

SUBJECT: Future Monmouthshire

MEETING: CABINET

DATE: 4th May 2016

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 To commission the undertaking of a strategic programme of ‘whole-authority’ work called ‘Future Monmouthshire’. Future Monmouthshire aims to pose a set of questions about our core purpose, relationships with communities, citizens and stakeholders and our appetite for economic growth and local prosperity – as we move further forward into a changing public sector landscape. Future Monmouthshire will see the development of a new operating model for the Council in order to equip it to meet its goals amidst increasing change and uncertainty. The new operating model will have a clear purpose: to create the capacity and foresight to develop solutions to some of the county’s biggest challenges, ensuring that our Council understands the shifting needs and priorities of communities, positioning itself as an enabler in bringing them about.

2. RECOMMENDATIONS:

- 2.1 That in light of the significant pressures and challenges facing the Council – economic social, environmental and demographic - ‘business as usual’ - is not a sustainable or viable mode of operation. In-building a ‘fitness for the future’ approach, Cabinet agrees:
- To support the development of a new framework ‘Future Monmouthshire’ to determine the future scope of Monmouthshire County Council as a public service body;
 - To commence internal research and development to gauge the minimum viable size for our council in the future, creating a blueprint for a new organisational cost structure;
 - To create a small team of officers, drawn from across the organisation, to develop further the operating model that will support future function;
 - To enter into an Academic Partnership with Cardiff University, in order to ensure the process is supported by rigorous research and best practice insights and provides a means of recording, testing and prototyping the progress made;
 - To build upon this partnership through creating a ‘Commission for Future Monmouthshire’, including representatives of the University, business and community sectors, staff and members; and,
 - To establish a budget of up to £250k drawn from the Invest to Redesign and Priority Investment reserve subject to the 2015/16 outturn position to support the team,

programme of work and specific activities necessary in delivering the financial and wider returns on investment required.

3. KEY ISSUES: WHAT IS THE PROBLEM WE'RE TRYING TO SOLVE?

3.1 Core Challenges

- 3.1.1 Monmouthshire County Council's core purpose is to support sustainable and resilient communities. For the last four years we have managed the tension of growing public demand for services and a reducing funding settlement from the Welsh Government. Our communities are changing: an ageing demography, changing attitudes to community, newly emerging economies which require new skills and capabilities and the growth of digital technologies are all impacting the pattern of life, work and play. The individual now has multiple roles as a taxpayer, citizen and a consumer.
- 3.1.2 The time has come to reconsider the role and purpose of our Council in the context of a changing public sector landscape. We must look beyond tweaking; slimming and trimming and pose a set of questions around our core purpose; how we proactively approach redesigning our operating model; rethink our relationships with community and partners and consider our appetite for economic growth and financial risk. In a nutshell we must find our place in an ever more complex set of relationships and understand the scale and type of interaction now needed between public and private sectors, community and place.
- 3.1.3 Our financial settlements over the course of the last four years have seen reduction of £10.215million or 10.03% compared to the Welsh average of 6.21%. Looking forward, we can expect to have to find a further £14m over the next four years. In parallel – and posing both additional challenges and opportunities – are factors such as rising demand, changing demography and a whole set of complex social and economic changes. In Wales, we are also the first country in the world to make looking ahead a statutory requirement – with the Wellbeing of Future Generations Act. In this uncharted territory, answering the question about how we continue to deliver and support sustainable and resilient communities, becomes ever more critical.
- 3.1.4 The relationship between the demand side and the supply side has also moved beyond the parameters where normal control and reduction apply. For the past four years we have managed our annual budget-setting process predominately by trying to address, through reduction and some supplementary income generation, the supply side of the public service equation. We now need to think about how we are able to more effectively manage the demand for public services in our communities.
- 3.1.5 A simple response to these challenges might be to reduce service provision and commensurately staff numbers – an approach we have rightly sought to resist because preparing for an era of austerity and retraction of the state should not be about simply managing decline. We have clear choices to make in taking our accountability to communities as seriously as possible and being pre-emptive in designing our future operating model – giving proper consideration to our commissioning-led role, evolution of

local services, models of local ownership, empowerment and control, the role of partners and stakeholders and how we in-build greater resilience and self-reliance. Before all of these factors can be explored however, the lens we have to apply to the problem has to be framed by the evidence, priorities and values that are 'uniquely Monmouthshire'. This will enable a proper and full debate about the future role and place for local government in our society and communities. Building upon the work started through Creative Councils in 2011, we need to dedicate time and resources to reimagining the role and place of Future Monmouthshire as it seeks to adapt and retain its relevance and viability.

