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South Cambridgeshire District Council

Review of Organisational Structure

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Putting the heart into South Cambridgeshire by:

- Establishing truly affordable housing
- Putting the environment first in everything we do
- Actively supporting business growth

South Cambridgeshire District Council Leader's day one priorities for South Cambridgeshire (May 2018)

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INTRODUCTION

In November 2018, South Cambridgeshire District Council (SCDC) commissioned Castlerigg Consulting to undertake a 'whole system' organisational review of the council. The council had recognised the need to become a leaner, agile organisation with more responsive decision-making and a different approach to setting strategy, service delivery and new ways of working.

The purpose of this commission was to review the council's organisational structure, working arrangements and delivery models to identify opportunities for change to ensure the council is fit for purpose to deliver its strategic objectives and services now and in the future.

Our assessment approach was multi-faceted, including observations of working practices, one to one meetings and analysis of key strategic management information. Meetings with elected members, officers, shared services representatives and partners all assisted in bringing to life the council's current operating model and organisational capabilities. This on site evaluation work was also underpinned by a detailed assessment of current strategy, finance, workforce, performance, service management, controls and partnering arrangements. Elected members and the council's executive management team (EMT) then worked with Castlerigg to reflect upon our findings and set a new organisational vision and blueprint, to establish the requirements for the future design of the council.

This report provides an evidence based assessment of key organisational capabilities, identifying both strategic opportunities and drivers for change for the council.

To address any gaps in organisational capability and deliver the new organisational vision, the report provides a series of options for the council's consideration in terms of future organisational structures, working arrangements and delivery models. The options are evaluated based on agreed desirability, feasibility and viability criteria, with a risk and cost analysis, as appropriate. A recommended option is identified with proposed next steps to enable the council to progress with the option.

STRATEGIC CHALLENGES

South Cambridgeshire surrounds the city of Cambridge and is one of the most economically successful and fastest growing districts in the UK. The area is home to globally recognised businesses and world-leading centres for science and technology including the Wellcome Genome Campus and the Babraham Life Sciences Institute.

The district has a population of around 156,000. By 2036 this is forecast to rise by over 28.5% to over 200,000. Alongside this substantial increase, South Cambridgeshire has an ageing population, with 45,700 people projected to be over the age of 65 by 2036, representing a 49% increase on 2017 Office for National Statistics data. The change in the district's demographic profile will present the council with a number of challenges in terms of configuring its future services, prioritising services to meet changing demand and the nature of support the council provides to communities.

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Housing is one such challenge. South Cambridgeshire's Local Plan (2018) identifies the need for 19,500 new homes and 22,000 new jobs in the district by 2031. This includes the development of Northstowe, with 10,000 new properties which will be home to 24,000 residents on completion and the new town north of Waterbeach, totalling 11,000 homes.

The district is prosperous, with the average gross weekly earnings of those working in South Cambridgeshire ranking in the top 20% of districts nationally. Based upon the national indices of multiple deprivation (2015), South Cambridgeshire is the 322nd least deprived area in England out of 326 districts; this makes the area one of the least deprived nationally.

Despite this, housing inequality fuelled by growth and lack of access to affordable housing is a significant challenge. The Homes for our Future: Greater Cambridge Housing Strategy (2018/22) identifies that the average house price in the region now exceeds £430,000, an increase of over 30% since 2012. Homes England housing statistics show the gross number of new dwellings completed in South Cambridge in 2016/17 was 598, of which only 132 were classified as affordable homes. The Greater Cambridge Housing Strategy also identifies that a total of 3,276 properties were completed over the five years up to March 2017, of which 925 (an average of 185 p.a.) were classed as affordable. The council's current social housing stock totals 5,244 properties, including sheltered and accessible housing, with a social housing waiting list of 2,418 demonstrating the immediacy of this issue.

POLITICAL OBJECTIVES

Following the May 2018 local elections, South Cambridgeshire District Council has been in Liberal Democrat control for the first time in the council's history.

The Cabinet are committed to embedding their political objectives within a new strategic framework for the council that ensures these direct the scope and priorities of the council's operations and the council safeguards a fair, free and open society, and delivers on its values of liberty, equality and community.

At the first full council meeting following the May 2018 local elections, Councillor Bridget Smith, Leader of the Council, communicated the opportunity this presented: "Firstly, half the members in this room are new to local politics and this council and, secondly, for the first time ever we have four years before we are again thrown into the maelstrom of elections. Both these things present us with a unique opportunity to work differently and work better."

During this initial meeting, the Leader of the Council outlined three, day one priority themes for South Cambridgeshire:

- Establishing truly affordable housing

- Putting the environment first in everything we do

- Actively supporting business growth

These objectives are currently being translated into a new council business plan.

The new administration has made a number of immediate changes to the way the council operates, which has delivered an increase in scrutiny of the council's decision-making processes.

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The new political administration has recognised that the next four years provide a window of opportunity for the administration to drive modernisation and innovation in the council. The goal is for the council to create the conditions that ensure South Cambridgeshire is a fair place to live for all residents.

As well as seeking investment from large, globally recognised businesses in the Greater Cambridgeshire area, the council are well positioned, through their own knowledge of their population and people, to support existing businesses in the continued development of the local economy; supporting local jobs, encouraging the development of local supply chains for global business and local infrastructure.

There is also an aspiration to ensure South Cambridgeshire is the greenest district council in the country, and that the significant growth in the region is delivered with full consideration for the environment and sustainability.

The new administration is keen to see the values of transparency, responsiveness, openness and honesty embedded in all aspects of the council's operations.

ROLE OF THE COUNCIL

As funding models for local government are reviewed and changed, and the inevitable reduction in the number and levels of grants available to district councils start to impact, the need to ensure that there is clarity in the role for SCDC becomes ever more important.

Despite the council's relatively healthy financial position, there is still a need to review discretionary activities that do not necessarily meet the political or strategic aspirations of the council. The council's role in the context of other public sector bodies and partnerships working across the same geography, such as the Cambridgeshire and Peterborough Combined Authority, Greater Cambridge Partnership and Cambridgeshire County Council is also important to clarify. Despite this busy public sector landscape, the council is still uniquely placed to champion the distinct needs of South Cambridgeshire, ensuring it both benefits from investment and is not unduly disadvantaged by austerity measures facing all public sector organisations in the area.

The council also needs to ensure it delivers services in the most appropriate way. The council uses a variety of delivery models, including shared, outsourced and internally hosted services. The ability to continuously review these models and their appropriateness would support the council to adapt to the challenges ahead, ensuring it continues to deliver services which both achieve the council's outcomes and are 'fit for purpose'.

The council can do almost anything for its communities, but it cannot do everything. Alongside the core delivery of council services, it is vital that, where appropriate, the council supports and enables communities to do more for themselves, complementing council service and community development with investment in local support networks and infrastructure.

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AN EVOLVING STRUCTURE

There is recognition that the council is not structured or working in a way that aligns with the administration's aspirations or priorities for the area. As stated by the Leader of the Council: "Several of our core functions are now run in partnership with neighbouring councils through shared services. Whilst this brings many benefits, it does mean that the running of services becomes more distant and unaccountable. It is crucial that we find new and effective ways of managing these services."

Over the last five years the council has made incremental changes in the delivery models used to provide services and is a client or lead authority in a number of shared service delivery models. These changes appear to have been politically led, with agreements made with partner councils to progress shared arrangements, but without a clearly documented strategy or a defined end state agreed by all partners. In 2015 the council established 3C Shared Services in partnership with Huntingdonshire District Council and Cambridge City Council. 3C provides ICT services, hosted by Huntingdonshire District Council and Legal and Building Control services, hosted by Cambridge City Council to the three partner councils. The Greater Cambridge Waste Service was also established with Cambridge City Council in 2015, hosted by South Cambridgeshire as the lead authority. In 2018 South Cambridgeshire and Cambridge City Council also established a shared planning and economic development service, the Greater Cambridge Planning Service, again with South Cambridgeshire as the lead authority. The second phase of the service's development is now underway, following an initial phase which created the shared service's management

structure and brought the two workforces together into a single service. The impact of these incremental changes is that whilst the council operates a number of different delivery models the mechanism to act as an intelligent client has not yet been fully designed into SCDC.

The lack of a clear strategy for sharing services has also led to uncertainty on future shared services, with the new administration at SCDC questioning their appetite for further shared services. With limited, objective management information on the performance of many of the current shared services, and an absence of formal specification on the agreed scope and standards expected, it is challenging to assess the value and alignment to council requirements of existing shared service arrangements.

PARTNERS AND PUBLIC SECTOR CONTEXT

The local, public sector landscape has been evolving in the last five years. The launch of City Deal in 2014 and the subsequent development of the Greater Cambridge Partnership as the delivery body for the region's City Deal has created a new vehicle to drive growth through infrastructure, housing and skills in South Cambridgeshire. In 2017, the establishment of the Cambridgeshire and Peterborough Combined Authority created another layer of governance and potential investment into the area. Figure 1 provides an overview of SCDC's relationships with other partner organisations.

Partners consulted as part of this review perceive the council as being relatively 'passive' in terms of their input to partnership work, with instances of junior officers being deployed in partnership meetings who are unable to commit the organisation and make decisions. This appears to be as a consequence of gaps in the current management structure and a lack of a strategic framework which defines clear strategic objectives for the authority.

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL'S PARTNERSHIPS
This diagram is not exhaustive, additional lower level partnerships exist within the council.

- Local Resilience Forum
- Homelink (Choice-based lettings)
- Crime and Disorder Reduction Partnership
- Greater Cambridge Partnership
- Cambridgeshire and Peterborough Combined Authority
- The Housing Board
- Cambridgeshire and Peterborough Waste Partnership (RECAP)
- Public Service Board
- Health and Wellbeing Board

Figure 1 - Overview of South Cambridgeshire District Council's Partnerships

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DRIVERS FOR CHANGE

South Cambridgeshire District Council has a window of opportunity to establish itself as a unique district council; as a rural powerhouse, influencing and shaping South Cambridgeshire's development, economic growth and environmental sustainability.

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SHAPING SOUTH CAMBRIDGESHIRE AS A PLACE

A key driver for the council is the political priority to develop and shape South Cambridgeshire, identifying and exploiting growth opportunities to establish the district as a rural powerhouse. This will require the council to use its position of influence, in terms of its location surrounding Cambridge and as part of the Cambridge-Milton Keynes-Oxford Arc and UK Innovation Corridor, to shape and encourage growth across a number of different aspects of the district including spatial planning, housing, economic development, transport and infrastructure. As the council does not independently deliver each of these 'placeshaping' functions, the ability to work collaboratively with strategic partners is essential to enable the council to achieve its strategic objectives.

This is demonstrated in feedback received during consultation on the council's draft business plan. Whilst consultees strongly agreed that economic development should be a key council priority, the highest perceived barrier to achieving this was transport (identified by 47% of consultees). As SCDC does not directly deliver transport services, it is reliant upon successfully lobbying and influencing the Cambridgeshire and Peterborough Combined Authority, Cambridgeshire County Council and the Greater Cambridge Partnership to ensure that effective transport and infrastructure links are developed to meet the needs of the council's current and developing communities.

Affordability of housing was a key issue identified during the business plan consultation by respondents when asked about the plan's housing priority:

'A junior doctor identified that they cannot afford to buy a home in the district and will be moving to another part of the country because of the price of housing in South Cambridgeshire'.

Another key driver for the council in its placeshaping role is to ensure that growth is as focussed on existing residents and businesses as much as attracting new business and companies into the district. 20% of people responding to the draft business plan consultation identified that the economic growth aspect of the plan focused entirely on new developments and recognised that there is a need for more emphasis on residents and businesses already established in the district. The need to create truly affordable housing and to support business growth are key political priorities for the council. It is crucially important that the council has the capacity and capability to translate the political direction of the council into evidence based strategy and service operations.

SETTING STRATEGY TO DELIVER PRIORITIES

On the issue of strategy development, the council currently has no clearly defined process for refreshing its strategic framework. In 2018 this resulted in an unstructured development process for the council's new Business Plan to reflect the revised priorities of the new administration. At the time of writing this report the Business Plan is being finalised.

Once the Business Plan is finalised and approved, the process to develop programmes of work to deliver the business plan and how the plan will be used to drive service delivery is unclear. It is clear one driver for change in the council moving forward is ensure it is able to translate key strategic priorities into clear strategies and programmes of work.

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CURRENT DELIVERY MODELS

There are a number of legacy issues with shared service arrangements that act as drivers for change for SCDC. The development of shared service arrangements to date has been opportunistic, with decisions taken on a case-by-case basis, rather than being led by clear strategy. The result of these incremental changes is that approximately 40% of South Cambridgeshire's services (23 of 58 services provided by SCDC, as defined by the workforce establishment and shared arrangements hosted by partners) are now delivered through shared service arrangements, as demonstrated in Figure 2. Despite this, the council is still structured as a traditional council and has not made commensurate changes to its structure and working arrangements that would support the management and oversight of shared services and its ability to operate as an intelligent client for the services it consumes.
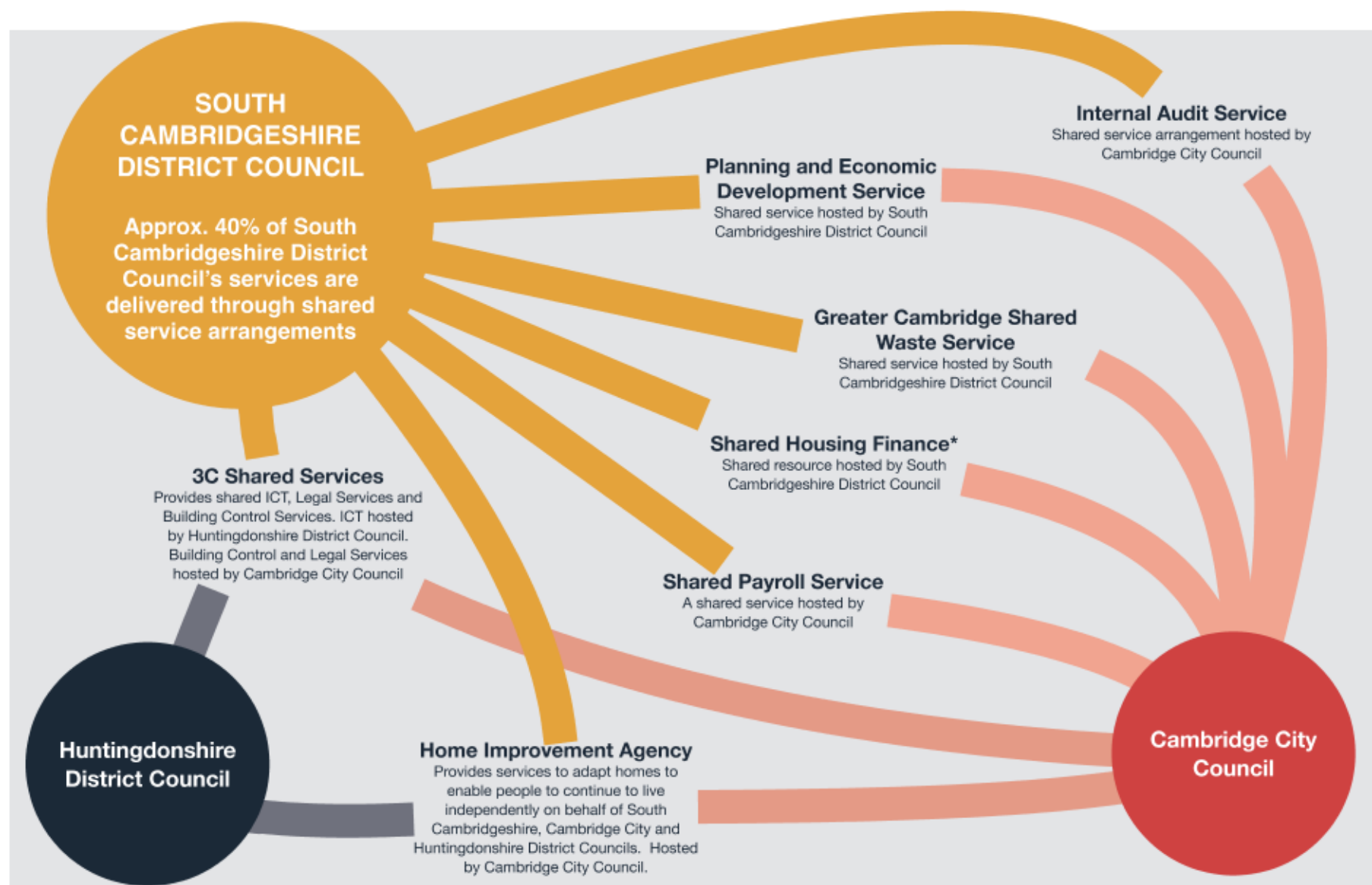
There is a challenge that shared services have been established without a shared strategy amongst partners and a clarity of outcomes that the services need to achieve beyond the release of savings.

Service level agreements (SLA) or memoranda of understanding (MoU) for shared services are either not in place, not yet agreed or not fit for purpose. This can make it difficult to hold services to account against defined quality and performance metrics or assess whether the services are actually meeting the council's requirements given these are not defined. As the council has not been clear on requirements or outcomes in the first instance, the ability to performance manage shared services is limited. One clear driver for change for the council is to define its requirements for services to ensure that they are fit for purpose to achieve the council's priorities.

