to move away from the silo approach that would remove unproductive competition and overlap	Performance management and use of 360 degree feedback through the Management Style Questionnaire.
Alignment and development of leadership and management to new structures and capacity	Realignment and current work on leadership and management development. Using the extensive investment in the in-house coaching resource that is available.
Managing communication with external communities that are likely to be affected	Currently and rightly communication and consultation are internal matters. Development of external and timely communication strategy to avoid negative messages going out to the public and community.

PERFORMANCE MANAGEMENT

There is a mixed picture on how well managers agree challenging and stretching targets with their staff. Many of these are about qualitative outcomes. As the restructure takes place, there are opportunities to align targets to new demands and ways of working or even to ensure that everyone has a least one target directly related to transformation. Whilst the qualitative approach is highly valuable, it can lead to an over emphasis of softer targets and objectives rather than those that are directly measurable for their impact on service or financial performance. There is potential to refresh the Performance Development Review process so that it is aligned to values and new objectives for services. This will ensure that it functions effectively to set, monitor and support the drive to meet challenging performance targets.

LEARNING and DEVELOPMENT for TRANSFORMATION

Demand for learning and development that is supporting change and helping people to prepare for making the most of opportunities to apply for positions in the new structure is heavy and there are some views that it will exceed supply. This could put some people at a disadvantage. There are

also a few views that as opportunities are booked up very quickly, those who work remotely or part-time cannot always respond as rapidly as those who are office based.

LEADERSHIP and MANAGEMENT

Historically, the Council has approached leadership development positively and proactively. It knows that its transformation will need a new approach that will:

- empower and enable managers to move away from task and transactional work into strategic leadership
- give leaders and managers the tools and confidence to sharpen up performance management through setting objectives that are directly focused on individual and team contributions to the transformed organisation
- makes effective use of the coaching skills that the County has developed in its people
- Implement current plans for large scale leadership development in line with transformation time scales
- continue to measure leadership and management performance, including through 360 degree feedback

CAPACITY

People are concerned about some specific risks to capacity for taking transformation forward; these include:

- making sure that essential posts in roles that are hard to recruit are, as far as possible, kept within the Council, especially as the economic climate and competitive opportunities in the private sector improve
- ensuring that main contributors to the infrastructure of the transformation strategy, such as commercial skills, organisational development or Human Resources are valued and included as the detail of the structure emerges
- in Social Services, concerns about how the challenges of having enough resources to meet the needs of an ageing population
- ensuring that some “*hidden extra work*” for example, that done at home or through unpaid extra hours, is recognised as services are reconfigured
- making sure that people who take front line enquiries from the public have the tools to manage expectations so that time is not wasted in pursuing enquiries that are not within the Council’s service portfolio
- acting quickly to achieve wins through: procurement efficiencies, streamlining meetings, duplication of effort in functions like collecting and reporting data or in accommodation usage, understanding how actions in one team can impact on others, and in making effective use of new technologies like Liquid Logic and integration of existing systems such as Oracle
- expecting leaders and managers to undertake operational tasks and as a result having little or no time for development and planning
- managing people who have taken voluntary redundancy, if they remain with the County prior to it taking effect
- the impact on morale and people’s general health and wellbeing

HEALTH and WELLBIENG

The County is not seeing a major increase in its sickness absence rates. It does have limited absence through stress and offers many opportunities for supporting people’s health and wellbeing. There are inconsistencies in how managers implement health and wellbeing practices

with many seeing it positively and others feeling it is an interruption to work flows. As one person summed up *“It is not the strategy that is the issue.....it’s the implementation.”*

INVESTORS in PEOPLE the NEXT STEPS

We will arrange a suitable date for feedback discussion.

It Is now a requirement for all accredited Investors in People organisations to have an 18 month development visit. This is very flexible and can focus on topical issues for the County at the time. As the Investors in People Framework is currently being reviewed, it may be worth using the development visits to undertake some positioning against the new requirements, beyond the standard higher levels or the Health and Wellbeing Framework.

FINDINGS and FEEDBACK on FOCUS for the REVIEW

Key Themes	Strategy and Forward Vision Contribution and Commitment
Client Focus and Objectives	Employees are committed to meeting the needs of people and communities in Lancashire. Employees take pride in improving services and take ownership to get it right first time.

“The right things for us are to be customer facing and to provide quality services.”

“We are definitely going in the right direction now in the way we do things.”

“Most people here come off the same mould and want to do their best for people of Lancashire.”

“We come together and share our skills sets – we multi task and that is much better for our service users.”

“The opportunities? “new vision and direction.....alignment to new ways of working.....partnership and shared resources.....The challenges?.....protecting our work with vulnerable groups, inspection and regulation and burn out.”

There is no doubt that people remain committed to providing quality services to Lancashire’s residents. They are well-aware of the Lancashire Way, its vision, values and the behaviours that will enable them to do the *“right thing”* rather than *“everything.”*

The culture remains one of constantly trying to improve services through techniques like process reengineering and lean, combined in some cases with technology. This extends to both front line direct services and to those that provide key support and infrastructure, like information technology, payroll or finance.

