

# PUBLICA

**TITLE:** Incoming Managing Director's report

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Publica Board is requested to agree the recommendations set out at section 7 of this report.

## **I. Purpose – Leadership Assessment**

- I.1 The purpose of this report is to set out a Leadership Assessment of where Publica currently stands and a proposition for Leadership Direction over the medium term, with specific recommendations for action, from the incoming Managing Director.
- I.2 The SWOT Analysis attached as Annexe A summarises a wide-ranging raft of conclusions about Publica's current position, drawn from the incoming Managing Director's first eight weeks in post and has been discussed with Council Leaders, Heads of Paid Service, the (Publica) Executive Management Team and Group Managers.
- I.3 In summary, the Publica model as a four Council partnership has many strengths. The establishment of Publica is an achievement in its own right. The underlying business case that the Publica partnership provides scope for efficiencies and economies of scale and capacity for self-improvement, which individual District Councils alone may not be able to achieve, continues to be sound. The strongest evidence for this is the level of base budget and one-off savings that have already been achieved, while services have mostly been sustained at a level at least as good in terms of performance and customer satisfaction as pre-Publica. Despite some strong words in this report, it is without doubt that Publica continues to deliver thousands of frontline transactions every day on behalf of the partner councils with high levels of customer satisfaction. In the current climate of austerity in local government this in itself is a significant achievement.
- I.4 Publica also benefits from the continuing commitment of the four partner Councils, dedicated employees and a recently-appointed cohort of Group and Business Managers who have the potential to provide a powerful engine room for change and improvement across the business – and have begun to demonstrate this potential in the production of this report.

- I.5 Set against these strengths, the organisation currently faces a number of challenges largely (but not solely) borne of a divergence between the intentions about how Publica would operate when the decision to establish the company was made in 2016/17 and subsequent changes in the expectations and service requirements of the partner Councils, particularly following the recent change in political administration at Cotswold DC, but also the earlier decision to pursue different terms of engagement by Cheltenham BC, the change in political administration at Forest of Dean and changing priorities in West Oxfordshire.
- I.6 Publica, in line with local government as a whole, also faces the perennial challenge of meeting ever-increasing public expectations with declining financial resources. This will require a level of modernisation, demand management and model shift to self-serve customer solutions that far exceed the changes to frontline services that Publica has delivered to date. The new Salesforce CRM platform is absolutely fundamental to these changes. In the previous experience of the incoming Managing Director this process of service change can place intense pressure on relations between elected Councillors and employees, as difficult choices have to be made about how services are to be delivered in the future. This strain is unlikely to be less intense in Publica's four Council partnership model.
- I.7 There is limited political awareness and understanding across Publica of how to work effectively with Councillors; that which exists is largely vested in the Directors and Group Managers. At times, there seems to be a 'tin ear' in the organisation when it comes to political sensibilities.
- I.8 The time and resources that have been consumed by the continuing single status process (terms and conditions, pay and grading) have sapped the Publica project of momentum and enthusiasm, and yet it can only be concluded that this has been a necessary requirement for establishing the single company. It has presented an immense hurdle to other progress and its imminent conclusion provides a significant opportunity to look to the future and set new expectations for Publica; although the closing stages of the process continue to present some equal pay risks.
- I.9 There are also a number of 'structural' weaknesses that are holding the business back; chief amongst these are:
- The Executive Management Team structure has insufficient clarity over roles and responsibilities or sense of a single, joined-up team. Directors are not focusing on strategic issues to the extent that they should be and there is a tendency for them to 'work down' to the operational level – in fairness, the Directors currently have little choice but to 'work down' as they are all too often firefighting to compensate for the weakness of business as usual processes, capacity gaps or frequent communications gaffes.
  - The lack of clarity over roles in the Executive Management Team is compounded by a similar lack of clarity in the relationship between Publica and the retained Statutory Officers of West Oxfordshire, Cotswold and Forest of Dean Councils.
  - Management meetings are poorly defined; project and programme management is haphazard and lacks senior management oversight; and the approach to identifying and delivering efficiency savings is not sufficiently strategic nor does it engage Group and Business Managers in a way that consistently impresses upon them the absolute requirement that they should contribute individually and collectively to Publica's corporate financial strategy and the medium term financial plans of the councils.