From stakeholder discussions, it appears the economic case for shared services was largely predicated on reducing costs through economies of scale without consideration for the resource and performance standards required to meet needs or demand. This was evident during discussions with some service areas who are considering the procurement of external legal advice as they perceive the shared legal service has not been responsive enough to meet their requirements. Recent outages in the 3C ICT shared service, has resulted in serious ICT functionality and performance issues which have had a major impact on business continuity for SCDC. However, with no contract of SLA in place there is limited ability to hold suppliers to account. The ability to drive wider council transformation is now predicated on the shared service's capacity and ability to support potentially divergent, but as yet not fully defined, requirements.

With the exception of Legal services, there are no exit strategies in place for the council's shared service arrangements. This creates organisational risk as the impact and financial implication for exiting shared arrangements is unknown.

Positively, through the establishment of shared services the council has been able to attract highly experienced officers to roles that they may not have been able to as a single council. While initially some shared services suffered issues with retention at the leadership level which negatively affected their early development, recently recruited senior officers are now providing more effective leadership in some service areas.

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SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Approx. 40% of South Cambridgeshire District Council's services are delivered through shared service arrangements

Internal Audit Service
Shared service arrangement hosted by Cambridge City Council

Planning and Economic Development Service
Shared service hosted by South Cambridgeshire District Council

Greater Cambridge Shared Waste Service
Shared service hosted by South Cambridgeshire District Council

Shared Housing Finance*
Shared resource hosted by South Cambridgeshire District Council

3C Shared Services
Provides shared ICT, Legal Services and Building Control Services. ICT hosted by Huntingdonshire District Council. Building Control and Legal Services hosted by Cambridge City Council

Shared Payroll Service
A shared service hosted by Cambridge City Council

Huntingdonshire District Council

Home Improvement Agency
Provides services to adapt homes to enable people to continue to live independently on behalf of South Cambridgeshire, Cambridge City and Huntingdonshire District Councils. Hosted by Cambridge City Council.

Cambridge City Council

*Following initial publication, it was identified by SCDC that Housing Finance resource is no longer shared

Figure 2 - Overview of South Cambridgeshire District Council's Shared Service Arrangements

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STRATEGIC CAPACITY

During discussions, officers acknowledged that previous Chief Executive changes has resulted in an ever changing cultures and leadership styles driving very different approaches in staff empowerment, values and behaviours and ways of working. Indeed, at the time of writing, the council's executive management team has been in an state of flux, with multiple vacancies and interim arrangements. Partners have also indicated that SCDC is not always representing its own interests well in partnership arrangements; there are examples of a lack of organisational visibility of decisions made in partnership forums which affect council operations.

The council has addressed gaps in its management structure, through interim or shared roles, or officers taking on additional responsibility short term. This approach has often led to these officers needing to focus on maintaining a service, rather than innovating and providing the strategic direction and leadership required to drive services forward. This has created a real sense of inertia in the organisation. The impact of this most recently is that members have become more actively involved in council operations to address issues. This has been recognised by members as unsustainable and as an issue that needs to be addressed in the council's future operating model through a reconfiguration of its strategic capacity.

EFFECTIVE MONITORING

The Monitoring Officer has a statutory duty to ensure the council, its officers and members maintain the highest standards of conduct in all they do. One impact of the council establishing a shared Legal service is that the council's Monitoring Officer role is provided by the Head of Legal in the 3C shared Legal service and is not a South Cambridgeshire District Council employee. The Head of Legal also fills the Monitoring Officer role for partner councils in the shared service and is not dedicated to South Cambridgeshire. It is not clear whether this was considered during the establishment of the shared service, however there was no documentation made available to this review that defines how the role of Monitoring Officer will be provided in the shared service. In the context of other gaps in the strategic capacity of the council, and a relatively new political administration, consideration should be given as to whether a shared role provides sufficient rigour and support to SCDC in its statutory monitoring arrangements.

COMMERCIAL APPROACH

The council's Corporate Plan 2018/19 outlined one area of focus is to, 'adopt a more commercial and business-like approach to ensure we can continue to deliver the best possible services at the lowest possible cost.'

There is currently a lack of clarity around the council's commercial approach, with work underway to develop a commercial strategy. In the absence of a clear strategy, the term 'commercial' is being interpreted in multiple ways by senior officers and elected members. The impact of this is that while lots of activity and projects are underway, they are not necessarily joined up or delivering to the same priorities.

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The council has not decided whether investment should focus on generating an income to subsidise council operations, directly support the delivery of council priorities, help deliver services at the lowest possible cost or indeed all of these. This results in projects or investment schemes being appraised independently, rather than in the context of how they contribute or align to an overall commercial strategy.

One success of the council's approach to date has been the establishment of South Cambridgeshire Limited in 2012, a limited company, wholly owned by SCDC and trading as Ermine Street Housing. The company was established to generate income for the council in the private renting sector.

In 2015, the council agreed to invest £100m in Ermine Street Housing over five years to increase its property portfolio to 500 properties, funded through £95m of borrowing and £5m reserves. The council's Medium Term Financial Forecast projects this to generate an income to the council of £2.18m per annum by 2022/23, based on Ermine Street Housing's Business Plan. In 2018/19 this is projected to generate £1.46m income to South Cambridgeshire In November 2018, the council agreed to bring forward the lending of £13m to Ermine Street into 2018/19 by re-phasing the capital programme and bringing forward funding from future years.

While Ermine Street Housing initially targeted investment within South Cambridgeshire, property prices and rental income made this difficult. This has resulted in the majority of funds provided to Ermine Street being invested in properties outside of the district, in Peterborough, Leicester and Nottingham. There is an opportunity to reassess Ermine Street Housing to understand how it can support the council's priorities, such as social and sheltered housing. The council is developing a commercial strategy to achieve a more balanced portfolio of investments.

APPROACH TO CHANGE

The council is already undertaking a range of service-based change at the time of writing despite an organisational review being underway. Examples of areas identified during stakeholder engagement where change is underway include: The Greater Cambridge Planning Service, Policy and Performance Team, Corporate Programme Manager's team, Communications, Housing Repairs, Democratic Services, Environmental Health and Finance. These change exercises are not formally coordinated at a strategic level in the council. In the absence of organisational leadership and coordination, and with a lack of service specification at the strategic level, there is a risk that these independent change exercises do not fully meet strategic need and may miss opportunities to better integrate service delivery in the council.

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FINANCIAL CONTEXT

SCDC is facing a period of financial uncertainty, with its medium term financial outlook influenced by the outcome of the Government's Fair Funding Review and the allocation of New Homes Bonus funds. The council projects that both of these funding settlements will reduce its overall income. This is reflected in the council's Medium Term Financial Forecast, which projects a £3.2m reduction in annual revenue budgets by 2021/22. The council currently has no approach or plan in place to realise the levels of savings likely to be required.

FINANCIAL MANAGEMENT AND CONTROLS

The Chief Executive has identified a number of issues relating to the management and control of the council's finances. An interim Chief Financial Officer (Section 151 officer) has been appointed and tasked with examining the council's financial management practices to ensure they are being conducted in line with best practice and to introduce appropriate remedial actions to address any shortfalls. Key financial control issues, articulated during engagement with the senior management team include:

- SCDC has not closed their accounts on time for statutory auditing in each of the past four years and expects to miss the deadline this year

- The council's Scheme of Delegation, specifically concerning the authorisation to spend public money, has not been adhered to by all officers

- Senior leadership raised concerns that return on investment projections could not be verified and appeared over optimistic. This was evidenced in the business plan for the Cambourne High Street project

SHARED SERVICES

55% of the council's net budget is invested in shared services. The Interim Chief Financial Officer has highlighted that the full cost to serve for shared services is unclear and that no applicable central support costs are recharged to partners. This means that the host authority for shared arrangements is subsidising partner organisations. There is an intent to commence a study into this issue over the next financial year.

Business cases for the development of a number of the shared services are not robust or not sufficiently clear. Broad statements and assumptions such as 'economies of scale' were used to justify the establishment of shared services and describe benefits without explaining how the benefits could be realised. One example of this is explained in the ICT Shared Services Business Plan (2018/19): 'The original 2015 business case made some assumptions regarding the cost saving opportunities which were not feasible at the time of the business case.' The outcome of this is that the Shared ICT Service has remodelled the financial profile of its business plan with revised savings targets.

RESOURCE AND SKILLS

Financial skills and experience shortfalls in the council were planned to be mitigated through the introduction of a shared finance service with Cambridge City Council. However, despite shared resource being accessed through informal arrangements, this has not mitigated the wider issues in Finance. On this basis, a decision has been taken not to proceed with the shared finance service, as SCDC's priority is to stabilise the service. In the short term this presents organisational risk as some of the experienced and skilled finance resource it relies upon to deliver the service is employed by the City Council and is working without a formal sharing agreement.
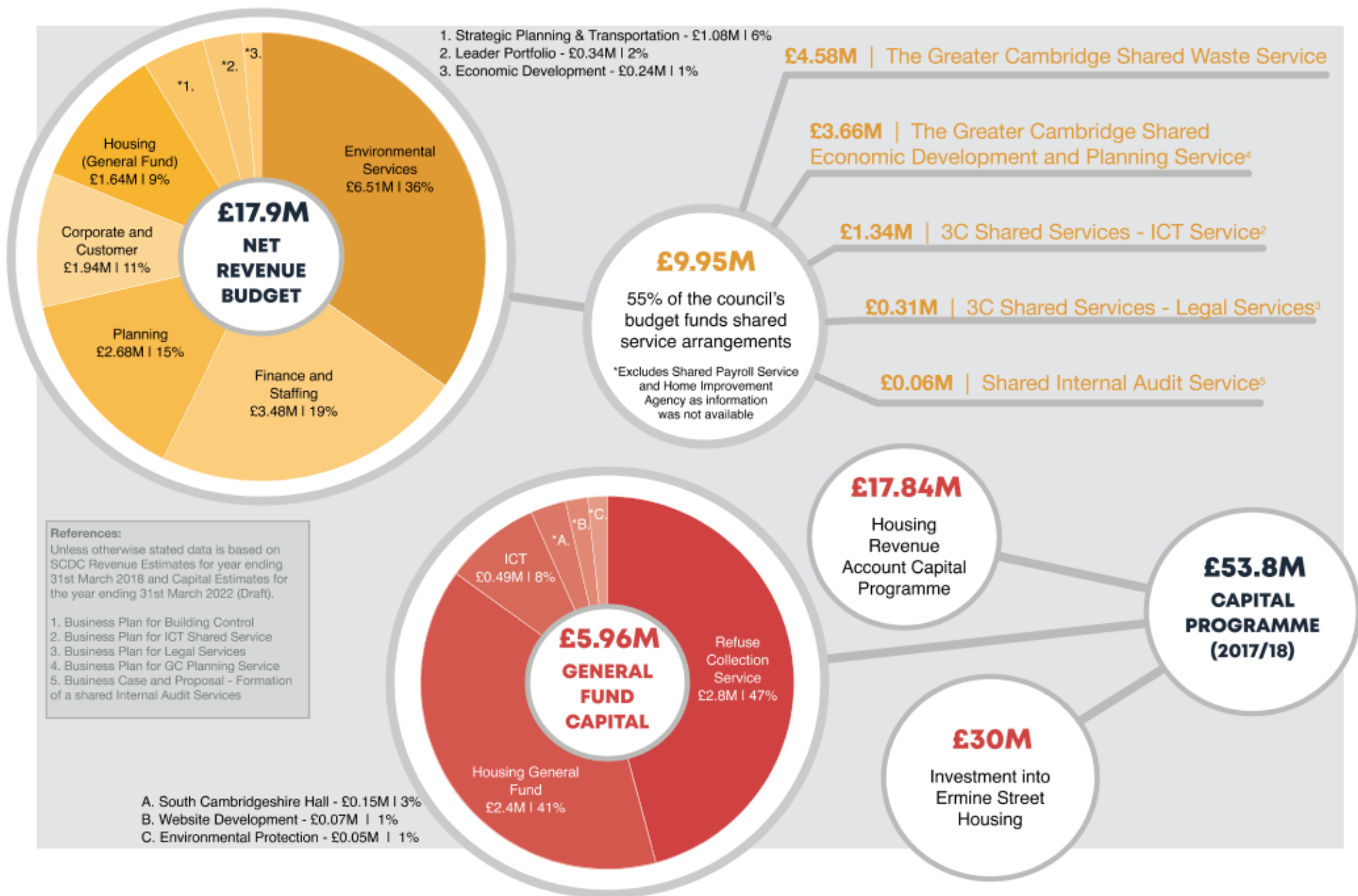
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NET REVENUE BUDGET pie (£17.9M):
- Environmental Services £6.51M | 36%
- Housing (General Fund) £1.64M | 9%
- Corporate and Customer £1.94M | 11%
- Planning £2.68M | 15%
- Finance and Staffing £3.48M | 19%
- *1. Strategic Planning & Transportation - £1.08M | 6%
- *2. Leader Portfolio - £0.34M | 2%
- *3. Economic Development - £0.24M | 1%

£9.95M — 55% of the council's budget funds shared service arrangements
*Excludes Shared Payroll Service and Home Improvement Agency as information was not available

- £4.58M | The Greater Cambridge Shared Waste Service
- £3.66M | The Greater Cambridge Shared Economic Development and Planning Service[4]
- £1.34M | 3C Shared Services - ICT Service[2]
- £0.31M | 3C Shared Services - Legal Services[3]
- £0.06M | Shared Internal Audit Service[5]

References:
Unless otherwise stated data is based on SCDC Revenue Estimates for year ending 31st March 2018 and Capital Estimates for the year ending 31st March 2022 (Draft).

1. Business Plan for Building Control
2. Business Plan for ICT Shared Service
3. Business Plan for Legal Services
4. Business Plan for GC Planning Service
5. Business Case and Proposal - Formation of a shared Internal Audit Services

GENERAL FUND CAPITAL pie (£5.96M):
- Refuse Collection Service £2.8M | 47%
- Housing General Fund £2.4M | 41%
- ICT £0.49M | 8%
- *A. South Cambridgeshire Hall - £0.15M | 3%
- *B. Website Development - £0.07M | 1%
- *C. Environmental Protection - £0.05M | 1%

- £17.84M — Housing Revenue Account Capital Programme
- £30M — Investment into Ermine Street Housing
- £53.8M CAPITAL PROGRAMME (2017/18)

Figure 3 - Overview of South Cambridgeshire Council's Financial Position

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VISION AND BLUEPRINT

How does South Cambridgeshire District Council need to look to address its strategic priorities and drivers for change?

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A NEW APPROACH

The change in political leadership of the council has led to a change in the council's strategic direction. Six months following the change in the Administration, the council has recognised the need to review its structure, working arrangements and approach to change. The pace of improvement was not commensurate with the new leadership's political priorities and the level change required to transform the council.

The council has identified the need for whole system change and has an appetite to introduce new capabilities into the organisation which will require the council to review all aspects of its organisational design.

THE VALUE OF A DESIGNED APPROACH

Operating models generally evolve over time through niche change exercises which affect one or more aspects of the existing operating model. Management restructures are often confused as being the same as changing the overall operating model, which covers all aspects of operational delivery including: ***People, Processes, Information, Applications Technology, Assets, Culture and Ways of Working***.

Organisational design is a formal, guided process for integrating the people, information, processes, applications, technology and assets of an organisation to meet its purpose and ensure it is 'fit for the future'.

A designed approach provides control and the ability to transform the operating model as a whole, rather than incrementally evolving the operations of the organisation over time. The benefits of a designed approach include:

- Providing greater control of complex change and reducing unnecessary constraints and barriers

- Providing a systematic method to realign functions and commission or decommission services against a refreshed organisational purpose and strategies

- The means to protect frontline service quality and scope, where this measurably contributes to agreed strategic outcomes for the organisation or the disinvestment in areas which have served their purpose through a clear commissioning approach

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- The ability to design a new operating model to an agreed cost model; this is particularly valuable where the options to reduce revenue costs through service improvement in the current model have been exhausted and there is a need to achieve significant savings quickly and sustainably is required

- The ability to design new organisational capabilities into all aspects of an operating model (people, processes, information, applications, technology and assets) faster and in a more controlled manner

- The ability to embed a new culture, values and behaviours in every aspect of the operating model

- The ability to inform and shape wider organisational development by providing the requirements for workforce development, skills and competencies

A NEW VISION FOR SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

A clear picture of what the council would look like when organisational design is completed is the key to success.

A new organisational vision, blueprint, organisational capabilities and design principles were defined and developed by the Cabinet, Chief Executive and Executive Management Team during January 2019. This was an important first step to design a new organisational operating model.

An organisational vision statement is an aspirational, succinct description of the characteristics of the organisation in the future. Rather than focusing on South Cambridgeshire as a place, the vision should focus on what the council will look like in the future to deliver its priorities.

An organisational blueprint builds on the vision statement, providing more depth on the organisational characteristics and capabilities that will be required to deliver the vision.

Organisational design principles are the agreed rules that the operating model design will follow. The purpose of design principles is to create clear and consistent instructions to inform all aspects of the organisational design.

