

Community, Cultural and Corporate Services Scrutiny Committee
9 December 2024

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Delivering Better Services
Caring for the Vulnerable
Protecting the environment
Supporting Economic Growth

Developing a Change Management Strategy

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Brief Summary

A refreshed approach to managing major organisational change is being finalised. This will align to the forthcoming Council Plan and Medium Term-Financial Plan.

Recommendation

The Committee are invited to comment on:

- i. The approach to developing a change strategy and associated change portfolio.
- ii. The conditions required to successfully deliver change.

The Committee are invited to:

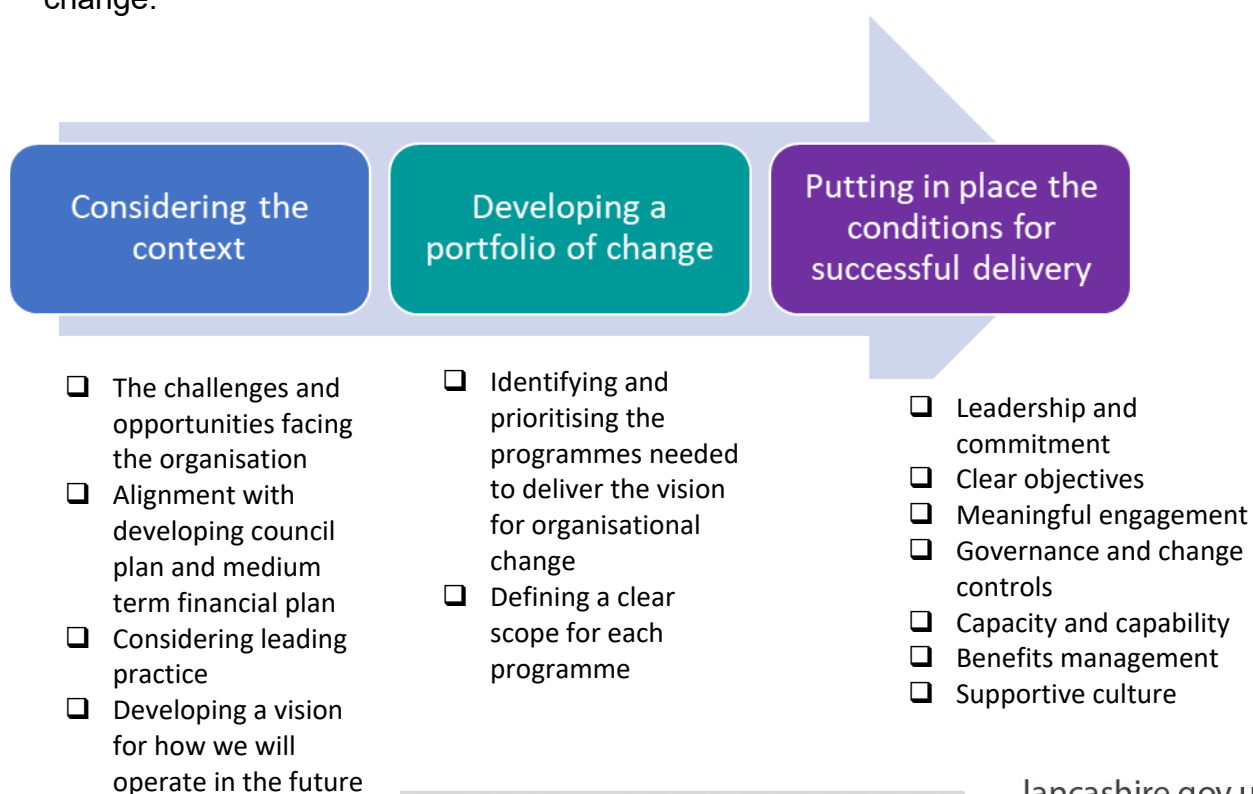
- iii. Make any relevant recommendations to the Cabinet Member for Resources, HR and Property.

1. Background

1.1 Work is nearing completion to refresh the county council's approach to significant organisational change, aligned with the forthcoming Council Plan. This includes developing a change portfolio - a collection of programmes required to deliver the county council's ambitions for change.