People know the importance of right first time every time. They understand the impact this has on effective use of resources, avoidance of duplication or reputation. In traded services, for example, in the marketing of Education Psychology services to schools, the senior leader, uses business principles and her expert professional knowledge to monitor performance, coach people and set very high expectations. Last year this service generated a surplus. The sense of pride and achievement is apparent in most roles. For some it is about achieving tangible measures like meeting deadlines for reporting financial performance, for others it is about the difference they make to vulnerable people’s lives, attracting inward investment or consumer and environment protection. Several people can articulate the direct financial impact of their roles, for example, in managing the £120 million welfare right income, in making savings in waste management or in energy efficiencies in public buildings.

A key aim of the restructure is to empower managers to take ownership and responsibility for decisions on how best to use the budgets and resources available to them for providing services. This is promoting a much more positive approach that focuses on what can be done rather than what cannot. It is also bringing accountability and a greater appreciation that *“if something is added or demanded then something else has to give.”*

Key Themes	Delivery of Objectives, Performance Measurement Continuous Improvement
Client Focus and Objectives	Employees are engaged in making change happen and are empowered to challenge working practices and make improvements. Senior Leaders clearly identify and articulate the future direction of the organisation, leading transformational change and inspire others to follow.

“The Chief Executive has acted decisively and quickly in setting out our future.”

“Actually, if you have seen restructure in other organisations, you will know that it is being done fairly here.”

“It hardly feels like you are being managed; we are involved in decisions and share responsibility across the team.”

“Through transformation, there will be opportunities; perhaps in new roles, definitely in different ways of working or using transferrable skills.”

“We definitely need to move to a more uniform approach and a joined up service otherwise we create pockets, duplication and confusion.”

The current Chief Executive, now in the substantive post, after a period in the acting role, is working decisively and in consultation with members, staff, unions and stakeholders to formulate forward plans and strategies. The approach is to be proactive and positive through looking closely at what can be achieved with the revenue funds available and to radically realign structures to this. The core values and overall aims of serving the residents and communities of Lancashire remain at the heart of the Council’s strategic direction. As part of its transformation journey, it is re-evaluating its values, the content and applicability of the Lancashire Way to ensure they remain fit for purpose.

The majority of people seen, know that change has to take place and that much of it is externally driven. Their commitment to implementing change ranges from a resigned acceptance through to seeing it as an opportunity. For many the motivation to make transformation work is dual; to work with the overall core value of providing services to Lancashire’s people and, as a consequence, to remain employed by what they still see as a good employer. Whilst change and the resulting pressures affect people differently, there are strong examples of people embracing it. These include

- trading services and achieving surpluses that are ploughed back into the County
- coping with the changes in the way in which support is provided for Special Educational Needs
- coping with often multiple and complex externally driven change leading to several restructures, for example in Social Services
- integrating new services like public health

Key Themes	Strategy, Key Performance Indicators, Feedback Performance Management Evaluation and Continuous Improvement
Client Focus and Objectives	Employees understand and deliver against their targets. Managers deliver outcomes by setting and agreeing challenging targets, monitoring and reviewing progress and evaluating performance in line with business planning objectives. Managers recognise and acknowledge good performance and tackle poor performance.

“We have a fantastic team; we are clearly focused on employment opportunities and have targets for retention, achievement and success in sustaining employment.”

“It (performance management) should be about having a mature conversation on what we do about improvement.”

“We want to get to a position where there is no hiding place from what we are trying to do; we cannot shy away from difficult decisions.”

“My manager is red hot on PDRs and uses them to demonstrate what we achieve and what we can do better.”

“We need to make sure we don’t struggle with priorities and what we need to do, be clear about what we can get rid of and careful about what we commit to as an authority.”

Most people are able to articulate their team and individual performance targets and value both the performance development review and the use of less formal means like regular one to ones with their managers. In some roles, for example, in fleet maintenance or performance reporting, it is easier to set measurable targets than for others, where the services provided may be complex, diverse and difficult to predict precise needs.

Nearly everyone recognises that, as structures and ways of working change, motivational and challenging targets will need to be refocused and will become an even more critical part of delivering quality services differently. Leaders and managers and their teams know that challenge, commitment and enthusiasm for serving residents and communities comes through both quantitative and qualitative outcomes and impact. There is an opportunity to make targets more factual and measurable for their impact on what a £684 million organisation should look like. Negative comments about performance measures include: *“tried and did not work, don’t need them, too many variables to have Key Performance Indicators.”*

Individually, people articulate individual successes that motivate them. These range from success in adult education, supporting sustainable community projects, gaining funding for promoting cycling or moving vulnerable people into further and higher education or independent living.

People provide many examples of tangible successes. These include; exceptional performance in supporting Work Start, Future Horizons and apprenticeships, bringing in economic development and investment of over £1 billion, or succeeding with major infrastructure bids like Preston City Deal or the M6 Heysham link road.