Finally, these design products - Vision, Blueprint, Future Organisational Capabilities and Design Principles - provide the criteria against which to assess where the council is today and then to understand the gap in terms of where it needs to be tomorrow.

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VISION

The approach to developing SCDC's new organisational vision was through a workshop with Cabinet and EMT to address three key questions:

1. **Do we need to change?**

2. **How do we get there?**

3. **What do we look like when we get there?**

The aim of the session was for Cabinet and EMT to collaboratively outline the strengths and weaknesses of how the council operates today, identify how the council needs to look in the future and the approach for achieving this future vision.

The agreed vision statement for 2022, developed and agreed by SCDC's Cabinet and EMT is:

'A fair, open and responsive council with the leadership capacity to direct our new strategic ambitions for South Cambridgeshire. We have a culture of trust, empowering our people to think differently and exploit opportunities to shape our unique district as a green, rural powerhouse.'

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BLUEPRINT

Building on the vision statement, Cabinet and EMT developed a new organisational blueprint which describes in a further level of detail how the council needs to look in five years time. This blueprint will continue to be developed as part of the council's future operating model.

The blueprint outlines how the council and its officers should operate in the future model, and the behaviours and values needed to successfully achieve the council's vision. Key considerations during development of the blueprint were to outline:

- Collaboration and the council's ability to work in partnership with others across the public sector

- The need to develop the council to be flexible and adaptable to address future challenges and opportunities

- The need to continue to be responsive to customer and community needs

There was consensus that a whole system approach to fully define the council in its purpose, configuration, capabilities, functional alignment and delivery models is required.

South Cambridgeshire District Council Blueprint

A clear strategic framework which prioritises our resources and provides a clear remit for our workforce within which they can be empowered to deliver.

Access to good intelligence to be forward looking, anticipating demand and delivering dynamically.

Accommodation which is fit for our needs as an agile organisation, working in a more integrated manner, with partners and communities.

We listen to political objectives and translate these into our strategic framework accordingly.

We are dynamic, adaptive and able to respond to changing priorities by shifting resource and activities as required.

Ways of working enable us to be creative and innovative in the way we problem solve.

We work with our communities to tackle the issues that affect them the most. Our role will be just as much about building capacity to allow communities to play their part, as delivering services directly.

We operate and recognise ourselves as One Team across both internal services, shared services and partnerships.

We have the information and the capability to ensure everything we do is requirements led, not solution led.

We are designed to continually adapt to new opportunities and challenges.

We drive honest, authentic communications across all levels of the council, between officers and members, externally with partners and communities and nationally with key strategic bodies.

A performance framework which incentivises our people to be increasingly productive; where the whole workforce strives to do more against clearly articulated outcomes.

Our Vision

'A fair, open and responsive council with leadership capacity to direct our new strategic ambitions for South Cambridgeshire. We have a culture of trust, empowering our people to think differently and exploit opportunities to shape our unique district as a green, rural powerhouse.'

Customer need directly shapes the scope and design of our services.

A strong economic development and placemaking capability in the council which prioritises and balances both small business support through to strategic development.

A positive 'can do' culture, where our workforce demonstrates a pride and ambition for South Cambridgeshire in all they do.

Using our size to our advantage to embed innovation and new capabilities more rapidly across the organisation.

We work with partners to collectively invest our energy and resources on shared objectives and where we can make the most impact.

We are clear on our purpose and what we are best placed to deliver, facilitate and enable on behalf of communities, partners, staff and businesses.

We have reconsidered the design of all services, ensuring we are doing the right things well and prioritising where we can make the biggest positive impact on people's lives.

Good governance which supports efficient operations and evidence-based decision making.

We act as advocates and champion the causes that matter in South Cambridgeshire.

Close cooperation and teamwork across our services where we know each other, trust each other and create effective networks to get the job done. Where teamwork is the natural default for everything we need to achieve.

We create the conditions that attract investment and strengthen important sectors in our local economy and quality jobs for local people.

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Figure 4 - South Cambridgeshire District Council's Organisational Vision and Blueprint

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DESIGN PRINCIPLES

To support the next stage of organisational design, Cabinet and EMT also developed and agreed a set of design principles, shown in Figure 5.

Design principles are the agreed rules the operating model design will follow. The purpose of design principles is to provide clear and consistent instructions to inform all aspects of organisational design as SCDC moves forward.

These design principles have been used in the Options Appraisal section of this report as criteria against which to assess the desirability of proposed future options for the council.

DESIGN PRINCIPLES

Commission and decommission services **based on the evidence of how they meet customer need and satisfy demand.**

Reconsider the design of all aspects of service delivery **to ensure all services are efficient, effective and agile.**

Use customer insight and predictive analysis **to prioritise resources.**

Consider the use of a range of delivery models **to achieve the best outcomes for South Cambridgeshire.**

Embed commercialisation **and the potential for income generation in service design and our leadership capacity.**

Drive self-serve for transactional services **to shift resource to our more complex, specialist services.**

Align or integrate functions **so we maximise synergies, both internally and externally to the council.**

Empower staff **to operate effectively but with clear accountabilities.**

Design the council as a 'good partner' **to enable effective strategic relationships, collaboration and to drive service integration where this improves shared outcomes.**

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Figure 5 - Organisational Design Principles

CAPABILITIES

A capability is a core aptitude for the organisation which can be defined and translated into the design of People, Process, Information, Technology and Assets. An effective capability is almost always translated into all of these organisational design elements to be sustainable, coherent and successful.

Using Castlerigg's Adapt™ model, the following capabilities were identified and adopted by Cabinet and EMT as the capabilities required in South Cambridgeshire District Council's future organisational design:

Commissioning for Outcomes: Clarify and set a clear purpose for all services against strategic outcomes and decommission services which do not provide sufficient value against outcomes.

Need Led: The needs of communities shape services and partnerships. Services are joined-up around clients rather than traditional professional functions, so they are flexible enough to support vulnerable citizens.

Adaptive Workforce: A flexible workforce responsive to the council's ever-changing needs. Flatter structures remove unnecessary management, more autonomous staff and aggregation of common functions.

Adaptive Workplaces: Workspaces which facilitate integration and flexibility in service delivery.

Organisational Agility: Delivering services at times and locations which suit consumer need through improved access to information, people tools and resources.

Information as an Asset: Raw, quality data is converted into valuable information through a combination of processes, activities, technologies that is accessible to the right people to meet strategic, management and operational needs.

Digital by Design: Requirements led, enterprise-wide functionality. Applications are highly configurable to address your ever-changing needs. Self-serve is a default and workflows are automated, simplified or removed. Technology enables service integration across functional and geographical boundaries.

Enterprise Asset Management: An integrated, enterprise approach to optimising all assets beginning at specification/design through to usage, decommissioning and disposal.

Healthy, Enabling Culture: A shared set of values, behaviours and norms driven by adaptive leaders who embody the culture and act as strong role models for the workforce. Healthy culture is measured in goodwill, loyalty and a positive 'can do' staff attitude.

Flexible Ways of Working: How things get done around here… understood by all and based on a consistent, clear operating rhythm of strategy development, planning, meetings and procedures which enable, rather than inhibit, decision making. Enables the council to deal with uncertainty, change and problems never encountered before.

These capabilities were used as criteria against which to review the council's current structure and working arrangements as part of a Capability Assessment.

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CAPABILITY ASSESSMENT

All organisations have capabilities whether they have designed them or not; great organisations define, design and then embed their capabilities, leaving nothing to chance.

Capability enables knowledge and provides consistent tools, processes and information to its staff and customers to achieve the council's strategic objectives.

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PURPOSE OF SECTION

The purpose of this section is to assess the council's current operating model against the new organisational vision, blueprint and the capabilities EMT and Cabinet agreed would be essential in a future operating model. Capability definitions are provided in the previous *Vision and Blueprint* section of this report. The capabilities agreed by EMT as part of Vision and Blueprint workshops were:
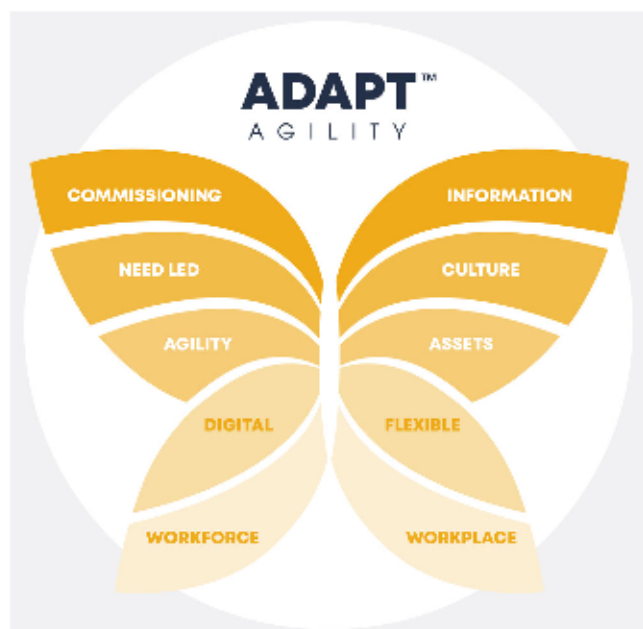
The following section assesses the council's current position against each capability, with illustrative examples of good practice and challenges to deliver the Vision and Blueprint for each capability. Based on our findings, each capability also contains future opportunities which could be achieved by embedding the capability as part of the council's future organisational design.

OUR APPROACH TO THE CAPABILITY ASSESSMENT

Our approach to the capability assessment has been to work collaboratively with SCDC, particularly the Chief Executive, EMT and senior officers who have provided leadership and support to the assessment, to gather evidence through a number of methods and sources:

Self-assessment by Cabinet and EMT: A capability assessment questionnaire was provided to Cabinet and EMT prior to workshops. The intention of this was for Cabinet and EMT to provide an honest assessment of the council's current model and an aspirational score for each capability based on future need.

Document and data analysis: Analysis of key council documentation and data to provide an evidence based assessment of the council's current position. This also identified key gaps in documentation and data for the council.

Key stakeholder meetings and service observations: Meetings were held with a range of Senior Officers across all council services to understand how the council operates today and the range of challenges, opportunities and future needs across council services. Where possible and appropriate, observations of services being delivered were also undertaken to gain first hand experience of how the council operates.

Shared service and partner meetings: Meetings with representatives from the council's shared services and strategic partnerships were held to understand how the council is perceived as a partner and consumer of services.

Finally, the *Re-Thinking Organisational Design* section outlines the key strategic opportunities and potential benefits that could be achieved to through the design of a future operating model.

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HOW THE COUNCIL IS STRUCTURED TODAY

South Cambridgeshire District Council is structured in 5 directorates:

- Chief Executives Services

- Affordable Homes

- Health and Environmental Services

- Corporate Services

- Greater Cambridge Planning Service (shared service with Cambridge City Council and hosted by South Cambridgeshire)

The council also has multiple shared service arrangements with a varied range of partner councils, as previously outlined in Figure 1.

Figure 6 provides an overview of the council's current organisational structure. The council's current establishment has a headcount of 681 which equates to 615 full time equivalents (FTEs). Of this establishment, 14% of posts (94 of 681) are currently vacant (as at 5/12/2018). This is in part due to the council making the decision not to recruit to vacancies pending the outcome of this review.

Strategic leadership in the council is provided by the executive management team, consisting of 6 roles, of which 2 roles are currently vacant and being filled on an interim basis. The Director of Housing role has been vacant since July 2018 and is currently being filled by the Director of Health and Environmental Services; the Executive

Director Corporate Services role has been vacant since the end of 2018 and is being filled through a combination of an interim Chief Financial Officer with responsibility as section 151 officer, and the Head of Organisational Development acting up to support additional functions.

The council's management and supervisory layer comprises of 92 FTEs. This means that 18% of roles in the council's structure are categorised as either executive management, management or supervisory roles. There are 320 defined roles in the council's current structure, of which 71% (227) roles are unique to an individual. This indicates that roles are narrowly defined around specialisms.

The council's current structure has 27 instances of one-to-one line management relationships. The current structure also contains a number of key functions, such as Procurement and Policy and Performance, which are provided by a single officer, creating potential 'single points of failure'.

At the end of 2017/18 the council reported a significant rise in sickness rates across the organisation reaching a rate of 2.92 days per FTE in March. The rise has been largely due to the council transferring in a workforce with several long term sickness cases following the launch of the Greater Cambridge Shared Waste Service. Since this peak the sickness days per FTE have continued to reduce and were last reported at 2.26 days per FTE at the end of Q2 2018/19.
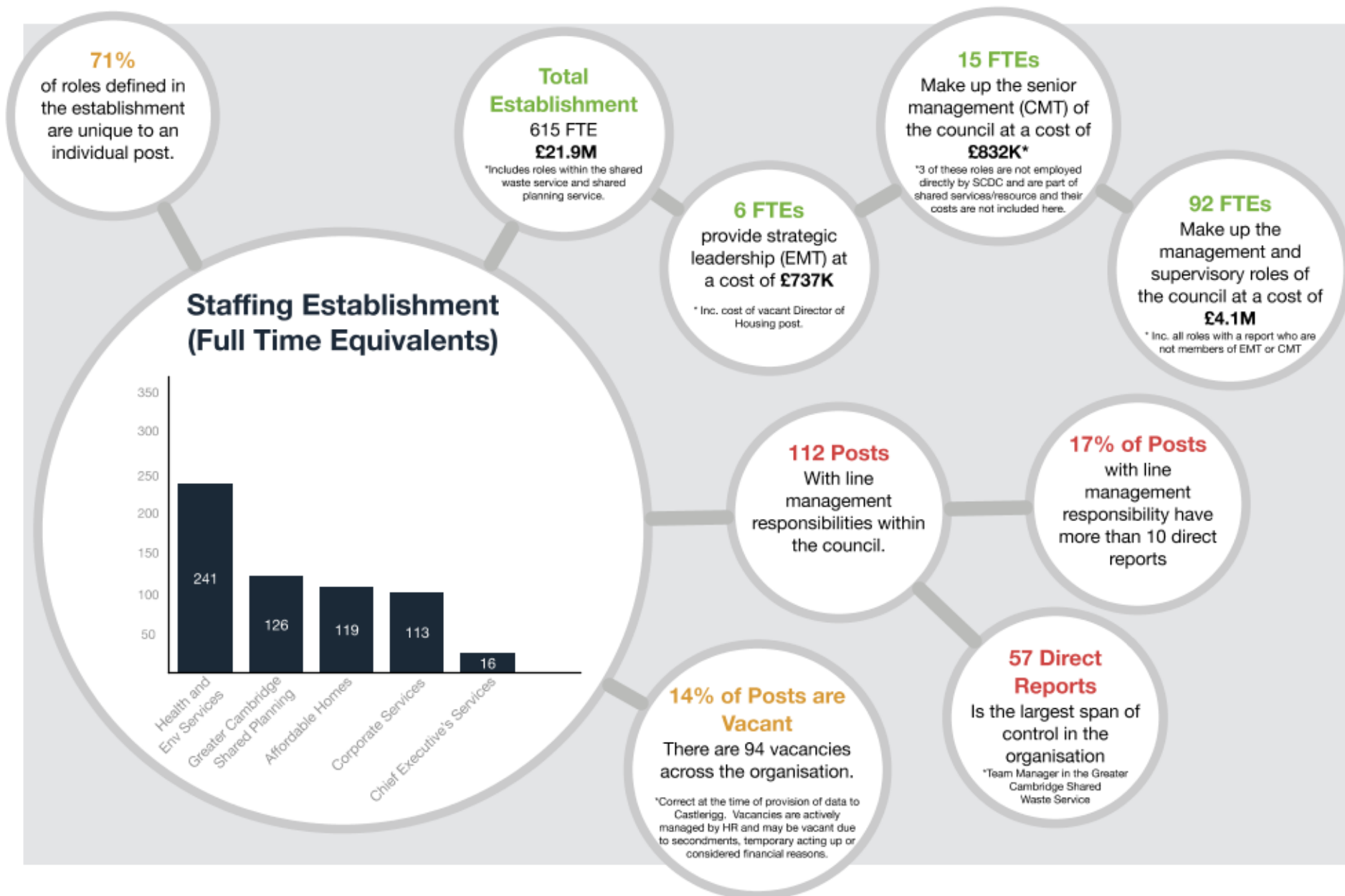
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71%
of roles defined in the establishment are unique to an individual post.

Total Establishment
615 FTE
£21.9M
*Includes roles within the shared waste service and shared planning service.

6 FTEs
provide strategic leadership (EMT) at a cost of **£737K**

* Inc. cost of vacant Director of Housing post.

15 FTEs
Make up the senior management (CMT) of the council at a cost of **£832K***

*3 of these roles are not employed directly by SCDC and are part of shared services/resource and their costs are not included here.

92 FTEs
Make up the management and supervisory roles of the council at a cost of **£4.1M**

* Inc. all roles with a report who are not members of EMT or CMT

Staffing Establishment (Full Time Equivalents)

Service	FTE
Health and Env Services	241
Greater Cambridge Shared Planning	126
Affordable Homes	119
Corporate Services	113
Chief Executive's Services	16

112 Posts
With line management responsibilities within the council.

17% of Posts
with line management responsibility have more than 10 direct reports

14% of Posts are Vacant
There are 94 vacancies across the organisation.

