Assessment of Transform, Innovate and Change Programme

Carmarthenshire County Council

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Status of report

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The team who delivered the work comprised Alison Lewis, Gareth W Lewis and Jeremy Evans.

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Summary report

Transform, Innovate and Change (TIC) has robust governance, clear objectives and is contributing to better outcomes and financial savings; however, there is scope to strengthen business cases, risk management, use of performance information and financial analysis

1. Carmarthenshire County Council (the Council) established the Transform, Innovate and Change (TIC) team as part of its response to the significant financial challenges faced by the Council. The TIC team is made up of four dedicated officers. The team is supplemented by officers in the areas where change projects are taking place and are tasked with supporting and progressing the Council's programme of organisational change.

2. The TIC team staff are all experienced in business analysis, and in particular, the 'Vanguard Systems Thinking[1]' approach. The TIC team is expected to help identify opportunities to enable the Council to drive out waste and inefficiency, thereby delivering more purposeful and cost-effective services. The TIC programme, as stated in the *Annual Report 13/14 & Improvement Plan 14/15*, is focused on delivering eight key themes:

- putting customers first;
- improving and re-designing services;
- challenging existing ways of working;
- reducing waste;
- delivering efficiencies;
- facilitating and driving organisational change;
- sharing learning and knowledge; and
- seeking and exploiting opportunities for collaboration.

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[1] www.systemsthinking.co.uk/1.asp. Vanguard has pioneered the translation of Taiichi Ohno's ideas behind the Toyota Production System for service organisations. The Vanguard Method transfers expertise to people (managers and staff) in the organisation. Vanguard uses sensei to apply the method, people who are experts in both intervention theory (how you make a change) and systems theory (how to analyse and design work).

3. To monitor progress and to assess success, the Council has to demonstrate and evidence how the expected benefits and service improvement have been achieved. This process needs to be objective and the benefits accurate and 'real'; as such the Council needs:

    - a robust model of governance;
    - a robust system for identifying the likely benefits of a TIC project;
    - a reliable process for assessing the viability of a TIC project before it commences; and
    - a robust method for assessing the benefits delivered by TIC projects.

4. To provide assurance that the Council has these arrangements and processes in place and to assess whether the Council's published performance is fair and balanced, we have asked the question: **are the TIC projects effectively delivering the stated financial savings/benefits/improved outcomes reported by the Council?**

5. We concluded that: **the TIC has robust governance, clear objectives and is contributing to better outcomes and financial savings; however, there is scope to strengthen business cases, risk management, use of performance information and financial analysis**.

6. Our detailed findings are set out below.

The Council is clear in broad terms about what it wants to achieve from TIC but individual project business cases are not detailed enough

7. The Council is clear in broad terms about what it wants to achieve from its TIC programme; this is set out in its *Delivering Transformation, Innovation and Change Our Way* document and this includes the eight key themes noted above. Within this high-level approach, the Council develops scoping and business cases for each individual project.

8. These individual project business cases are variable in the level of detail they contain. The business cases include general expectations of financial savings but are not clear about how the savings are calculated. It is therefore difficult to assess whether all the financial factors have been included. The business cases are also not detailed enough to communicate the full range of potential benefits and dis-benefits; this seems particularly noticeable in finance/savings driven projects.

9. It is unclear how the links between projects and their potential impact on other areas of the Council is considered; for example, to ensure that savings in one area do not have a detrimental effect on others.

The TIC programme has a robust governance model with appropriate contributions from officers and members. Programme and project management is generally good but consideration of risk is not sufficiently robust

10. The TIC programme uses a standard programme/project structure which is clearly defined in the *Delivering Transformation, Innovation and Change Our Way* document. The Council states that its governance model is set to:

- encourage and promote creativity;
- develop flexibility and learning across the organisation;
- provide sustainable change and transformation; and
- deliver a comprehensive project and performance management approach.