- 3.1.7 Building our future legitimacy will require a wholly new operating model. An operating model is the way in which an organisation works; its structure processes and culture. Our current operating model is far from 'traditional' given the continuing efforts to do things differently. However, it still remains one that is focussed predominantly on rationing services to meet demand. As resources have reduced, we have sought to simply replace them at the same levels, through cutting cost, reducing provision at the margins and generating income. The model does not enable us to easily ask more fundamental questions about being service-led or people-led; focussed on narrow consequences or the wider causes and effects of social failure and whether services should be local or universal, standardised or customised.
- 3.1.6 In recognising the fast burning nature of our current platform, Future Monmouthshire aims to pose and solutions to these significant challenges. Future Monmouthshire will be about much more than conceptual thinking – it will be practical in focus and allow the solutions and opportunities to be applied to practice and adopted in culture. It aims to answer questions such as, how will we work in the future? How will we organise? How will we deliver services to the public and what kind of value-set and beliefs will best serve this purpose? Future Monmouthshire's starting point is the acknowledgement that a step change in operating model is needed at pace, so that we are clearly able to define:
- The outcomes we seek to achieve for our customers and communities
 - The structures, processes and systems we will put in place to achieve this
 - The people, resources, skills and mind-sets we will need to achieve this

3.2 How are we going to go about solving the problem?

- 3.2.1 The problems we face are not merely austerity-imposed ones. The challenges are complex, multi-faceted and change quickly and often. They are social, societal, demographic, environmental, economic and place-based. Form must follow function and as such, the continued squeeze on public finances and the looming spectre of Local Government Reorganisation should just be seen as the latest chapter in our ongoing quest to transform services so that we are still able to provide a locally determined offer that is good for today and as far as is possible, fit for tomorrow. Only a clear strategic vision and a systematic approach to increasing our capacity to achieve our goals will deliver the scope of transformational change needed.
- 3.2.2 We have to challenge ourselves to think about the nature of changes on the horizon – and envision how our county might look in the next five, ten, fifteen years and beyond.

Stretching out to think about the long-term will enable us to work back, developing clear plans and proposals for the relative short-term – but as instalments and contributors to the bigger picture. We must develop our ability to look forward, understand future demand, innovation in supply-side, market forces; to scenario plan and practice rapid adaptation. There is real discipline to focussing on the things that we can reasonably foresee as mattering most to our communities; empowering the frontline to lead and reduce bureaucracy – and ensuring we make the top line as big a priority as the bottom line. 'We' in this context has to stand for shared endeavour with partners and residents – engaging the creative rather than reactive component of communities. If we are to tread a new path, it will require us to find out what works through safe experimentation, using data to inform decisions, predict behaviours and trends and develop customer insights and actionable business intelligence ongoing.

- 3.2.3 The approach to solving the problem has to build on opportunities. Whilst budgets are declining, our social capital as a county and our capacity for involvement, ideas and mobilising alternative resources, is growing. We are a small and close-knit organisation; our staff base is strong and levels of trust and engagement – as evidenced by the recent staff survey – remain high. We are recognised as 'innovation-friendly' – taking forward new ways of working and building a profile at the national and regional level with strong networks and the ability to attract high-profile thought leaders and opinion formers.
- 3.3.3 Our role in the City Deal to date, working closely with Higher Education and business has been to develop outline programmes for innovation-led growth – both in the private and public sectors. Working with both Wales and UK Governments, we have the opportunity to lead the region's work in developing proposals for a public services 'test-bed' as a means of piloting, developing and adopting alternative means of delivery across the public sector. Future Monmouthshire plays directly into this territory and this work should also be seen as a wider opportunity for our Council to be at the forefront of a new public service – a stated priority for UK and Wales Government ministers given the potential to transform local services and contribute to economic growth and prosperity.
- 3.3.4 If we are to rise to the challenge properly, it is clear we must dispense with our conventional operating model and find new ways of meeting needs and responding to priorities and expectations. We must set ourselves a goal that stretches beyond how to run our council on 5-30% less and ask ourselves what county will look like in 5-30 years' time. In so doing, we will require external challenge, support and the ability to network into the places that have gone before us in asking the questions.
- 3.3.5 It is proposed that a 'Commission for Future Monmouthshire' is established to provide a stakeholder support model and comprising representatives from the Higher Education sector, business, community and elected members – with lines of engagement to Mon Minds our staff involvement forum. The Commission will provide high-level support and direction to the work, bringing together expertise, experience and fresh perspectives. The Commission will enable us to tap into the networks, resources, thinkers and experts who can provide guidance and support, connecting us to the individuals who can help grow high potential ideas. Additionally and in view of the work commenced with Cardiff

University around future public services in the City Deal, it is proposed that the lynchpin of the Commission is an Academic Partnership. The Academic Partnership would be between Monmouthshire County Council and Cardiff University. Cardiff's partnership with NESTA and WG in Y-Lab – the public service innovation lab and their credentials as the 2nd best university in the UK for research excellence will ensure we access the best insights, penetrate the right networks and document our journey and findings through a recognised research report capable of replication. This academic rigour will instil a strong focus and diligence; ensuring outcomes can be scaled up; knowledge transfer achieved and enable us to access PhD-level individuals who can contribute to and inform our work.