*Correct at the time of provision of data to Castlerigg. Vacancies are actively managed by HR and may be vacant due to secondments, temporary acting up or considered financial reasons.

57 Direct Reports
Is the largest span of control in the organisation
*Team Manager in the Greater Cambridge Shared Waste Service

Figure 6 - South Cambridgeshire District Council Current Structure Overview

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ENABLING CULTURE

A healthy, enabling culture is characterised by shared values, behaviours, a clear vision, identity and leadership which embodies these attributes as described in Figure 7.

The vacancies in the council's senior leadership team, coupled with a lack of a clear strategic framework aligned to political ambitions, has led to a sense of inertia and a council which is unclear on its purpose and direction. This has translated into the culture of the council, in terms of officers' clarity on their role and purpose in achieving organisational outcomes when those outcomes are currently unclear.

In terms of adaptive leadership, the council has been slow to respond to the new political objectives of the organisation and reset strategy. In part, this is due to gaps in senior officer capacity. There has not been sufficient time or priority placed upon this exercise, and there has been a lack of flexibility in the current limited strategic capability of the organisation to respond to this change of direction. This has created a lack of trust and increased levels of frustration between members and officers. Conversely, the operational environment has been very adaptable in terms of creating acting up arrangements and secondments to address short term gaps in their structures.

The council has demonstrated a high degree of risk aversion, where efforts to address a legacy of over empowerment of managers without clear accountabilities has led to a perception of micro-management of staff. In reality, it would appear some of these interventions have been around reinforcing the agreed scheme of delegation in areas such as

Affordable Homes. Conversely, where issues have been identified with senior management performance these issues have been observed, but not always robustly managed. This confused culture has certainly been exacerbated by previous Chief Executive changes over the past three years, each with a different leadership style and varying approaches to empowerment.

Having a culture predicated on a shared vision, value and behaviours is challenging for SCDC for a number of reasons. With 40% of services being delivered in shared service arrangements, and with most creating their own identity, values and behaviours, a number of silo cultures, set at the service level have been created by default rather than design. The senior officer leadership have demonstrated inconsistency in terms of their approach to poor behaviour and performance, where some officers are held to account, almost resulting in a 'blame culture' and other poor behaviour, in terms of operating outside of agreed boundaries, is tolerated. In effect, some senior leaders have not always operated as role models to the organisation in terms of officer performance management. This issue is recognised and being addressed by both the interim executive management team and new political administration.

Future Opportunities - Enabling Culture

- Establish a clear corporate identity and shared set of values and behaviours that can be embedded and driven by adaptive leaders who act as role models for South Cambridgeshire.

- Addressing gaps in the current executive leadership team provides the opportunity to appoint adaptive leaders who foster a positive working environment and are consistent in terms of performance management and embody the values and behaviours required of the workforce.

- There is an opportunity to establish a culture of empowerment, where officers are trusted to deliver against clearly defined strategic objectives.
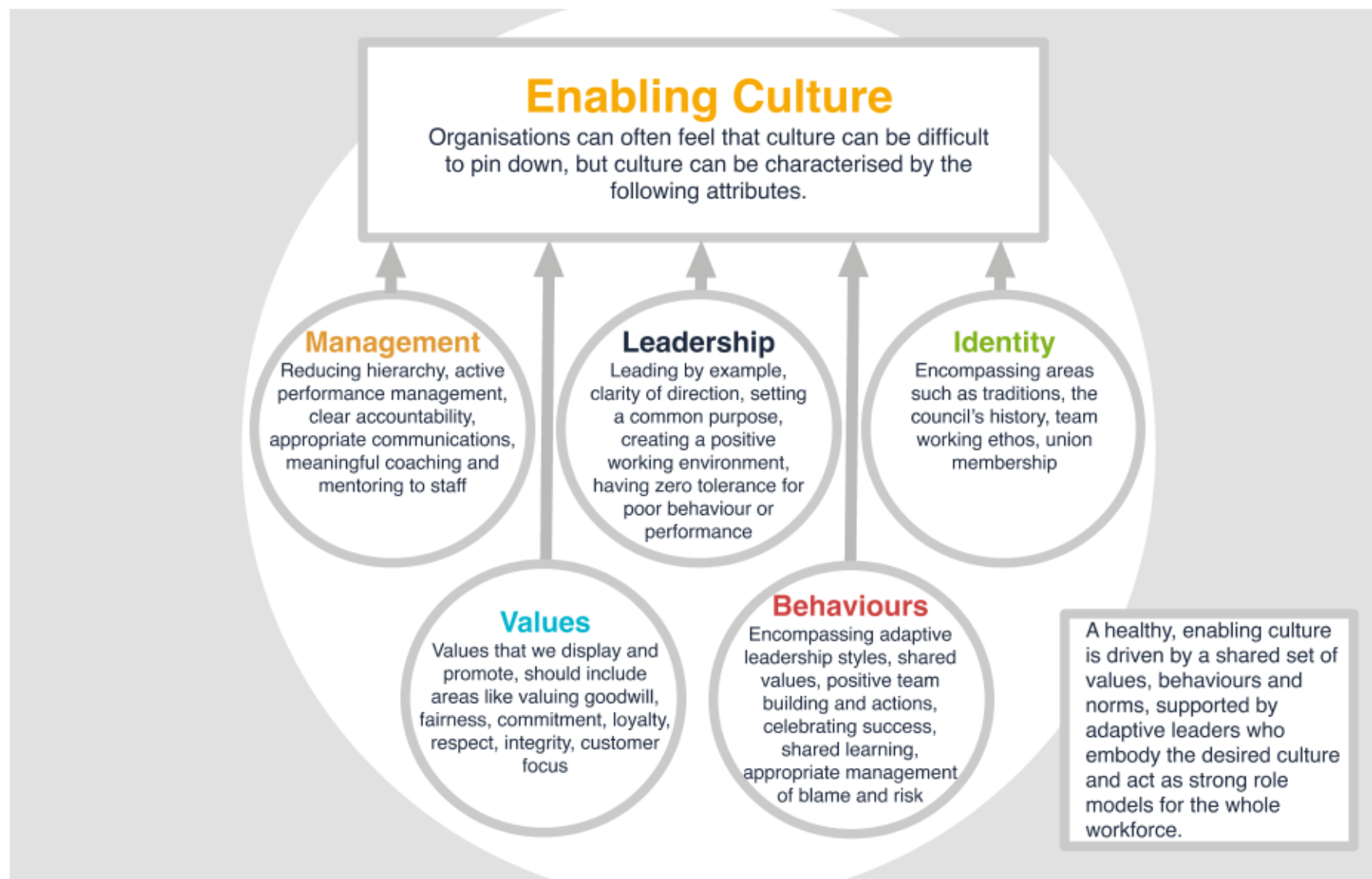
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Enabling Culture

Organisations can often feel that culture can be difficult to pin down, but culture can be characterised by the following attributes.

Management

Reducing hierarchy, active performance management, clear accountability, appropriate communications, meaningful coaching and mentoring to staff

Leadership

Leading by example, clarity of direction, setting a common purpose, creating a positive working environment, having zero tolerance for poor behaviour or performance

Identity

Encompassing areas such as traditions, the council's history, team working ethos, union membership

Values

Values that we display and promote, should include areas like valuing goodwill, fairness, commitment, loyalty, respect, integrity, customer focus

Behaviours

Encompassing adaptive leadership styles, shared values, positive team building and actions, celebrating success, shared learning, appropriate management of blame and risk

A healthy, enabling culture is driven by a shared set of values, behaviours and norms, supported by adaptive leaders who embody the desired culture and act as strong role models for the whole workforce.

Figure 7 - Characteristics of a Healthy Enabling Culture

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INFORMATION AS AN ASSET

Information as an Asset is the capability to take raw, quality data and convert this into valuable information through a combination of processes, activities, technologies that is accessible to the right people to meet strategic, management and operational needs.

SCDC has information challenges at all levels: strategic, management and operational, as demonstrated in Figure 8. This limits not only this capability, but all capabilities and indeed the council's operations, the success of which is reliant on good information. The council has limited ability to routinely access, interpret and analyse data to achieve useful and repeatable information. Data does not flow consistently across directorate or service boundaries, with valuable data 'locked down' in paper, spreadsheets and shared email inboxes making it difficult to share, extract or report upon. An example of this was provided during stakeholder meetings in Health and Environmental Services, where planning applications which the team are required to consult upon are emailed to a shared inbox before being allocated to an appropriate officer by the Resources team which results in a delay before an officer is notified.

The council currently has limited data analytics skills. This prevents any meaningful analysis of data to better understand strategic challenges, service demand and customer need in the majority of services. Small pockets of good practice and capability exist, such as in Affordable Homes and the Greater Cambridgeshire Waste Service (GCWS), where considerable effort has been applied to better understand demand and failure demand, however this is dedicated to the individual services and not a corporate resource. There is limited information on the effectiveness of the council's services or on the insight of future needs or demand which reduces the council's ability

to understand service performance and evidence decisions for the commissioning or decommissioning of services, as this relies on good evidence, customer insight and excellent management information.

Some key datasets that we would expect to see in a council do not exist or are not readily accessible. The council does not have an asset register, or a readily available ICT application management portfolio (AMP). This is important information which when unavailable impacts the council's ability to manage its operations, make evidence-based decisions or plan ahead, creating organisational risk. A lack of available management information has resulted in members and senior officers devoting more of their time to seeking information to understand issues, rather than having quality information readily available and accessible.

The council has no standard datasets defined or in use, such as a customer dataset, with services collecting and managing information in silos. The lack of a coherent approach to the gathering, collation and analysis of information means that the development of performance reports is a resource intensive task that requires manual entry of data by services into a spreadsheet for analysis. This also results in inconsistent and repeat requests for data from independent services to the same customers.

Future Opportunities - Information as an Asset

- Information needs to be considered as a valuable asset to the council and routinely used to support decision making at strategic, managerial and operational levels of the organisation.

- Create a designed information architecture, with common datasets and robust governance which enables the sharing of appropriate information across organisational boundaries.

- Management information should be available to all members and officers who need it in agreed formats that directly support their requirements.

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Strategic

- Information architecture not designed or corporately governed
- Performance measures focus on activity rather than outcomes delivered
- Members and senior officers 'chasing' information
- Strategic information gaps around people and assets
- Quality information not available to evidence strategic decisions

Management

- Quality management information unavailable to support decision making
- Limited realtime scheduling and resource management
- Work allocated through emails and shared inboxes
- Productivity and cost to serve of services not understood
- Limited insight to customer demand

Operational

- Information locked down in spreadsheets and paper
- Manual processing of paper documents is resource heavy
- Officers dependent on desk space and returning to the office
- Limited deployment of mobile devices
- Information is not always well shared across services and directorates

Figure 8 - South Cambridgeshire's Current Information as an Asset Position Summary

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COMMISSIONING FOR OUTCOMES

Commissioning for Outcomes is the capability to clarify a clear purpose for all services against organisational outcomes or decommission service which do not provide sufficient value against outcomes.

The council operates without a formal commissioning lifecycle where the requirements, scope, frequency and quality of any service is evaluated against strategic outcomes. Given the extent of shared arrangements, this lack of systematic evaluation of needs to inform service design means that 40% of council services are not under the direct control of the council and not formally operating to any defined specification the council has agreed. This is equally true of internal services, where a lack of specification means service contribution to outcomes is unclear, service standards not always set and performance measures not always appropriate. This is exacerbated by the current lack of clearly defined strategic framework for the council. The introduction of a commissioning approach would only be successful once the council's strategic framework was refreshed and outcomes, both for the council and wider 'place', articulated.

During stakeholder engagement, it became apparent that a number of the shared services were introduced and expected to deliver a first-class service without a documented understanding of the quality standards, performance levels or benefits they were originally commissioned to deliver. Examples of this include the Greater Cambridge Waste Service, which has operated since its establishment without an MoU and the Greater Cambridge Planning Service. Partners engaged as part of this review perceived SCDC's input to the shared services they do not host as 'passive'.

Current shared service governance is not effective. An example of this is the 3C shared service, with officers reporting that the 3C shared board had not met for six months at the time of this Review. Senior officers have reported that there is no penalty or consequence for poor performance in the shared services, which has allowed a negative perception of shared services to develop in the council. With a lack of clarity on the council's own accountabilities as a partner in a shared service, 'blame' is instead attributed to the host authority if services do not meet council expectations.

Cost to serve is not well understood across service areas. This means that the council is unable to assess the value of services, particular in shared service arrangements. Through a commissioning lifecycle, where specifications demand appropriate information to be either provided or available in the most suitable format, a more commercially viable approach to service delivery could be taken, allowing a much-improved understanding of the cost to serve and the effectiveness of commissioned services. A commissioning approach would also support the exploitation of commercial opportunities, where financial benefits can be assessed against strategic priorities and community needs.

Future Opportunities - Commissioning

- A commissioning approach would enable the council to specify and introduce services to meet strategic priorities and decommission those which do not.

- All services, regardless of delivery model, need to be commissioned against clear specifications and with quality standards.

- Improved management information, including cost to serve and performance measured against outcomes, will inform evidence-based decision making on future services.

- Opportunities to explore commercial opportunities can be best introduced through a commissioning approach, where the financial benefits can be assessed against wider community and organisational needs.

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NEED LED

Need Led is the capability to shape services and partnerships based on the needs of communities, with services that are joined-up around customers rather than traditional professional functions so that they are flexible enough to support the council's most vulnerable citizens.

The council's political administration has been clear on its aspiration to establish liberal values in the council, embedding values of liberty, equality and community whilst being fully responsive to South Cambridgeshire's needs. The council have consulted with residents to seek their views on its draft business plan (2019-2024) which at the time of writing is still in development, to ensure it reflects customer need.

Although the council has some understanding of residents and their needs, customer insight is not being used to pro-actively change the scope or configuration of services. Customers are managed within professional silos, rather than through services integrated around common customer groups or customers with common needs which results in customers having multiple, separate contacts with the council. This reduces the council's ability to meet customer needs as they have no single view of the customer and limited visibility of their interactions with the council.

In a number of areas, the council have demonstrated that they can be responsive to acute needs, such as dealing with homelessness. Officers and Cabinet identified that the council's ability to deliver sustainable and planned solutions to address the district's persistent needs, such as the need for affordable housing, has previously been limited. Whilst the council is able to identify these needs, it has not developed a clear strategy and translated this into service delivery.

As described in the Information as an Asset capability, the council has limited data analytics skills and capacity which limits its ability to develop customer insight and predict and analyse the changing needs of South Cambridgeshire's businesses and communities. Whilst it is vitally important to drive forward South Cambridgeshire's growth and economic development, the impact this will have in terms of future demand on council services also needs to be understood. There is an opportunity to develop this capability to deliver customer insight that supports the council to understand the needs of communities and shapes services to address these needs. The benefit of this would be that the council would be able to make evidence-based decisions and target resource to meet community need.

Future Opportunities - Need Led

- Customer insight should more explicitly shape and inform future service design.

- The opportunity to reconfigure the council's operating model should enable improved integration of functions around customer groups with common needs.

- There are opportunities to ensure that common customer groups are better supported through formal design across departmental and organisational boundaries.

- Self-serve functionality should be introduced more extensively in transactional service delivery to make available resource to invest in more complex functions that require specialist intervention from staff.

- Having good customer insight and understanding the needs of communities will support the council to effectively target its resources. Being need led will provide the most efficient and effective method of targeting resource, designing services in a way that reflects this principle will support the council to do more with less.

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DIGITAL BY DESIGN

Digital by Design is the capability to deliver services which are digital by design regardless of how, where and by whom the services are accessed. Self-serve is a default and workflows are automated, simplified or removed, with technology enabling service integration across functional and geographical boundaries.

The impact of the shared service delivery model for ICT is that in the absence of a shared digital strategy across the three partners, and with the council not articulating its needs, the shared service is driving the evolution of the council's technology architecture by default. Huntingdonshire have recognised this and have been actively seeking further clarity from the South Cambridgeshire on their future needs.

SCDC acknowledges that the 3C ICT strategy and roadmap has provided more structured development for ICT than was in place prior to the shared service being established. However inconsistent implementation and SCDC input to this strategy, and a continued lack of common IT policies across partner councils, such as IT security, still leaves the council unable to feel truly confident in whether the ICT shared service will meet its future needs.

The approach of the ICT shared service so far has been to procure 'best of breed', specialist applications and deploy these across the partner organisations to achieve cost savings, and whilst there are some examples of integration between applications, such as between Revenue and Benefits and the Financial Management System, these are the exception. Decisions on ICT investment are largely taken at a service level and

the council's ICT applications are still largely aligned to service need, missing opportunities to develop council-wide, corporate digital capability to improve workflow across services and rationalise the application estate.

The council's application management portfolio is held and managed by the 3C shared ICT service and was not readily available to support this review. The application management portfolio provided by 3C is also incomplete and was created to support this review. It identifies that of the council's 49 ICT applications, 42 are no longer in contract. This equates to 67% of the council's annual spend on applications which are out of contract and relying upon support and maintenance arrangements. The council's application management portfolio shows that the council has some duplication, with 14 workflow applications and 10 case management applications. There is an opportunity to review these applications and potentially rationalise the number of applications in use.