- 1.2 There are generally two types of organisational change. Adaptive changes are small incremental changes that organisations adopt to address needs that evolve over time. Transformational changes - which are the subject of this report - are larger in scale and scope. They involve major shifts in the mission, strategy, structure, performance, and process of a service. It is also important to distinguish major change from service reductions. The ethos of transformation is that better services often cost less. By delivering the right support, to the right people, in the right way better outcomes are often secured and avoidable costs are reduced.
- 1.3 The organisation has a history of delivering change from introducing family hubs, implementing digital changes, to developing integrated health and social care teams to name a few examples. Looking ahead, the scale and pace of change will increase for reasons set out below. There is an opportunity to look afresh at the changes the organisation needs particularly as the Council Plan and the Medium-Term Financial Plan have been developed.
- 1.4 There are many academic models for change management that focus on the people aspects of change including Lewin's 3 stage model, McKinsey 7 S framework, Kotter's 8 steps for leading change, and the Kubler Ross change curve. There are also many methodologies that focus on the practical development and implementation of change including PRINCE 2 project management and service design methodologies. Across all these models are some common features including the importance of a compelling vision and strategy, effective and tailored engagement with people experiencing change, considering insight, considering leading practice, managing the deployment of change, and continuous learning.
- 1.5 Bringing these models together, the diagram below outlines the three-stage approach that is being taken to manage change within Lancashire County Council. It includes considering the context, developing a manageable portfolio of change programmes, and putting in place the conditions to deliver successful change.



2. Considering the context

- 2.1 It is vital that any approach to organisational change responds to the local context. The opportunities and challenges facing the County Council are common with many other local authorities.
- 2.2 First and foremost, effective change is the hallmark of a good organisation focused on delivering the best possible outcomes for residents. There are many examples of this taking place previously. There is the opportunity to go further for the following reasons. Lancashire has multiple examples of good relations and joint working with partners in the public, private, and voluntary and community sector. There is the scope to go further particularly as delivering better outcomes within constrained resources often requires a coordinated approach, cutting across organisational boundaries.
- 2.3 Rapid digital innovation holds the promise of making services more accessible and productive. The advent of generative artificial intelligence has been hailed as a fourth industrial revolution and if effectively managed could transform the efficiency and effectiveness of local services.
- 2.4 Devolution, while largely focused on economic growth at this stage, could support the reform of local services to ensure they better meet local circumstances.
- 2.5 Finally, there are multiple examples of innovative service delivery - for example family safeguarding, shared lives, and new methods of highways maintenance - that could be built upon.
- 2.6 The need for further change also responds to some of the challenges faced by the organisation and its residents. Demand for specialist and crisis services, particularly in adults social care, children's social care and SEND, is rising. This is driven by a range of social, economic, and demographic factors. Often these complex needs span services and organisational boundaries. These continuing trends are placing significant pressures on services, putting effective service delivery at risk for local people. Along with wider market issues, the situation is also driving budget pressures. While the organisation is in a relatively sound financial position, this cannot be taken for granted.
- 2.7 The public sector is also facing a number of workforce challenges, particularly in relation to recruitment, wellbeing and retention, which unless managed places successful service delivery at risk. This topic was discussed at a previous Committee.
- 2.8 It also important to consider the wider context within the local government sector and to identify leading practice which Lancashire could adapt and adopt. The Authority is an active participant in the Local Government Association's Transformation and Innovation Exchange. This brings together like minded local authorities and supports shared learning and 'communities of practice' in relation to major organisational change. The County Council has attended a



range of webinars hosted by the network and is exploring mutual support with other organisations. When developing proposals for change, leading practice from elsewhere is considered and the network is useful to facilitate this process. Wider professional networks are also utilised to share learning. In addition, benchmarking data, which enables costs and performance to be compared across local authorities, provides the opportunity to identify areas for improvement. Where our comparators have costs that are relatively lower and performance relatively higher, it indicates that some form of innovative delivery may be in place which could be adopted.

2.9 As a forward-thinking organisation, the County Council is already responding to this position in a positive and innovative way. Considering all of the above, the following themes are likely to characterise its future ways of working and are actively being considered within key sections of the forthcoming Council Plan.

- **Working alongside** our residents and communities to hear their voice. tackle challenges together and build resilience.
- **Early help** to prevent, reduce and delay more complex and costly challenges where possible.
- **Embracing digital** to enhance both the customer experience & our productivity.
- **Being insight led**, utilising data to inform delivering the right services to the right people in the right way.
- **Rethinking our estate** to deliver effective and efficient services.
- Seeking opportunities to collaborate with partners, **joining up support for local people in local communities.**
- Constantly seeking opportunities for innovation, **learning from leading practice** within and outside the organisation.
- **Building a leading workforce**, equipped with the mindset, skills and capacity to deliver.
- **Taking a whole council approach**, to collaborate and address significant challenges and opportunities.