- 3.3.5 The Commission will have oversight of the work of a small team of individuals that will be selected from across the organisation. This will be done on the basis of fixed-term secondments and will require a small amount of back-fill in order to ensure capacity requirements are evenly balanced. The team will be led by the Chief Officer Enterprise and Head of Policy and Engagement on behalf of the Senior Leadership Team. The interdisciplinary team will have a cross-departmental brief and be tasked with working with services, communities, partners, data, academics, business and others to develop the short, medium and long-term proposals that will define our new way of working and underpin the new operating model. They will be required to catalyse change, assess transformation readiness and broker and transfer knowledge; to identify opportunities and commission and undertake the work needed to turn them into reality.
- 3.3.6 The Future Monmouthshire team and Commission will be required to advise council on how best to adapt to an age of open government and financial retrenchment. Whilst projects and programmes of thematic activity will feature – all of which will come with measurable requirements around increased efficiency and effectiveness – the budget is not the start point. Becoming more efficient and effective becomes the bi-product of doing the right things. The core work will involve creating the right cultural conditions and exploring the options to incentivise and reward successful application of new ideas and thinking. Options appraisal development and business planning for change will be a key feature – as will be forecasting the outlook for standing still. Creating 'design principles' focussed around: better customer experience, informed commissioning, stronger local engagement and value for money will also ensure the work is framed by key parameters and can convert easily to the Council's Improvement Plan and Wellbeing Objectives.
- 3.3.7 In relation to measures and metrics to gauge success at the relevant stages, these will be established and reported back as they are developed and iterated through the process and will be timed to synchronise with progress reports to the Commission, Select Committees and Cabinet. Measures and indicators need to evolve from the process and cannot be set out at the outset because otherwise the risk is we pursue solutions to problems we don't fully understand.
- 3.3.7 The response will need to be phased over the next period:
1. In the **short term**, the ongoing challenge is to set off on the new path clearly understanding demand, current trends & reducing costs through greater efficiency, sharing

services, greater productivity and limiting or stopping some services. Clearly the need to still set annual budgets within our Medium Term Financial Planning framework will need to sit alongside the Future Monmouthshire work. In order to encourage all services to engage with this work, the process for identifying budget proposals will be modified so that all services in the organisation will be asked to consider how their services would look in 4 years' time within a range of reductions in the resources available to them. The principles explained above will form an important back drop for services to explore the options available to meet the more immediate budget challenges. As the work on Future Monmouthshire progresses this will undoubtedly influence the MTFP going forward.

2. In the **medium term**, the goal will be to put ourselves on a sustainable financial footing allowing greater scope for innovation and testing and adopting principles and components of a new operating model. This means redesigning services to make them better and cheaper, for instance finding ways to contain adult social care costs in the face of an ageing population. It also means securing new sources of locally raised funding.

3. In the **longer term**, we will need to negotiate and set out a new relationship with our county, developing stronger communities and helping those communities to shape their own destinies.

4. REASONS:

- 4.1 At the macro and micro-level, public services are undergoing profound realignment and significant readjustment. With smaller budgets, mounting demand pressures, and commitments to localism, place-shaping and focussing more on the needs of citizens – the current operating model is not fit for future purpose. We need to re-build our capacity to flex, adapt, feel at ease with ambiguity and navigate across the network of complex public, private, business and community relationships. Whilst there is no such thing as a 'one size fits all' operating model and Monmouthshire County Council must tread its own path – the one thing that is a given is that a 'business as usual' approach would be the most reckless course of action to take.

5. RESOURCE IMPLICATIONS:

- 5.1 In order to accommodate staff secondments and back-fill and provide resources with which to commission work and support the establishment of the Commission – a budget of up to £250,000 will be required to support this work in 16/17. As with previous funds linked to development work needed around the budget, this will extinguish the Invest to Redesign Fund on current projections and will draw on the Priority Investment reserve for any balance required and will be overseen by the Chief Officer, Enterprise.

6. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING)

7. CONSULTEES:

Senior Leadership Team
Senior Management Team
Cardiff University

Welsh Local Government Association
Cabinet

8. BACKGROUND PAPERS:

Appendix 1 – Demand Pressures
Draft Design Principles

9. AUTHORS:

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