Access to service: The council has created digital access channels to the majority of council services through web forms. However, this is simply generates an email to 'back office' functions to pass information to services rather than being a true, integrated digital process. The impact of this is that officers are often required to 're-key' the information into line of business applications, which is both inefficient and slower than a truly automated process. Teams are working hard to mitigate the current shortfalls in automation, in particular the Resources Team in Health and Environmental Services but this introduces a level of administration that simply compensates for poor digitisation.

Customer experience and journey: Customers are not managed corporately, with Customer Services providing only a gateway to the council's services before customers are passed to service areas to manage their requests. The impact of this approach is that customers can have multiple hand-offs to different
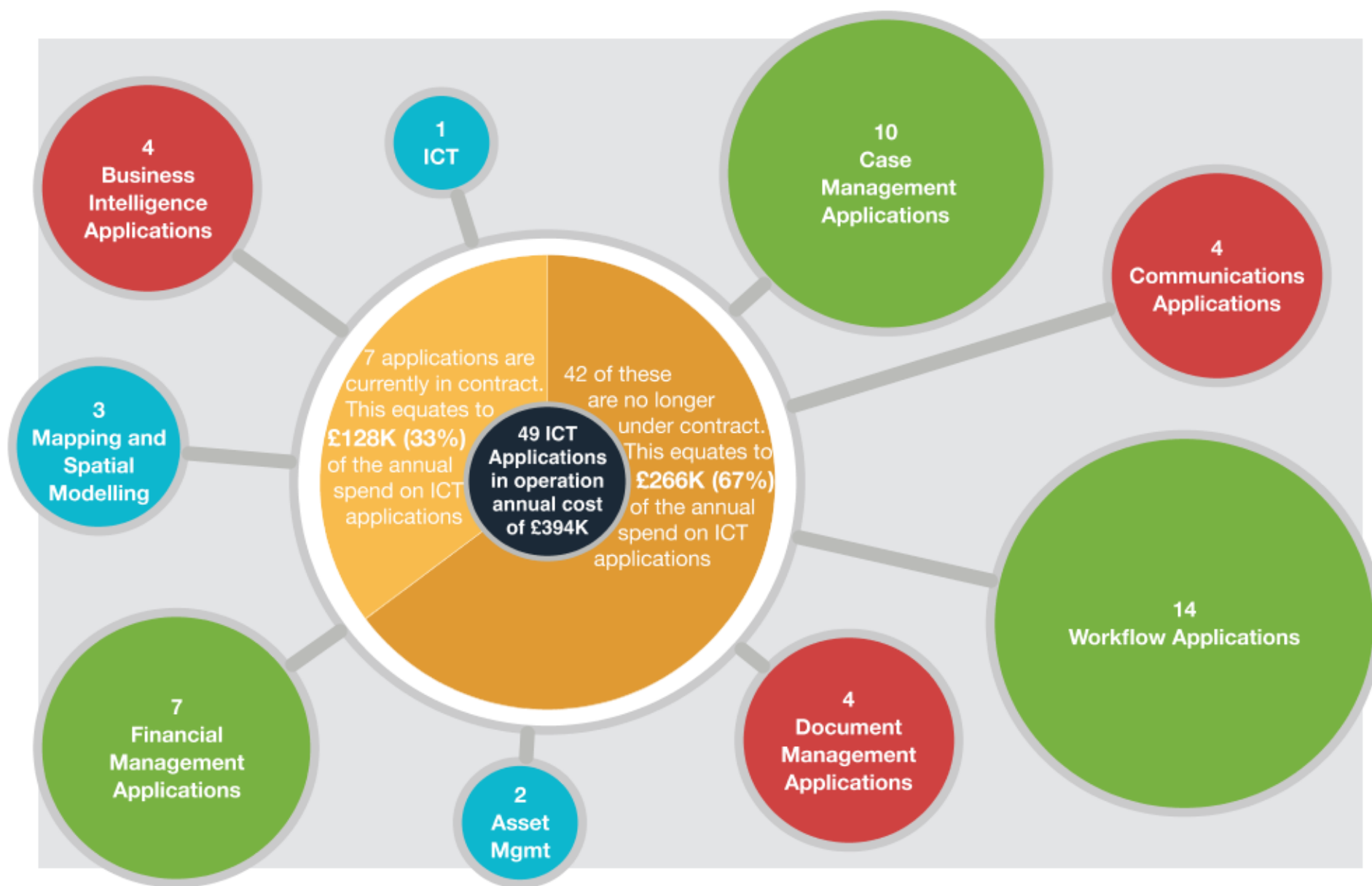
Figure 9 - Overview of South Cambridgeshire District Council's Current Application Architecture

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officers during one request for service and a varied customer experience depending on the service requested.

In addition, there is no single view of a customer for the council, with customer information instead held in business applications at a service level. Indeed, self-serve processes bypasses the Customer team and goes direct to shared inboxes without corporate visibility of the effectiveness, time for resolution or customer satisfaction with these processes..

Customer profiling and demand: Customer demand is currently recorded based on calls received by the customer contact centre. As self-serve access is not corporately managed, uptake of self-serve for transactions is not currently known.

Case management: The council has no standard approach to case management and has 10 different applications which provide case management functionality.

Members queries: The council currently have no defined process for managing elected member queries or the monitoring of their resolution.

Revenue and Benefits processes: The processes in this service area are well defined with large elements of the processes considered to be digital. The service has implemented some significant automation around the reconciliation of finances and receipt of payments utilising the Civica Automation Suite. The service has identified that there is an opportunity to expand this to further processes but does not have the capacity or

funding available to achieve this at present.

The council's success when implementing new technology has been variable, with projects often seen as ICT-led as they are delivered by 3C ICT rather than as business change projects. An example of this is the recent implementation of the council's new financial management application TechnologyOne which focused on deploying the technology but fell short of considering how the technology would impact processes. Training for the new application was also under-resourced and reliant on the council's Procurement Officer and an additional non-specialist officer to provide user training.

Future Opportunities - Digital by Design

- The council should have a designed technology architecture, which enables and promotes information sharing rather than an imposed or evolved portfolio of applications.

- Technology should be used to enable service integration and the flow of data across processes and applications designed to be seamless for officers and customers. This would remove non-value adding activity such as manually re-keying data. Paper should be removed completely in all but a few areas where digital cannot replace it.

- Digital technology should enable self-serve functionality to be introduced more extensively for customers for transactional service delivery which allows resource to be focussed on more complex cases and to do more with less.

ENTERPRISE ASSET MANAGEMENT

Enterprise Asset Management is an integrated, enterprise approach to managing all assets, beginning at specification or design through to usage, decommissioning and disposal.

SCDC's assets are managed by varying approaches across the organisation. The operational management of different types of assets are devolved to specific directorates and services, such as housing property assets to Affordable Homes, ICT assets managed by the 3C ICT shared service, waste vehicles managed by the Greater Cambridge Shared Waste Service and corporate facilities by the Facilities Management team overseen by the Corporate Programme Manager. The council's corporate visibility of its assets is limited as no corporate asset register exists. This has resulted in uncertainty at the senior leadership level around the full extent of the council's asset portfolio. At an operational level there is an information deficit around particular asset types. An example of this is that the council does not hold a record of litter bins that it has a responsibility to service and maintain.

The council created a Corporate Asset Management Plan in 2016/17 running through to 2020/21. This document outlines routine maintenance requirements of the council's major building assets of the council on an annual basis and supports the allocation of budgets and resource. There was no evidence provided that shows this plan drives actual operational maintenance plans on the ground, and there is limited visibility and knowledge of the plan amongst elected members and officers. The renewal of some assets including housing renewals and the replacement of vehicles is planned in capital investment programmes, but with the limited information available

about assets at a corporate level, it is highly probable that this does not cover all assets, resulting in unexpected investment requirements when there is a need to replace or refresh assets.

Enterprise asset management would ensure that assets are managed in a consistent organisational approach and planned lifecycle. Going forward, assets should be commissioned against specifications with an understanding of their total cost of ownership throughout their lifecycle. Routine maintenance of assets is planned, scheduled and budgeted for and resourced through their lifecycle. The council should hold detailed data about all assets and understand their current state from the latest information gathered by the organisation. Assets should be reviewed against their requirements regularly and considered for decommissioning or refresh if they no longer meet them. The asset management lifecycle should be aligned to a capital investment programme which funds the renewal of the council's assets in a planned way.

Future Opportunities - Asset Management

- All assets should be managed in a consistent organisational approach and planned lifecycle, with clear specifications and an understanding of their total cost of ownership.

- Assets should be regularly reviewed against organisational requirements and considered for decommissioning if they no longer meet them.

- A corporate asset register should be established to provide full visibility of the council's assets.

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FLEXIBLE WAYS OF WORKING

This capability is essentially about how things get done within the organisation. An operating rhythm of strategy, business planning, leadership direction, meetings and workforce scheduling supported by procedures and processes should enable, not inhibit, all levels of decision making.

The council does not currently have a strategic framework in place which drives the development of interrelated strategies. South Cambridgeshire's new political leadership requires new priorities and values to be reflected in the strategy and delivery of council services. However, the council's lack of strategic capacity and a lack of prioritisation to support members has meant officers have failed to translate these priorities into strategy and subsequently service planning. This has been demonstrated by the development of the council's proposed new Business Plan which was poorly aligned to members' ambitions.

The council's political leadership has increased the number of meetings by 28% from 154 in 2017/18 to a projected 197 in 2018/19. This has placed increased demand on officers to support meetings, particularly in Democratic Services. The council's officer leadership currently operates with both executive management team who meet fortnightly and a corporate management team who meet monthly. This approach results in some EMT officers attending both meetings. There is an opportunity to review this approach and design a clear operating rhythm for the council to enable decision making and support the effective flow of information through the council. Officers reported that there are excessive meetings undertaken in the council. An example of this is the council's shared Head of Finance,

whose two days a week on site in South Cambridgeshire are generally consumed by meetings. The impact of this is that it can be challenging to free up officer capacity for strategic development and thinking time. Conversely, meetings outside of the council, such as shared service governance and partnership meetings are not effectively fed back to members and officers.

While the council's workforce have demonstrate real flexibility by taking on additional responsibilities, the impact on these both formal and informal arrangements are not always documented. An example of this is the Director of Greater Cambridge Planning Service who has responsibilities as member of the council's EMT on paper, but in reality is unable to devote time to corporate business. There are also examples of shared roles, employed by the council, taking on additional responsibilities in partner councils. An example of this is the Head of Greater Cambridge Waste Service taking on additional responsibilities around emergency planning for South Cambridgeshire and taking a lead in Cambridge City on Place. It is unclear how these additional responsibilities are reflected in shared arrangements and costed.

Future Opportunities - Flexible Ways of Working

- There should be a well-defined, and regularly reviewed, strategic framework and governance.

- A clear, designed operating rhythm of strategy development, planning, meetings and procedures will enable decision making and support the council to deal with uncertainty and change.

- All meetings should all have a clear purpose and outcomes, not simply be used for reporting activity.

- All roles should have clear remit, accountabilities and responsibilities and escalation routes when issues occur beyond these boundaries.

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ORGANISATIONAL AGILITY

Delivering services at times and locations which suit customers requires the council to have access to the right information, equipment and technologies. Organisational agility is all about the users and their needs. For an organisation to be truly agile, it needs the ability to define and implement agile user journeys that enable staff to provide services more quickly, conveniently and sustainably in the context of finite resources. Operationally it requires the council to more systematically pre-empt and predict customer need in order to deliver more responsive services. Wherever possible the council should drive 'real time' access to service through self serve options for both customers and staff.

At present, service delivery is tied to fixed locations with limitations on accessing information remotely from council offices, with numerous examples of where staff need to return to base to update records. There are positive plans emerging from the Council Anywhere project which plans to provide mobile technology to digitally enable staff to provide more agile services, however, there is a risk that this project becomes focused on technology solutions for mobile or home working and becomes little more than a deployment of laptops and mobile phones, without consideration of the information needed to be accessed, the applications required in the field or staff roles.

Flexible working arrangements described during stakeholder engagement provide personal benefit to officers but productivity can sometimes suffer as officer effectiveness is reduced due to ineffective technology and access to information. Staff currently working remotely are often reliant on paper record copies when out in the field and are required to return to base to return paper files or to update electronic records. An example of this is food hygiene inspections which are carried out by an officer, recorded on carbon copy paper, returned to the office for review by the lead officer and then scanned into the M3 system. There are a number of issues with this process including not maximising the use of resource, repeated data entry, cost of utilising carbon copy forms and information being 'locked down' in scanned images.

Future Opportunities - Organisational Agility

- To achieve organisational agility, service should be delivered in ways and from places and at times and locations which meet the needs of users.

- Access to information will be available to members and officers when they need it from the locations where they need it, through fit for purpose technology. Officers working remotely should be able to capture information and update records whilst on site with no requirement to return to base.

- Flexible working is available to staff, but only where this supports service delivery and the outcomes the council needs to deliver.

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ADAPTIVE WORKFORCE

A flexible workforce responsive to the council's ever-changing needs. Flatter structures remove unnecessary management, with more autonomous staff and the aggregation of common functions.

The council's current organisational structure is a traditional, service-centric model, reflecting the council's statutory responsibilities. Roles are predominately narrowly defined and described in terms of professional specialisms rather than broad cross-cutting competencies. This is demonstrated by looking across the overall organisational establishment of 681 posts (615 FTEs), there are 320 roles defined, of which 227 (71%) are unique to an individual post. Cooperation and collaboration across staff in different services is largely driven by personal relationships, rather than formal processes. There is an opportunity to aggregate common roles to support the integration of services and increase workforce flexibility to meet changing demand.

The council has demonstrated its ability to flex its resource to address vacancies through the use of secondments and formal acting up arrangements. In Q2 of 2018/19 HR reported 17 members of staff acting up and two members of staff on secondment. These statistics however do not represent the whole picture, as some posts that have evolved and taken on additional responsibilities over time are not included. The impact of roles evolving in this way is a lack of clarity and visibility of a post's full remit as job descriptions have not always been updated to reflect these additional responsibilities. An example of this is the Corporate Programme Manager, who has additional responsibilities for Policy and Performance and Equalities.

The council is predominately structured into six management layers (layer one being the Chief Executive). There are instances of up to eight layers within the Shared Planning Services, Affordable Homes and Finance, but this is minimal with layers seven and eight including only 16 posts. 112 posts within the establishment have line management responsibilities with the average span of control being six posts per line manager. There are five notable instances where very wide spans of control exist: Four Team Manager posts within the Greater Cambridge Shared Waste Service responsible for 158 direct reports and the Community Impact Team Leader, responsible for 27 posts. The impact of these examples is that effective line management, performance management and staff appraisals may be difficult to achieve.

The council's current structure contains limited change resource, with no roles dedicated to delivering change in the council. Change is supported by officers in addition to their business as usual role. The impact of this is that the council's ability to deliver internal change is limited and relies on officers taking on additional duties alongside their substantive role.

Future Opportunities - Adaptive Workforce

- Aggregating common roles or functions and the creation of multidisciplinary teams will support the council to be flexible and respond to changing demand.

- Refresh roles, particularly in the executive leadership team and create an adaptive workforce and leadership.

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ADAPTIVE WORKPLACE

Adaptive Workplace is the capability to have workspaces that facilitate integration and flexibility in service delivery.

The majority of the council's services operate from their primary accommodation, South Cambridgeshire Hall in Cambourne, a modern, purpose built facility which was completed in 2004. The Greater Cambridge Shared Waste Service is based in a leased depot near Waterbeach. In addition, the council has two smaller hub offices in the village of Over in the north of the district and Great Shelford in the south of the district which provide hot desk office accommodation which can be booked by officers for quiet working and one-to-one meetings.

South Cambridgeshire Hall provides a modern and pleasant work environment, however the building's current configuration does not facilitate service integration, with services instead allocated their own section of the building. Officers from all levels of the council have identified issues related to the quality of the building and the current configuration of the workspace. These issues include:

- The current workbench configuration of desks in some parts of the building creates an overcrowded, noisy and distracting working environment.

- Where collaborative working spaces have been created in the open plan setting, these are situated so close to officers' desks that the noise is distracting to a large number of people working nearby.

- There is a lack of confidential space within the building to have sensitive conversations. Even the limited number of meeting rooms and offices lack any soundproofing which means occupants can be overheard easily from outside.

The hub offices do not provide the council's customers any opportunity to access services and are used solely to provide flexible working opportunities for staff. The council does not have a documented understanding of the capacity or usage of these buildings, however as there are no staff permanently based at the community hubs it is likely that they are currently under utilised as assets. There is an opportunity to assess their suitability and to either maximise these assets more effectively by delivering services in local communities or consider decommissioning the assets to achieve a cost saving.

Remote working, or working from home, is practiced by some council officers and is governed by appropriate policies and procedures. Officers reported that network access and access to information and technology provision limits the scope of tasks that are possible when working remotely. The council has recognised these shortfalls and have initiated the Council Anywhere project which will address some of these issues, as outlined in the Organisational Agility capability.

Future Opportunities - Adaptive Workplace

- The configuration of the workplace is optimised to enable the integration of services.

- Our workspaces are designed around the needs of users and the activities that are required to be undertaken in each space.

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RE-THINKING ORGANISATIONAL DESIGN

The council recognises it now needs a new approach in the next phase of its development. Whilst changes to the way the council is structured would provide some improvements to the current model, a new structure alone will not enable the council to achieve its organisational vision and blueprint, or address the challenges identified in the capability assessment.