3. Developing a change portfolio

3.1 The Committee has received a previous report on the need to prioritise key programmes and projects which align to the council's vision and ambitions. The latest iteration of this process is nearing conclusion, and the following key programmes are being prioritised for delivery over the next two years:

Programme	Brief Description	Benefits
Maximising independence	Designing and delivering a new model of adult social care based on prevention, building on the strengths of residents, and communities and modernised provision. This will build on a series of changes that were implemented in July 2024.	<ul style="list-style-type: none"> • Greater independence for residents, where possible • Greater awareness of and access to support in the community • Timely access to support • Provision reflects leading practice



SEND	Developing and implementing new models to better meet the needs of children and young people with SEND, focusing on early intervention, inclusive practice, and sufficient future provision	<ul style="list-style-type: none"> • Improved timeliness of support for children and families • Greater levels of inclusion where possible • More tailored local support to meet a wide range of needs
Where our children live	Introducing new approaches to ensure children in our care are supported in the right place at the right time, with a clear focus on enhancing fostering and accommodation options	<ul style="list-style-type: none"> • High quality local placements which best meet the needs of children and young people • Greater stability of placements, supporting better outcomes for children and young people
Children with disabilities review	To provide Disabled Children, young people and their families with an effective and efficient service which better meets individual needs, is transparent, and is equitable	<ul style="list-style-type: none"> • Improved advice and resident experience • Enhanced access to support in the community • Clearer pathways for support
Home to school transport	To enhance support for Lancashire's children, young people and their families by introducing more effective and efficient transport solutions	<ul style="list-style-type: none"> • Enhanced options and support for independent travel • Enhanced efficiency for transport services
Data	Developing a new approach to harness data to improve service delivery - covering technology, skills, and governance	<ul style="list-style-type: none"> • New skills and capabilities to support a data driven and more responsive organisation • Data is more accessible and of high quality • More data is unlocked from service and system silos to create new insight to shape decisions
Digital by design	Embracing technology and improving our processes to improve customer experience and productivity	<ul style="list-style-type: none"> • Improved customer experience for residents who chose to use digital methods to access services • Enhanced productivity within the organisation, enabling more resources to be prioritised to more complex challenges
Resources redesign	Enhancing support services to support the organisation to thrive	<ul style="list-style-type: none"> • Greater alignment between Resources services and the needs of the organisation • Clear offers of support and streamlined access to assistance • Resources services reflect leading practice • Upskilling the wider workforce, supporting greater self sufficiency in areas such as budget management, people management,



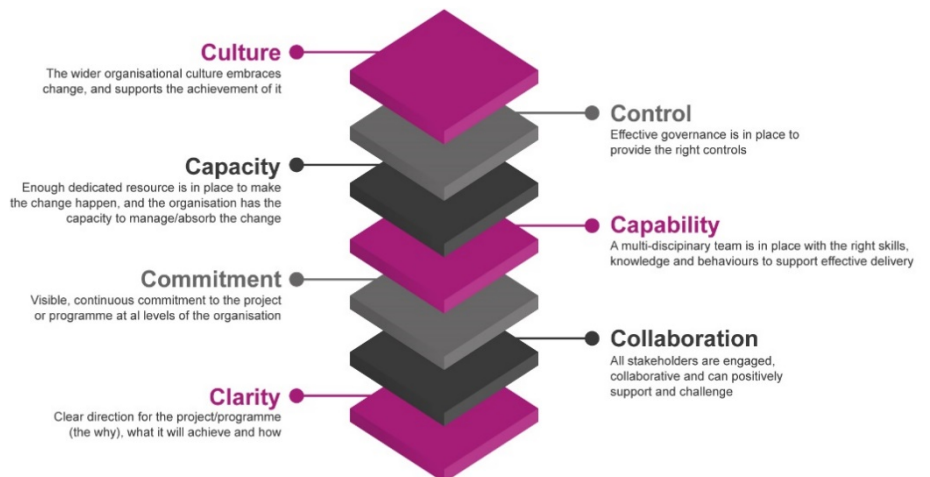
		technology and change management
Property	Making the best use of our assets to deliver quality services at an affordable cost	<ul style="list-style-type: none"> Improved facilities to deliver quality services Reduced carbon footprint and running costs
Directory of services	Designing and delivering an organisation wide digital Directory of Services providing a user-friendly platform to a support in their community. This system will consolidate information about council and external services into a single integrated solution, enabling efficient data management and improved information sharing capabilities.	<ul style="list-style-type: none"> More intuitive experience for residents to access support in their community Improved experience for services and community organisations to upload information