Exhibit 1: TIC Governance Structure
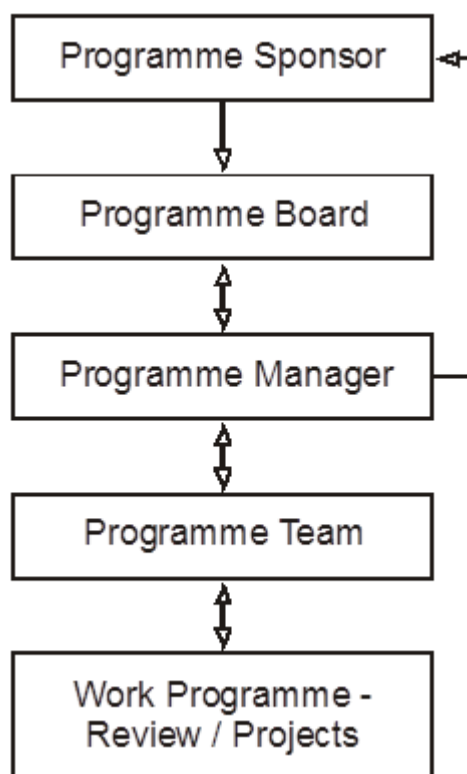
11. The TIC Programme Board is chaired by the Chief Executive whose visibility and support to the TIC programme provides significant impetus. The Executive Board member with responsibility for human resources, efficiencies and collaboration attends the monthly TIC meetings and the bimonthly TIC Programme Board meetings. The involvement and oversight from the Executive Board member provides challenge and a mechanism to channel information to the Executive Board and engage portfolio holders in TIC projects in their subject areas. To strengthen engagement of members, the TIC team intend to host a members' seminar in 2015 to provide the opportunity for all elected members to become more aware of the TIC programme in detail.

12. Each project within the overall programme has its own team of officers from the service area being reviewed; each team is supported by one of the dedicated TIC officers. Overall, project management within the TIC programme is generally robust.

13. All change/transformation projects bring with them an element of inherent risk. However, the Council does not fully consider or document the potential risks associated with individual projects, in particular the impact they might have on service users. In addition, these projects have the potential to impact on other related functions or services of the Council, with subsequent service user impact.

14. Initially the TIC projects were tightly scoped and well contained in specific areas. However, as more projects are started, there is greater potential for individual TIC projects to impact on one another. It is unclear if the Council has the mechanisms in place to manage these interdependencies and the associated risks that might arise as it does not have a strategic forward work plan for future TIC initiatives. There are therefore opportunities to strengthen risk management at both programme and project level whilst maintaining the appetite for change.

The Council has an established performance management framework, which has been extended to support TIC. The framework provides significant business intelligence but is not always used effectively to manage improvement

15. The Council has an established performance management framework, which has been extended to support TIC projects. There are a number of good examples of new measures, one notable example are those measures associated with non-housing maintenance which, amongst others, details the demand and costs of maintenance jobs by property over time.

16. The framework provides significant business intelligence. The performance monitoring used to support the lean systems approach is good; however, whilst this provides members and officers with a wealth of data, it is not always used effectively to manage improvement. The Council does not undertake sufficiently detailed analysis of the data recorded, limiting its ability to use this data to support service change and to drive further service improvement. For example, in relation to property maintenance jobs, the Council could use the data relating to properties already maintained under the new scheme to predict the likely demand associated with bringing in further properties. This could enable the Council to assess their capacity to bring more properties on board and also enable it to undertake better financial modelling.

The TIC programme is helping to deliver improved outcomes for citizens, more efficient services and financial savings but analysis of financial benefits has not been completed with sufficient rigour

17. The TIC programme is helping to deliver improved outcomes for citizens, more efficient services and financial savings. For example, the Council has reduced the time taken to re-let social housing, the time taken to deliver adaptations through the disabilities funding grant, the time between initial contact and services being delivered to meet the needs of older vulnerable people, the cost of its vehicle fleet and has undertaken more property maintenance at lower cost.

18. In its *Annual Report 13/14 & Improvement Plan 14/15*, the Council stated that 'the TIC approach had assisted in identifying approximately £2m of efficiency savings'. Like all councils in Wales, Carmarthenshire is facing unprecedented financial constraints and is making difficult choices in terms of what services it delivers for its citizens and how it delivers them.

19. Whilst financial savings have not been the main driver for the majority of projects, the Council is interested in the amount of cash savings they generate. The Council is looking at a range of financial benefits, such as cashable savings, costs avoided, productivity improvements, and new income generated. Whilst we acknowledge the difficulty in identifying savings within a 'systems thinking' approach, there is a lack of detail within the Council's calculations which makes it difficult to assess how accurate the Council's reported savings are.

Proposals for improvement

P1	The Council should develop a strategic forward work plan for the TIC programme which recognises the increasing scale of the work taking place and the greater level of interdependencies between individual TIC projects; the plan should reflect the risks, benefits and dis-benefits of the projects within the overall programme.
P2	The Council should review the mechanisms in the TIC programme to ensure that project identification and the business cases put forward for selection of TIC projects are sufficiently detailed for the Programme Board to take informed decisions. In particular, they should include: • clear aims and objectives; • identify financial targets; • identify performance outcomes; and • in addition, consider the impact of projects on the wider Council functions.
P3	The Council should ensure that there are clear processes for the calculation and collation of actual savings (or other benefits) achieved and that these are verified prior to being reported to TIC Programme Board.

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