To address South Cambridgeshire's strategic opportunities and its aspiration to introduce new capabilities into the organisation will require the council to take a whole system approach and consider all aspects of its operating model - *People, Processes, Applications, Technology, Assets, Information, Culture and Ways of Working*. Rethinking all aspects of how the council operates will enable to council to embed new capabilities into its operating model.

Based on the council's appetite for change and the Capability Assessment's findings, there are a number of key opportunities for change that must be addressed in the council's future model and the options proposed to ensure the council is able to deliver on its objectives:

- Develop a coherent and integrated strategic framework and on-going lifecycle for its management. This would enable the council to translate political objectives into a clear strategy to drive service specification and outcomes

- Establish a commissioning approach. This would enable the council to commission all services, regardless of delivery model, against clear requirements and quality standards in line with the council's defined strategic framework and continually evaluate whether the services the council provide are appropriate, doing the right things, and achieving the right outcomes. This would also provide the ability to effectively manage and understand the value of delivery models

- Establish a leadership team with the capacity and remit to drive the council's strategic priorities. This would enable the council to work across organisational boundaries to effectively shape South Cambridgeshire's growth aligned to the council's priorities by influencing and collaborating with strategic partners across the region

- Reduce uncertainty by using business intelligence to develop customer insight and make evidence-based decisions and meet changing needs, such as rising demand and customer expectations, reducing resources and funding, demographic changes and growth

- Establish a 'one council' corporate identity. Driven by adaptive leaders who act as role models for SCDC, this will enable a shared set of values and behaviours to be embedded in all council services, regardless of delivery model

Alongside SCDC organisational vision, blueprint and design principles, these key opportunities for change provide the framework against which we have developed future structure and working arrangement options.

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OPTIONS APPRAISAL

South Cambridgeshire District Council now has choices to make about how it proceeds. There is a need for brave, but evidence based decisions on council's future operating model, in terms of its structure, working arrangements, and the approach needed to achieve this.

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APPRAISAL CRITERIA

A compelling case for change emerges for SCDC to fundamentally transform the council at an organisational level in order to be fit for purpose and ensure the council is able to deliver its priorities now and in the future.

Five options for the council's future structure and working arrangements are proposed:

- Option One: A 'Do Nothing' option which assesses the council's position if it continues its with current structure and working arrangements

- Option Two: Recentralised Operating Model

- Option Three: Shared Operating Model

- Option Four: Redesigned Operating Model

- Option Five: Adaptive Operating Model

These options have been developed based on our understanding of the council's needs and priorities as defined by the wide range of stakeholders engaged throughout this process, SCDC's capacity and appetite for change and the need to develop an operating model which supports the council to achieve its objectives.

Each proposed option is presented and appraised as a standalone option for the purpose of the evaluation and to accurately score the benefits and risks of each option. The options, however, are not mutually exclusive, and the council could potentially take desirable elements of options to create a hybrid option, or deliver an option through a transition approach.

Each option is evaluated against its:

DESIRABILITY: The degree to which it enables and aligns with the council's strategic outcomes, organisational vision, blueprint, new capabilities and design principles.

FEASIBILITY: The degree to which it can be done in the short term within agreed time, appropriate cost, quality considerations, how far it strengthens the council's operations and builds upon its success to date. Can the council access the right skills and competencies to make it happen quickly enough.

VIABILITY: The degree to which the option is sustainable in the long term; can benefits keep accruing and make the council resilient to withstand future challenges? Are the risks manageable now and into the future?

COST ANALYSIS

Where appropriate, a cost analysis of proposed options is provided. This estimates the level of investment known at this stage to achieve the option. Despite financial benefits not being part of the brief for this review, the analysis also identifies potential financial benefits which could be achieved by the option. These savings could potentially be reinvested to create new capability in the council.

OPTION ONE: 'DO NOTHING'

Continuing the council's current structure and working arrangements.

This option would continue with the council's current structure and working arrangements, assessing changes opportunistically, on a case by case basis and without a clear strategy. This option would mean the council continuing to share services incrementally, which would place the council in a worsening position in terms of its ability to understand the value and effectiveness of its current or proposed shared service arrangements.

This option would not provide the council with the opportunity to address its current issues around translating political aspirations into strategic objectives and service delivery which would continue to place strain on the relationship between elected members and officers. This option involves taking a 'wait and see' approach, avoiding or delaying decisions now, or creating a process for decision making which is too slow or complex to take decisive action in a timely manner.

This option would potentially see a continuation of a 'collaborative' approach to further share services as opportunities or the need for savings arise, but this risks the council becoming driven by the strategic direction of its more proactive shared service partners whilst diluting its own identity and ability to influence services.

There is a risk that this option becomes a reality 'by default' if other options are proposed but decisions are not made due to challenges of achieving political and senior officer consensus.

DESIRABILITY

- Does not achieve the agreed organisational vision and blueprint
- Does not address strategic opportunities, priorities or improve organisational capability
- Risks the council's strategic direction being led by more proactive partners
- Does not address current key corporate issues in terms of leadership capacity, strategy development, culture and information shortfalls

FEASIBILITY

- Allows time to evaluate the options for politicians and senior officers and avoids, in the short term, difficult or sensitive decision making
- Avoids short term disruption to council services
- Avoids the need for investment
- Does not support the council to achieve savings required in medium term financial forecast
- Limited input required by elected members and senior officers

VIABILITY

- This option, pursued either actively or by default, will increase organisational risk
- Increases the likelihood of reactive cuts to services in the future
- Increases the likelihood of reducing service scope, quality and performance and decommissioning of services based on cost not required outcomes

On the basis of balance of the benefit and risk this option is not recommended and discounted from further analysis.

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OPTION TWO: RECENTRALISED OPERATING MODEL

Recentralise shared services to regain control of delivery against council strategies and priorities.

This option is to address the immediate need to ensure that shared services are performing well for the council and delivering against the strategic direction set by politicians. The aim of this option would be to give the council greater control over the delivery of its services and to reduce the complexity of its working arrangements with partners to improve quality and better align delivery to strategic aspirations.

As a large proportion of council's delivery model is reliant on shared services, this option would create significant disruption to service delivery and in the short term would result in a reduction in service quality. Over the medium to long term additional investment would likely be required to see the improvement in quality that would justify this option.

The current justification of this option is difficult as there is limited management information available from shared services to fully understand current quality and performance levels and therefore judge what improvement could be achieved.

In addition, with the exception of 3C Legal services, there are no exit strategies in place for any of the shared services. The impact of this is that it is impossible to understand the financial implications and investment of resource required by the council to extract itself from these arrangements.

While this option alone does not achieve the organisational vision and blueprint, a move to in-source some shared services could form part of other proposed options.

DESIRABILITY

- Recentralising services does not in itself achieve the organisational vision and blueprint

- Focused on the activity of recentralising shared services rather than addressing strategic opportunities or organisational capability

- Addresses concerns around shared service performance

FEASIBILITY

- Initial focus is likely to be on establishing in-house service provision and is unlikely to deliver any short term benefits. In reality, additional investment to maintain current standards is likely

- Significant preparatory work will be required to establish and agree shared service exit arrangements where they do not exist

VIABILITY

- Once recentralised it is likely that further service redesign exercises would be required to achieve the organisational vision and blueprint

- The recentralisation of services does not guarantee a sustainable organisational operating model

- Increased reputational risk if the council creates the significant disruption required for this option, but worsens or achieves little service quality improvements

At this time there are too many unknowns to justify pursuing this option. It is likely that the main benefits of gaining greater control and aligning delivery to strategic priorities could be achieved through other options.

On the basis of balance of the benefit and risk this option is not recommended and discounted from further analysis.

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OPTION THREE: SHARED OPERATING MODEL

A shared operating model with partner(s).

This option would build upon the council's current shared service arrangements to develop a shared operating model with one or more partners. This would incorporate shared officer leadership and could include a move to a more integrated political administration known as a 'super district' arrangement.

Initially, this would require the council to revisit all existing shared service arrangements to develop a baseline of what each arrangement currently provides in terms of its scope, cost, performance.

SCOPE

- This option would require the council to seek partner(s) with common needs, priorities and a similar organisational vision to build a shared operating model

- Based on South Cambridgeshire's current shared service arrangements, Cambridge City and Huntingdonshire District Councils would be candidates to explore this option

- This option would require a strategy to achieve the shared operating model

- The nature of this option would be dependent on the appetite of the council and its partner(s) and the strategy and approach chosen. Figure 10 describes a maturity model for sharing arrangements. It is assumed that to be viable this option would as a minimum involve a range of shared services overseen by a shared leadership team. Taken to its extreme, this option could explore the political appetite for the development of fully integrated partner councils and a merger to create a 'super district' council with one or more of South Cambridgeshire's partners

RISK AND BENEFIT ANALYSIS

We have provided an indicative appraisal of this option based on its potential desirability which can be found in Figure 11. We have not assessed Option Three for its viability or feasibility as there are a number of variations in the scope, potential partner(s) and approach for achieving this option which would need to be explored by the council in further detail to do so, as would the potential appetite of partners for such an arrangement.

DESIRABILITY

In terms of enabling SCDC to achieve its strategic outcomes and the organisational vision and blueprint, this option would require the council to design these into the strategy for progressing shared arrangements and consider the alignment of ambition for a future operating model with partners. This would also require the wider alignment of partners' respective strategic framework, to test the desirability of a single leadership team directing potentially diverse strategic priorities.
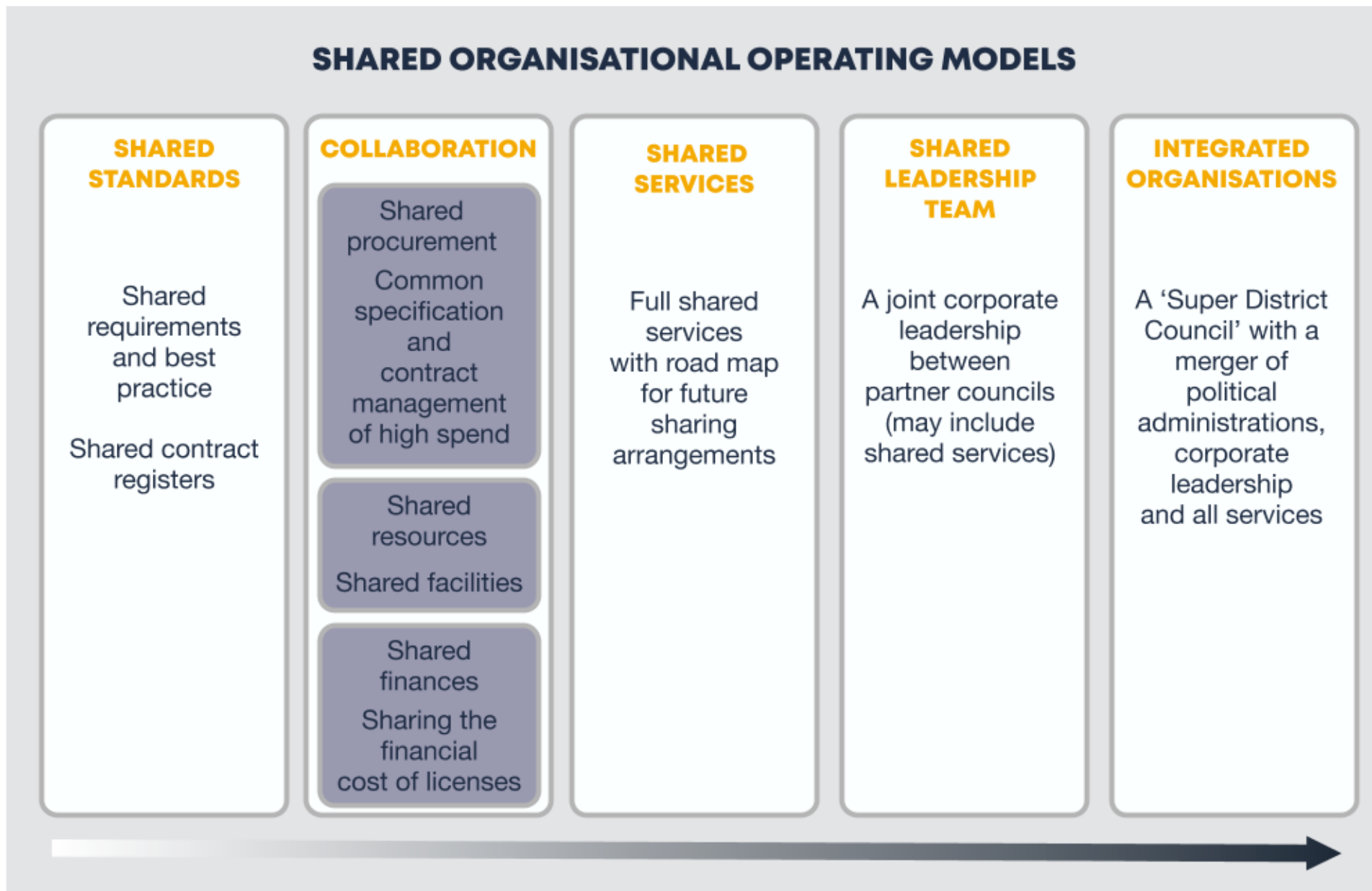
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SHARED ORGANISATIONAL OPERATING MODELS

SHARED STANDARDS	COLLABORATION	SHARED SERVICES	SHARED LEADERSHIP TEAM	INTEGRATED ORGANISATIONS
Shared requirements and best practice Shared contract registers	Shared procurement Common specification and contract management of high spend Shared resources Shared facilities Shared finances Sharing the financial cost of licenses	Full shared services with road map for future sharing arrangements	A joint corporate leadership between partner councils (may include shared services)	A 'Super District Council' with a merger of political administrations, corporate leadership and all services

Figure 10 - Shared Operating Model Scale

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This option would require the council and its partner(s) to make concessions to facilitate the partnership, which may limit the council's ability to achieve its strategic outcomes through shared arrangements.

The council has identified it requires new organisational capabilities such as Commissioning, Digital by Design, and Enterprise Asset Management. Any partner would need to have a common appetite for these capabilities to make this option workable. This option would also require partner agreement and alignment on a shared model's approach to commercialism, culture and empowerment. This would increase the complexity of this option and would ultimately slow the council's progress compared to progressing a new operating model alone.

Option Three would not allow the council to consider the use of a range of delivery models. By considering only a shared delivery model, this option creates a 'fixed point' in design and is built on the assumption that a shared delivery model is desirable for most services.

By definition, Option Three would design the council as a 'good partner' with the chosen partner(s) in the shared operating model. However, the establishment of a shared model, potentially with shared management, would dilute SCDC's ability to have a distinctive voice and specifically advocate the area's needs in partnership forums.

In summary, the key challenge to be overcome in Option Three would be the alignment of strategic priorities, politics and needs with prospective partner(s). Even if these were in place, there is a risk that a shared model would not be adaptable enough to continue to meet the needs of all partner(s) in the future if strategic or political priorities changed which would make option three unsustainable and result in significant, reputational damage.

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Option Three - Shared Operating Model

This option has been scored out of 10 for each aspect of Desirability. Feasibility and Viability, are not possible to score at this time without further input from potential partner organisations.

DESIRABILITY

Enables our strategic outcomes	5
Enables a commissioning approach	5
Reconsiders all aspects of design service	4
Enables customer insight	4
Considers a range of delivery models	3
Enables us to embed commercialism	4
Enables us to drive self-serve transactions	6
Enables us to align or integrate functions	4
Empowers staff	5
Designs the council as a 'good partner'	4
TOTAL	**44**

VIABILITY

Enables long term sustainability	
Contributes to on-going resilience	
Aligned to customer and community need	
Supports organisational risk management	
Supports long term financial sustainability	
TOTAL	

FEASIBILITY

Deliverability of option by 2022?	
Degree to which option builds on existing capability	
Degree to which option supports council to achieve savings in MTFF	
Level of up-front investment required	
Council has access to the skills and competency to implement option	
Likely political and senior officer appetite for option	
TOTAL	

DESIRABILITY	44
FEASIBILITY	-
VIABILITY	-
TOTAL	**-**

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Figure 11 - Option Three Appraisal

OPTION FOUR: REDESIGNED OPERATING MODEL

Redesign the council's existing service portfolio through a whole system approach to improve their efficiency and effectiveness.

This option would take an objective and systematic approach to redesign South Cambridgeshire District Council's existing service portfolio. Service design exercises would utilise a whole system approach at the service level covering all aspects of the service's model, including information, people, process, technology, assets, ways of working and culture.

This service-level approach would not be able to meet all aspects of the organisational vision, blueprint and design principles or introduce new capability at an organisational level. It would enable the council to introduce or enhance capabilities at a service level, namely, information as an asset, digital by design, need led and flexible ways of working.

Redesigning its existing service portfolio would allow the council to set priorities, benefits and outcomes for future service delivery and to reset its commissioning intentions for services within their current configuration. It would not, however, provide commissioning capability that would enable the council to respond to changes in service requirements and priorities in the future.

Option Four would also have limited impact on the council's strategic capacity and capability and would not establish a strategic framework or lifecycle in the council. The impact of this is that whilst the current organisational priorities and requirements will be considered during the

redesign and implementation of services. This option would not create the capability for the organisation to adapt in the future, other than by redesigning services again.