Some of the discussions show that there are concerns about some functions becoming marginalised or *“Cinderella”* services. As the detail emerges, there are opportunities to dispel this by:

- clarity over service configuration and performance objectives
- maintaining the credibility of consultation and communication over transformation
- acting quickly and to planned time scales to avoid cynicism or complacency developing
- clarity over how communities will be involved in providing services and how the overarching strategy for partnership with the third sector will work
- opportunities to constructively challenge and change anything that does not work effectively or does not reflect the Lancashire Way behaviours and values

The Council knows that even through transition there are likely to be some “*hot spots*” and posts for which recruitment and retention of key roles will remain difficult. These roles include those in social work, education psychology or high level technical skills in disciplines like surveying. As the restructuring works its way down, there is a strong desire to see these roles remain so that performance is maintained and remains up to high standards.

The Council uses external inspections, sector associations, good practice, and the performance of similar local authorities to benchmark its practices.

Key Themes	Leadership Development, Learning and Development Culture Involvement and Engagement
Client Focus and Objectives	Managers encourage and support the development of themselves and others. Senior Leaders demonstrate a commitment to openness and honesty and take every opportunity to role model this across the organisation.

“The message from the top is very clear – the Chief Executive has a huge responsibility”

“Making the message clear and consistent all the way down is the key.”

“We have good expertise in our management team and a commitment to make it work.”

“The quality of leadership and inspiration for the future is the key.”

The Council places emphasis on leadership and management development. As part of its transformation journey, it continues to provide the Inspire and Aspire programmes, offers all of the resilience and transformation support development people would expect. It provides continuing professional development opportunities and helps people to achieve qualifications where they are essential, for specialist or technical requirements in leadership roles. Leaders know that different ways of working through change and transformation will require new approaches to leadership and management development. It is currently working on a new senior leadership development programme. It is learning from the experience of a major private sector organisation that faced, and acted on, a similar need in developing a large number of front-line managers.

In addition to the more formal development work, leaders and managers value informal coaching and mentoring techniques which are successful in enabling them to find their own solutions. These techniques will continue to support transformation.

As people discuss transformation they see opportunities to make its leadership effective at all levels and appreciate that, for some, this will need a change in style and behaviours so that:

- distributed leadership enables people to own and be accountable for performance
- the decision making culture is devolved resulting in removing the complexities and time consuming aspects of reference upwards and feedback downwards
- leaders and managers, inspire, lead and motivate teams rather than engage in operational tasks
- there is realisation that operational or functional experience does not necessarily equate to effective leadership and management

The restructure provides an opportunity to bring consistency to leadership and management practice, for example in:

- selling the message and a *“one vision, one organisation”* approach, working for the common goal of providing quality services to the people of Lancashire
- performance management
- engaging and recognising people’s ideas and contributions that improve performance
- openness and transparency in recruitment for posts within the new structures
- promoting the culture of upward, constructive challenge

People do understand the pressures and challenges that managers as well as their staff face and some comments are: *“little time for thinking and strategic development....just doing the mandatory tasks.....doing admin to take pressures off staff.”*

Key Themes	Reward and Recognition
Client Focus and Objectives	Managers and employees create a culture where staff feel recognised for a job well done and celebrate achievements across the organisation

“It is not just about promotion, it’s about enhancement, enrichment and doing things differently – this is about us creating a future in difficult circumstances.”

“I feel the County is really helping you to prepare, I totally believe in the service and what we are doing for the people of Lancashire.”

“For me it’s actually improving all the time - it’s positive full stop.”

“Care planning is regular – it gives us an opportunity for recognition and open and honest challenge”

The Council appreciates that reward and recognition is a significant factor in keeping people engaged and motivated through difficult and often challenging culture changes. People understand the constraints that apply to offering financial reward and recognition in the public sector. The recent change in the way in which the partnership with BTLS works is enabling this part of the organisation to reintroduce its Star rewards.

Discussions confirm a diversity of views on how individuals see reward and recognition. In summary these include:

- feedback from service users and using supervision and reflective practice as a form of peer recognition
- individual thanks for exceptional or above and beyond performance
- opportunities to work in acting roles to develop skills and expertise for the future
- recognition from members, for example, for project work
- secondments to different roles
- being trusted and empowered
- having opportunities to develop through apprenticeships, graduate training programmes and into the profession as newly qualified Social Workers
- achieving awards, for example, the Gold standard for Fair Train Work Experience
- signing up to the living wage

The Council is rightly bound by policy, procedure and propriety in its ability to offer monetary recognition. People understand this and value other forms of reward and recognition. The Pride Awards remain and work through nominating enable individuals and teams. People value direct feedback from service users and personal praise or thanks from their managers. People confirm that although there are differences in the way managers approach recognition, it is one of the factors that builds their resilience.

There are some views that recognition has become *“recognise everything and anything.....handed out like confetti”* rather than focusing it on exceptional or inspirational performance.

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