3.2 Details about financial investments and savings attached to each programme will be confirmed and formalised following the setting of the 2025/26 budget. It is also important to be mindful of how change is communicated to colleagues in a sensitive way, so proposals that may impact on colleagues and have not yet fully defined have not been included above. It is likely that further programmes will be added to the portfolio as circumstances change, particularly as future plans and budgets are agreed.

3.3 Each programme goes through a staged process of definition, discovery, design, and delivery.

4. The conditions required to successfully deliver change

4.1 The following model, promoted by the LGA, sets out what is required to successfully deliver change. While successful delivery of change is never guaranteed, below is an assessment of what the county council is putting in place to increase the chances of success.



7Cs Conditions for Success model © 2023 by Change Network Limited is licensed under CC BY-NC-SA 4.0

- ✓ **Clarity:** For each programme, a clear scope is required setting out objectives, the case for change, milestones, resources and benefits. As programmes come to fruition, it is vital that clear communications are in place so everyone involved in the programmes are clear on what is being proposed and what will change.



Following consideration of the council plan, a major internal communications campaign will be delivered that sets out the vision for how the organisation will operate differently in a meaningful way.

- ✓ **Collaboration:** Senior officers and Members have been engaged in developing the portfolio. Where relevant, partners have or will be engaged. Clear roles have been defined for key stakeholders so they can provide positive challenge and support. In addition, the approach to change will prioritise close working with service users and frontline staff to ensure their insight shapes proposals for change.
- ✓ **Commitment:** The approach to change and associated portfolio will link to the forthcoming council plan and budget, to be considered by full council. A vital officer role in all programmes is that of the senior responsible officer (SRO). They are accountable for the programme and are often Directors or Heads of Service. Support is being provided to enable SROs to fully understand the responsibilities of the role.
- ✓ **Capacity and capability:** A newly developed change service is now in place. This service acts like an internal consultancy, providing expertise on programme management and service redesign. A profile of the new service is included in Appendix A. Successful change also requires capacity and capability from the services being reviewed and skills from other support services. On occasion, external capacity and capability is required. These resources are identified upfront and planned in before a programme is initiated.
- ✓ **Control:** Effective governance underpins successful programmes. Each programme will have a programme board with clear roles and responsibilities. Change control processes are in place to manage any changes to the scope of the programme and regular reporting and risk management processes are in place to track delivery. The portfolio, as a whole, is overseen by a Change and Digital Officer Board. From a Member perspective, oversight of the portfolio is facilitated through regular financial reporting and performance management processes.
- ✓ **Culture:** A new Leadership framework in place to support the mindset and behaviours required to drive organisational change. In addition, to support a culture of innovation, change clinics will be established. These drop-in sessions will be open to colleagues to provide advice on how to successfully manage smaller scale change. A 'change influencer' group is in place which comprises of officers across the organisation. They act as a sounding board for change initiatives. Before changes are introduced impact and readiness assessments will be carried out so that implementation plans are well founded and change is successfully adopted. Wider initiatives to drive cultural change at organisational and service level are being developed

5. Consultations



5.1 Engagement has taken place with services and any external consultation and engagement will take place if required.

6. Implications:

6.1 The approach to change has far reaching implications for residents, staff, services and the financial sustainability of the organisation. It is therefore critical it is well managed, well informed, and underpinned by effective engagement.

7. Legal

7.1 No direct legal implications at this stage. Any legal issue relevant to individual change programmes will be managed with the support of Legal Services and in line with council governance processes.

8. Financial

8.2 The change agenda is fully aligned to the Medium-Term Financial Strategy and budget.

9. Risk management

9.1 Risks will be managed at programme and portfolio level. The most significant risk is that change is implemented in an unmanaged and ineffective way leading to missed opportunities to enhance services and reduce costs.

Appendices

Appendix A attached to this report. For clarification they are summarised below and referenced at relevant points within this report.

Appendix	Title
Appendix A	Change Service Offer

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
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