One benefit of this model would be that required benefits could be agreed for each service redesign exercise, such as quality standards, reduced cost to serve, changes to scope or decommissioning of services, depending on the council's priorities.

One constraint of any option would be the council's ability to redesign services that are delivered through shared arrangements, where the requirements and appetite of partner(s) could create a fixed point which in turn may limit the benefits that would be achievable through the option.

SCOPE

- The council's senior leadership and management structure would be required to provide leadership to service redesign exercises and would be out of scope for this option

- Option Four would introduce or enhance capabilities at a service level

- This option would not influence the structure of the council's current directorates and would provide only limited ability to realign services

- All services delivered directly by the council would be in scope for redesign under this option. Our initial scoping estimates that this would require between 9 and 10 redesign projects to be delivered over a three year period, depending on the ability and the appetite of the council and its partners to redesign shared service arrangements

- Services delivered through shared service delivery models could be considered for redesign exercises, however this would require agreement

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from the council's partner(s) and could reduce the scope of services Option Four would be able to influence

- There is a risk that new technology requirements to enable service redesign exercises may not be met or accommodated by the council's shared ICT service and that ICT could become a constraint to redesign projects

- As the council currently has limited skills and capacity to support change, Option Four would have limited ability to create dedicated internal resource to support the development and implementation of service redesign exercises

RISK AND BENEFIT ANALYSIS

The scored appraisal of Option Four can be found in Figure 12, with a justification for the score attributed to the option provided below.

DESIRABILITY

In terms of enabling SCDC to achieve its strategic outcomes, Option Four would redesign the council's services to deliver against current priorities and to design performance measures that allow the council to understand how effectively it is delivering the required outcomes. The limitations of this option are that the approach would not significantly strengthen the council's strategic capability to support the organisation to adapt and flex to changes in requirements and priorities in the future. The impact of this is that the need to redesign services in the future would be inevitable as the council's strategic outcomes change.

This option would not establish a commissioning approach at an organisational level and would essentially redesign the services in place today. While this option would provide the ability to set commissioning intentions at the outset of service redesign projects, it would not create a commissioning capability for the council to enable it to respond to changing requirements and needs. The council's current delivery model relies heavily on shared service arrangements which also limits the commissioning options in this approach as consideration to the impact of commissioning decisions on partner(s) would need to be given.

Option Four would enable services to be redesigned to be as efficient, effective and agile as possible within existing boundaries, but would not enable their reconfiguration or integration across the council as a whole. It would enable services to adopt different delivery models, however without the introduction of a commissioning approach it is likely that this option would see services remain with their current delivery models in the short to medium term. In addition, the current shared ICT arrangements may mean that design options around the ICT provision may be limited or slow to implement if service requirements are not aligned across partners.

This option would enable some prioritisation of resource in response to customer insight and predictive analytics at the design and implementation stage. However, it would not embed this as an organisational capability that would allow the ongoing re-prioritisation of resource in the long term.

In terms of embedding commercialism, this option would enable services to be designed to maximise income generation within the current scope of delivery. As this option does not introduce a commercialism capability, it is unlikely that this option would encourage services to consider more innovative commercialism options, or clarify the council's investment strategies.

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This option would enable the council to drive self-serve for transactions on a service by service basis, however this would be constrained by the council's existing structure, and where services are delivered through shared services this would require the consent of all parties. As this option would redesign services within their existing directorates it would not enable the council to alter their alignment, limiting the option's ability to integrate services.

This option would enable the council to empower staff at a service level, however there is a risk that as the council's leadership and management would be out of scope for this option, the current culture and ways of working may be slow to change.

As this option would not introduce new strategic capability or reconfigure the council's existing management structure, it provides little scope to enable SCDC to develop effective strategic relationships or design the council as a 'good partner'.

FEASIBILITY

Option Four scores well for deliverability, as the redesign of the council's current service portfolio could be initiated in as little as two months within existing directorates and could realistically redesign all services by 2022. One complexity around this would be the council's shared service arrangements, which would require further exploration with partners.

This option would support the delivery of savings identified in the council's Medium Term Financial Forecast if this was set as an objective to be driven out by service redesign exercises, however this option alone would likely not achieve all savings required.

In terms of access to the skills and competency to implement this option, the council has limited capacity and capability around change management, service design expertise programme management, project management or strategic HR. To successfully implement this option, the council would need to recruit or contract the required skills.

In terms of likely political and senior officer appetite, Option Four would not address the council's current strategic capacity issues or fast-track the delivery of council priorities. The disruption caused by this option would be easily managed, as service redesign exercises would be delivered service by service, with senior management roles unaffected.

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Option Four - Redesigned Operating Model

This option has been scored out of 10 for each aspect of Desirability, Feasibility and Viability, achieving a total of 109 out of a possible 210.

DESIRABILITY

Enables our strategic outcomes	7
Enables a commissioning approach	5
Reconsiders all aspects of design service	7
Enables customer insight	5
Considers a range of delivery models	5
Enables us to embed commercialism	4
Enables us to drive self-serve transactions	6
Enables us to align or integrate functions	4
Empowers staff	7
Designs the council as a 'good partner'	2
Total	52

VIABILITY

Enables long term sustainability	4
Contributes to on-going resilience	6
Aligned to customer and community need	4
Supports organisational risk management	5
Supports long term financial sustainability	8
TOTAL	**27**

FEASIBILITY

Deliverability of option by 2022?	8
Degree to which option builds on existing capability	2
Degree to which option supports council to achieve savings in MTFF	6
Level of up-front investment required	5
Council has access to the skills and competency to implement option	2
Likely political and senior officer appetite for option	7
TOTAL	**30**

DESIRABILITY	52
FEASIBILITY	30
VIABILITY	27
TOTAL	**109**

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Figure 12 - Option Four Appraisal

VIABILITY

Option Four would redesign services to meet requirements at a point in time and would not create the capability to adapt to new requirements, issues or strategic aims as they arise. The impact of this is that the council would likely need to undertake further redesign exercises in the future. This means that Option Four is sustainable only until the council's requirements and priorities change.

It would support the council's on-going resilience by redesigning vacant roles to remove or justify recruitment to these posts. This would provide the opportunity to reset the council's structure and remove the need for officers to act up into roles. There is, however, a risk that this option would reduce the flexibility of resource by redesigning service-focused roles, rather than roles that are able to work flexibly across service areas which would limit the option's long term viability.

This option would allow services to be configured to be customer focused but at a service level only and would not provide the capability to reconfigure services as customer and community need changes.

Option Four would support the management of current and medium term risks at a service level. However, as senior management would be out of scope, it would not address the risks created by a lack of strategic capacity. It would also provide the council with an opportunity to redesign its Finance service as a priority to address its financial management and skills issues which would support the council's financial sustainability.

COST ANALYSIS - REQUIRED INVESTMENT

Option Four would require a level of up front investment to address the council's skills gaps and to successfully implement and manage the delivery of this option. The investment costs below at are estimates based on our experience of providing these services in similar commissions:

- Investment to develop the programme of work required to implement the option would be estimated as £100,000 (if provided by Castlerigg we would provide a discount of £60,000 and support the development of the programme at a cost of £40,000)

- Investment to deliver the programme to address skills gaps in the council around service design expertise, business analysis and project implementation, estimated at £120,000 per service redesign project. Our initial scoping estimates that the council would require between 9 and 10 projects (£1.08M - £1.2M) to be delivered over a three year period. This is dependent on the ability and the appetite of the council and its partners to redesign shared service arrangements

- The council would require investment in resource to support the development of the programme. This would include investment in programme management and additional strategic HR resource estimated at around £100,000

This equates to a one-off investment of £1M - £1.34M over three years.

- In addition, the council may be required to investment in resource to support delivery of the programme of work to deliver this option. This would be likely to include investment in programme management and additional strategic HR resource estimated at around £100,000 per annum

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Note: There would likely be additional costs to deliver the programme which would need to refined as part of programme development. These costs are likely to include internal officer support, investment in technology and others depending on the nature of the service design.

COST ANALYSIS - POTENTIAL FINANCIAL BENEFITS

All potential financial benefits identified would need to be refined and validated during the development of a programme to deliver the option and tracked subsequently throughout programme delivery.

Redesign of non-shared services equates to an estimated financial benefit of £1.28M.

SCDC has a £17.9M net budget. £7.95M of this is attributed to non-shared services where the council has the ability to fully redesign services. Out of scope for this option would be the council's executive and corporate management teams needed to lead the delivery of this option. This means the total budget that could be influenced through this option would be £6.38M. Based on our experience of delivering service redesign exercises and our understanding of the council's current position, a 20% revenue reduction in services could be targeted as a financial benefit which would equate to £1.28M.

Note: There would likely be an impact to savings in VR/VER costs as savings would be realised through reductions in staff costs through the establishment of new capabilities and ways of working.

Note: The financial benefit stated above does not include any savings that may be made within the Housing Revenue Account. This is because the restrictions on the use of HRA funds would require this saving to be reinvested within the service and mean that benefits here would be non-financial in nature.

Potential redesign of shared services to achieve an estimated financial benefit of £366,000.

There may be some scope to redesign in shared services with the agreement of partners. The fact that partners and shared arrangements are involved creates additional risk, as compromises may have to be reached with partners that reduce potential benefits, and the initial creation of the shared service may have already delivered some financial benefits to the council.

To reflect this we would estimate that only a 10% financial benefit on SCDC's contribution to the Greater Cambridge Shared Planning Service, which would equate to £366,000.

Whilst there may also be financial benefits in the Greater Cambridge Shared Waste Service, we understand that due to the scope of work already undertaken by the service that this would be limited.

The council's less costly shared services, such as Building Control and Internal Audit have not been included as undertaking redesign exercises in these areas would provide only limited financial benefits. Whilst redesign exercises in these areas would also provide non-financial benefits, they would be at cost to the council.

The shared ICT service has not been included as it is hosted by Huntingdonshire District Council and as the council's requirements for ICT would change as part of this option it is unlikely that savings would be achieved from this service.

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OPTION FIVE: ADAPTIVE OPERATING MODEL

A more flexible operating model able to predict and adapt to changes in the strategic environment, characterised by a strategic client function to manage a mixed economy of insourced, shared and outsourced service delivery.

This option would undertake an organisational-level design of SCDC's operating model. Option Five would build the council from first principles and take a whole system approach to design a new operating model.

This option would design an operating model that addresses South Cambridgeshire's key strategic opportunities and the challenges identified as part of the Capability Assessment of the council's current structure and working arrangements:

- To strengthen the council's strategic capacity and translation of political ambitions into strategy through the development of a strategic framework and lifecycle for its management

- To address the deficit in strategic officer leadership

- To ensure all services are actively commissioned, or decommissioned on the basis of their contribution to strategic outcomes

- To ensure all services have clearly articulated specifications which define scope, quality, and service frequency and state productivity and outcomes measures

- To create greater integration of services around 'place' and 'people'

- To create greater integration regardless of delivery model(s)

- To optimise service design and introduce modern organisational capabilities

This option would provide SCDC with the opportunity to fundamentally realign functions and design the capability required to support the council to adapt to future challenges and changes in requirements.

The benefit of this approach would be full corporate control of the planned change, as by its nature this option could not be driven by the council's existing directorates as they would be reconfigured. Key to the success of this option would be strong leadership and executive sponsorship from the council's elected member and officer teams to drive the change, as by its nature this option would affect all personnel. In this context, an early priority for the council would be to design a new management structure to ensure this is stable and has the capacity to drive the level of change required to deliver Option Five.

In all design exercises, the benefits required, such as quality standards, reduced cost to serve, changes to scope or the decommissioning of services could be applied flexibly at the outset of each exercise depending on the council's priorities.

One constraint of any option would be the council's ability to design services that are delivered through shared arrangements, where the requirements and appetite of partner(s) could create a fixed point which in turn may limit the benefits that would be achievable through the option.

Figure 13 provides an organisational concept model created based on Option Five.
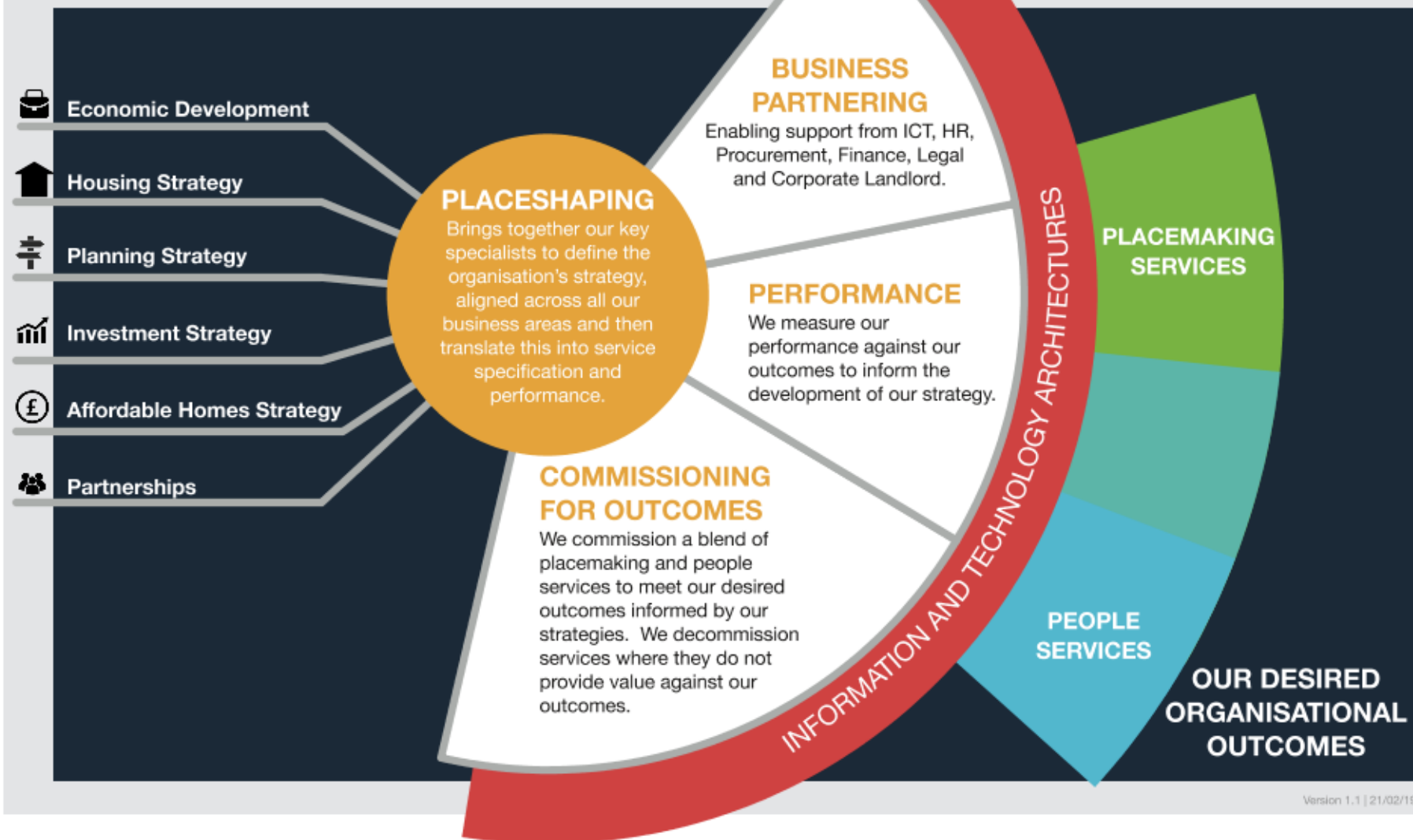
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Figure 13 - Option Five Concept Diagram

The concept model for Option Five outlines that Placeshaping is the key role of the council. To better achieve this a range of related strategies currently developed independently should be more integrated in the future. The model also introduces the concept of commissioning services against the council's strategic outcomes and monitor their performance in achieving them. The concept of business partnering is also introduced where key support services are aligned and attuned to organisational need today and enable the continuous improvement of the organisation moving forward. The model would be enabled by modern information and technology architectures which support digital by design and information sharing, removing silo working and creating a more flexible and adaptive organisation. Building upon these concepts, the following service groupings are proposed for further development in an outline operating model:

The Executive Core would provide the council's strategic leadership and would consist of the head of paid service and supporting officers. They would work closely with the council's elected members and represent the council in its strategic partnerships. The Executive Core would lead the development of the council's corporate plan to define and drive the council's strategic priorities.

The Strategic Client would strongly align strategy with service delivery by effectively managing a mixed economy of insourced, shared and outsourced service delivery models. The Strategic Client would combine strategy, analytics, information and technology and asset management specialists to facilitate the definition of strategy and ensure this is translated into service specification and performance.

The Strategic Client would consist of *Placeshaping* and *Commissioning and Change*.

Placeshaping would bring together the strategies that shape the future of South Cambridgeshire as a place and define the council's strategic direction in terms of Housing, Planning, Economic Development, Investment and Partnerships. It would provide an integrated, evidence-based and coordinated approach to strategy development to shape and prioritise service delivery and partnering arrangements.

Commissioning and Change would support the council to translate strategic priorities into practical delivery through a new commissioning capability using strategy, political priorities, quality requirements and available funding to shape the specification of SCDC's services. Informed by business intelligence and analytics, it would assess the on-going performance of the council and its services in meeting these requirements, ensuring the council is an intelligent client for all service delivery, regardless of how the service is provided. Commissioning and Change would develop the council's understanding of demand and community need to shape future priorities and have the change capacity and skills required to drive the council's transformation.

Placemaking would focus on the development of South Cambridgeshire's public spaces and the coordinated delivery of services to its communities. Placemaking would bring together services that support the development of South Cambridgeshire's communities, businesses and environment. It would seek to improve the alignment of services regardless of delivery model, through clearer specifications, operational level agreements between services and the setting of common outcomes for Placemaking services.

People would focus on person-centred services and their integration to improve outcomes for users. The aim of People services would be to organise functions around providing mediated access to services by exception and promoting self-service as a default for transactional services wherever possible.

Customer relationship management should be a whole council approach. Every officer would have a responsibility to focus on customer need, whether customers are external or internal to the council and this would not be the sole responsibility of 'People services' in a new model. Customer relationship management should not just be considered the responsibility of a growing 'front office' providing a single 'front door' to services, it should be integral to all service delivery, with simple transactional services delivered through self-service wherever possible and a refreshed contact centre which shifts its emphasis to providing more specialist mediated access to services.

Business Partnering would aim to ensure all support services operate as enabling services. These services would be requirements-led and act as the conduit to translate strategy into operational reality. Their role would be to help troubleshoot operational challenges and seek solutions, either from internal or shared services. Business Partnering would develop key internal support services (HR, Finance, Procurement) acting as partners to the council in its on-going development to support both business as usual and achieve its strategic priorities. This would require the council to reset its requirements for shared services (such as ICT and Legal) to ensure they provide services in accordance with these principles.

SCOPE

- The council's current directorate structure would be reconfigured through the design of a new operating model. This means that the scope of Option Five includes the council's senior leadership and management to address the council's strategic capacity

- Option Five would introduce capabilities at an organisation level

- All services delivered directly by the council would be in scope under this option. Our initial scoping estimates that this would require between 9 and 10 design exercises to be delivered over a three year period, depending on the ability and the appetite of the council and its partners to redesign shared service arrangements. A design of a new management structure would be a priority exercise

- A new strategy lifecycle would be established and managed by the Strategic Client to translate political objectives into a strategic framework which informs delivery

- This option would include the recommissioning of all services with clear commissioning specifications in line with the defined strategic framework and the establishment of commissioning lifecycles which respond to council strategy

- Internal services would be commissioned in the same way as those delivered through shared service delivery models. This would allow the council to assess their on-going value and performance. Where shared services are assessed as not able to meet the council's requirements, they should be commissioned through different delivery models and considered for design exercises. This would require the council to first establish its requirements for services

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- There is a risk that new technology requirements to enable service design may not be met or accommodated by the council's shared ICT service and that ICT could become a constraint to design projects

- This option would enable the creation of new internal change roles with appropriate skills and capacity around programme and change management to support the development and delivery of a programme to achieve the new operating model, however this would need to be prioritised

RISK AND BENEFIT ANALYSIS

The scored appraisal of Option Five can be found in Figure 14, with a justification for the score attributed to the option provided below.

DESIRABILITY

In terms of enabling SCDC to achieve its strategic outcomes, Option Five would create a Strategic Client function for the council and a strong strategy framework to drive the organisation through to delivery. The development of strategy, informed by political priorities, would directly inform the requirements to commission services that are truly aligned to the council's strategic outcomes. The council's current complexity around delivery models would be addressed through this option, however may take the short to medium term for full strategic and commissioning lifecycles to be established and addressed all areas of the council.

This option would significantly strengthen the council's strategic capability to support the organisation to adapt and flex to changes in requirements and priorities in the future. The impact of this is that future changes to the council's strategic outcomes would be addressed effectively by recommissioning services without the need without the need to redesign services in every case.

This option would introduce a commissioning approach at an organisational level and organisational capabilities around commissioning, strategy development, asset management and business intelligence and analytics which would enable the council to commission and decommission services based on evidence of how well they meet their requirements and customer need.

Option Five would enable all aspects of service delivery to be designed from a blank page using a whole system approach to ensure they are efficient effective and agile. It would also enable the reconfiguration or integration of services across the council as a whole.

However, the council's current shared ICT arrangements may initially limit design options available around ICT provision if SCDC's requirements differ to those of its partner(s).

This option would embed Information as an Asset as an organisational capability, supporting the use of customer insight, predictive analysis and business intelligence to enable services to be designed to meet customer need and effectively prioritise resources.

Option Five would consider a range of delivery models by reconfiguring the council's existing portfolio of services and identify the most appropriate delivery model to meet the council's requirements.

Option Five - Adaptive Operating Model

This option has been scored out of 10 for each aspect of Desirability, Feasibility and Viability, achieving a total of 161 out of a possible 210.

DESIRABILITY

Enables our strategic outcomes	9
Enables a commissioning approach	8
Reconsiders all aspects of design service	9
Enables customer insight	9
Consider a range of delivery models	8
Enables us to embed commercialism	9
Enables us to drive self-serve transactions	9
Enables us to align or integrate functions	9
Empower staff	9
Design the council as a 'good partner'	10
TOTAL	89

VIABILITY

Enables long term sustainability	9
Contributes to on-going resilience	10
Aligned to customer and community need	10
Supports organisational risk management	8
Supports long term financial sustainability	8
TOTAL	45

FEASIBILITY

Deliverability of option by 2022?	7
Degree to which option builds on existing capability	2
Degree to which option supports council to achieve savings in MTFF	7
Level of up-front investment required	4
Council has access to the skills and competency to implement option	2
Likely political and senior officer appetite for option	5
TOTAL	27

DESIRABILITY	89
FEASIBILITY	27
VIABILITY	45
TOTAL	161

Figure 14 - Option Five Appraisal

All services would have clearly specified requirements, regardless of their delivery model. The lack of exit strategies in place for the majority of shared arrangements, whilst not entirely limiting, may delay this as their absence creates a level of risk and potential unknown constraints and costs, however this could be addressed through the commissioning lifecycle

This option would enable the council to embed commercialism at a strategic level and clarify the council's investment strategies. A commissioning approach could also support the council to more effectively appraise commercial opportunities.

This option would create Digital by Design capability to enable the council to drive self-serve functionality at an organisational level. This may be constrained where services are delivered through shared services where this does not align with the ambition and appetite of the council's partners, however this could be addressed through the commissioning lifecycle which would consider whether shared delivery models effectively meet the council's requirements.

Option Five would provide the ability to fully realign and integrate the council's service portfolio around organisational priorities, customer and community need to an agreed scope, quality standards, performance and outcomes.

This option provides the opportunity to design the council's management and supervisory structure, roles and operating rhythm to support greater empowerment and appropriate accountabilities for officers. It would enable the council to be designed as a 'good partner' through

opportunities to design partnership working at all appropriate levels of the council, creating strategic capacity and freeing up senior officers to dedicate time and roles to partnership working. This provides a real opportunity to address the council's challenges in this area, as communicated by partner councils during engagement as part of this review.

FEASIBILITY

Option Five would require a highly coordinated programme(s) of work to be established which could be developed within four months. It would require multiple exercises to be implemented and managed concurrently, such as the design of the council's management structure, and service design exercises. Although this is feasible, it would require experience and skills around design, and change which is not currently available in the council.

One further complexity around this option would be the council's shared service arrangements, which would require further exploration with partners and the council to embed its commissioning capability to fully assess the value of its current shared arrangements.

The option would support the delivery of savings identified in the council's Medium Term Financial Forecast if this was set as an objective to be driven out by service design exercises, however this option alone would likely not achieve all savings required.

As this option would require new capabilities to be created, there would also be a requirement to re-invest some of the savings it would deliver. The level of up-front investment required to deliver this option is estimated in the Cost Analysis section.

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In terms of access to the skills and competency to implement this option, the council has limited capacity and capability around change management, service design expertise, programme management, project management and strategic HR. To implement this option, the council would need to recruit or contract the required skills.

In terms of likely political and senior officer appetite, Option Five would meet the council's aspiration to transform services and design the council to meet its strategic and political aims. It would also be an unprecedented level of change for the council. Progressing this option is likely to be sensitive, as it would impact all officers from the Chief Executive to the council's most junior officers. Senior leadership support and appetite may be initially challenging as officers would be at risk. Establishing the senior management team to support the delivery of this option would be a key priority.

VIABILITY

Option Five would enable the council's long-term sustainability by creating an operating model with the capabilities, such as Commissioning and Information as an Asset, which would support the council to be adaptable to new requirements, issues and strategic aims as they arise. It would enable the council to constantly define its requirements and measure the performance of services against their requirements, commissioning or decommissioning services as the council's requirements and priorities change.

This option would support SCDC's on-going resilience through effective design and increasing the flexibility of roles providing the opportunity to design multi-disciplinary teams and aggregate common functions across the council's services. It would also allow the council to address its strategic capacity issues and issues around vacancies through the design of a new leadership team.

In terms of the model being aligned to customer and community need, the model would provide commissioning capability, supported by business intelligence and customer insight which would ensure the council is both aware of, and able to respond effectively to changing customer and community demand.

Option Five would support the management of current and medium term risks at an organisational level. As the council's senior management would be in scope, it would address the risks created by a lack of strategic capacity. It would also provide the council with an opportunity to redesign its Finance service as a priority to address its financial management issues which would support the council's long-term financial sustainability.

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COST ANALYSIS - REQUIRED INVESTMENT

Option Five, as in Option Four, would require a level of up front investment to address the council's skills gaps required to successfully implement and manage the delivery of the option. The investment costs below at are estimates based on our experience of providing these services in similar commissions:

- Investment to develop the programme of work required to implement the option would be estimated as £100,000 (if provided by Castlerigg we would provide a discount of £60,000 and support the development of the programme at a cost of £40,000)

- Investment to deliver the programme to address skills gaps in the council around service design expertise, business analysis and project implementation, estimated at £120,000 per service design project. Our initial scoping estimates that the council would require between 9 and 10 projects (£1.08M - £1.2M) to be delivered over a three year period, depending on the ability and the appetite of the council and its partners to redesign shared service arrangements. One exercise would include the design and implementation of a new management structure

- The council would required to invest in resource to support the development of the programme. This would include investment in programme management and additional strategic HR resource estimated at around £100,000

This equates to a one-off investment of £1M - £1.34M over three years.

- In addition, the council may require investment in resource to support delivery of the programme of work to deliver this option. This would be likely to include investment in programme management and additional strategic HR resource estimated at around £100,000 per annum

Note: There would likely be additional costs to deliver the programme which would need to refined as part of programme development. These costs are likely to include internal officer support, investment in technology and others depending on the nature of the service design.

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COST ANALYSIS - POTENTIAL FINANCIAL BENEFITS

All potential financial benefits identified would need to be refined and validated during the development of the programme and tracked subsequently throughout delivery of the service design programme.

Redesign of non-shared services equates to an estimated financial benefit of £1.59M.

SCDC has a £17.9M net budget. £7.95M of this is attributed to non-shared services where the council has the ability to fully redesign services which is the total budget that could be influenced through this option.

Based on our experience of designing new operating models and our understanding of the council's current position, a 20% revenue reduction in services could be targeted as a financial benefit which would equate to £1.59M.

Note: This option would require the creation of new strategic capabilities and the council to make investment decisions around the level of financial benefits used to support this.

Note: There would likely be an impact to savings in VR/VER costs as savings would be realised through reductions in staff costs through the establishment of new capabilities and ways of working.

Note: The financial benefit stated above does not include any savings that may be made within the Housing Revenue Account. This is because the restrictions on the use of HRA funds would require this saving to be reinvested within the service and mean that benefits here would be non-financial in nature.

Recommissioning of shared services to achieve an estimated financial benefit of £366,000.

Additionally, there may be some scope to recommission shared services with agreements of partners. The fact that partners and shared arrangements are involved creates additional risk.

To reflect this we would estimate that only a 10% financial benefit on SCDC contribution to the Greater Cambridge Shared Planning Service, which would equate to £366,000

Whilst there may also be financial benefits in the Greater Cambridge Shared Waste Service, we understand that due to the scope of work already undertaken by the service that this would be limited.

The council's less costly shared services, such as Building Control and Internal Audit have not been included as recommissioning these services would likely provide only limited financial benefits. Whilst design exercises in these areas would also provide non-financial benefits, they would be undertaken at a cost to the council.

The council's ICT service has not been included as it is hosted by Huntingdonshire District Council and as the council's requirements for ICT would change as part of this option it is unlikely that savings would be achieved from this service.

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NEXT STEPS

This review of organisational structure is understandably comprehensive given the scale of the challenge ahead, the potential opportunities and options the South Cambridgeshire District Council can now exploit.

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RECOMMENDED OPTION

This Review of Organisational Structure is the beginning of a journey for SCDC, providing the justification for change, options to achieve this and the desirability, feasibility and viability of those options.

This review report is a large document and may need to be summarised to disseminate the messages it contains to key stakeholders. Nonetheless, it is comprehensive for a reason - it provides a broad assessment of the benefits the council could achieve by embarking on a radical transformation of its current structure and ways of working, drivers, current challenges and opportunities to allow the council to make an evidence-based decision about how it moves forward to address these.

As can be seen from the Options Appraisal, Option Five scores slightly lower than Option Four in terms of its feasibility, however the desirability and long term viability of Option Five greatly outweighs that of Option Four.

Option Four has real merit in terms of short term improvement, but it is less sustainable in the long term and would not provide the council with the capability and means to truly transform and sustain itself or achieve the council's organisational vision and blueprint.

Based on the evidence of the council's current position and the assessment of all options proposed, we recommend that SCDC approves development of Option Five to the next stage.

The next stage of development would require two workstreams:

- Development of a detailed operating model - a detailed description of what the council will look once it delivers the recommended option, building on the outline operating model provided

- Development of a programme to deliver and implement the detailed operating model - the detailed plan for how the council will achieve the recommended option

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CHANGE READINESS

As added value to SCDC to support its ability to progress the recommended option, we assessed the council's readiness for change and presented our findings to the Leader of the Council and lead officer for the review. This assessment identified a number of key issues to be addressed to enable the council to progress successfully:

Design and implementation capacity: The council does not have access to experienced and skilled resource to support the design of a detailed operating model without seeking external support.

Leadership capacity: The council has limited officer leadership capacity in its current structure. The level of change required to achieve the recommended option would be unprecedented in the council and would require strong leadership to take brave and potentially unpopular decisions to progress the recommended option.

Political and officer consensus: At the outset of this review, the council did not have common and agreed priorities for change amongst its political and officer leadership. This review of organisational structure was initiated in response to this and supports the council to develop a common consensus of challenges, vision for the future with the next steps following this report providing the opportunity to clearly define the common, agreed priorities for change and the method for addressing these.

KEY PRIORITIES

Based on the findings of this report, there are a number of key priorities we would recommend the council addresses during next steps and the design of a detailed operating model:

Senior Officer Leadership: The design and implementation of a new senior management structure to address the council's issues around strategic capacity, vacancies and interim arrangements.

The Monitoring Officer role: To define the council's requirements from the Monitoring Officer role and assess whether the current shared arrangement meets the council's requirements and how this should be addressed in the council's future operating model.

Commissioning capability: To establish a commissioning approach and lifecycle to enable all services to be recommissioned against clear requirements and specifications.

Internal change resource: The council has limited internal resource available to support the development and delivery of the proposed programme. Dedicated programme, change and project resource would be required to support this.

Design skills: Service design skills are not carried by the council and are likely to need to be sourced from an external specialist.

Finance: The council has recognised the need to strengthen financial management and has appointed an interim Chief Financial Officer (section 151 officer). A key priority will be to appoint an officer on a permanent basis and assess the current Finance service's skills, capacity and capability.

ICT provision: To define the council's requirements from ICT and assess the best delivery options to achieve a new technology and application architectures.

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IDENTIFYING AND DEFINING A PROGRAMME

To progress the recommended option, the council should undertake the initial stages of programme development (as outlined in the Managing Successful Programmes methodology): Identifying and Defining a Programme.

At the Identifying a Programme, a programme brief and programme preparation plan would be created. This brief would provide a outline description of the benefits or types of benefits that would be delivered by the detailed operating model. It would also estimate costs, timescales and efforts required to establish and deliver the proposed programme, risks, issues, constraints and assumptions.

The programme brief would allow the council to assess the viability of the proposed programme and confirm it is achievable.

A programme preparation plan would then detail the activities that would be undertaken, the resource required, effort, cost and the timescales for Defining a Programme. At this stage the council would be able to make an informed decision as to whether to commit the resources required to the next stage of programme development.

The next step would be to define the programme in further detail. This would require the development of the programme business case, the definition of programme governance arrangements and programme roles and responsibilities. During this phase a programme team would need to be established and work would be undertaken to develop benefit profiles and the validate all benefits. A project dossier would be developed to prioritise design projects based on readiness for change and benefits

The outputs of Defining a Programme would be a business case, programme definition document and programme strategies.

1
Strategic Context

2
Drivers for Change

3
Vision and Blueprint

4
Capability Assessment

5
Options Appraisal

6
Next Steps