- Business as usual processes – such as sign offs of reports, member briefings, workforce planning etc. are inconsistent or, in some cases, absent. This is a near-constant source of low-level friction with the partner councils and has the effect of locking a significant proportion of the time of senior managers into ad hoc discussions about how to move things forward or firefighting.
- The commissioning function is inadequate and has been criticised in LGA peer reviews. There is a need to develop a structure where Publica, as commissioning agent for the councils, provides the council with sufficient performance information and analysis for the councils to properly hold Publica to account for the performance of the services it provides and those of third parties<sup>1</sup>.

## 2. Leadership Direction

- 2.1 The underlying business case for Publica continues to be sound. There is a track record of achievement. There is undoubtedly a great deal that needs to be done to move forward.
- 2.2 The primary medium-term objectives should be: (i) to develop the Executive Management Team and focus Directors on leading Publica’s strategic, organisation-wide response to the ‘big ticket’ priorities set out in the partner councils’ corporate plans; and (ii) to build confidence, capability and capacity in the cohort of Group and Business Managers who have the potential to provide a powerful engine room for change and improvement across the business.
- 2.3 The Executive Management Team, including the incoming Managing Director, need to work together to develop a shared sense of a single, joined-up team with the emphasis on collective leadership of the Publica business as a whole and the delivery of the big ticket priorities in the partner councils’ corporate plans, rather than individual line management functions.
- 2.4 It is central to the future success of Publica that the greatest part of the Directors’ efforts should align with the priorities set out in the partner councils’ corporate plans. These include climate emergency, affordable housing and growing commercial income. Other strategic priorities include commissioning and performance management, and mission-critical projects, such as the roll-out of Cotswold’s new waste collection service and bringing the current pay and grading process to a successful conclusion as swiftly as possible.
- 2.5 The proposed allocation of Directors to cross-cutting corporate priorities is:
  - Climate Emergency – Executive Director – Services (Sue Pangbourne)
  - Housing and Regeneration – Executive Director Commissioning (Christine Gore)
  - Commercialisation – Group Finance Director (Frank Wilson)
  - Local Plans and Strategic Sites – Executive Director Commissioning (Christine Gore)

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<sup>1</sup> Situations where one organisation, often the council itself, is both the commissioner and provider of services are common in local government, but to be effective and transparent require clear lines of accountability. Returning the commissioning function to councils would gut Publica of its capacity for self-improvement and fundamentally undermine the business case. Annexe B attached to this report is a short paper on commissioning that was recently written by the Executive Director - Commissioning.

- Waste – Managing Director (Jan Britton)
- Leisure and Health and Well-being – Executive Director – Services (Sue Pangbourne)
- Transformation and Service Improvement – Group Finance Director (Frank Wilson)
- Commissioning – Executive Director Commissioning (Christine Gore)
- Parking Infrastructure and Enforcement – Managing Director (Jan Britton)

- 2.6 In the context of Directors work on cross-cutting strategic priorities, it is important to stress that this is about making the most of the common ground that exists between councils' priorities, to join-up the Publica back office, whilst meeting the separate and distinct objectives of the individual councils; it is not about shoehorning the councils into identikit solutions.
- 2.7 In a recent informal report to Council Leaders, in their capacity as Publica shareholders, the outgoing Managing Director mooted the possibility that an allocation should be made from the Transformation Fund held by Publica to 'kick start' work on some of the priorities set out in the partner councils' corporate plans. The areas most able to benefit from this kind of investment are asset management and strategic housing, and it is therefore recommended that an allocation of £50,000 be made from the Transformation Fund for this purpose, subject to the agreement of a detailed business case on a 'spend to invest' basis by the Chair of the Publica Board and the Group Finance Director.
- 2.8 In addition to the focusing on big ticket priorities, it is also recommended that each member of the Executive Management Team should take a strategic relationship lead for one of the four partner councils. *This relationship lead role is about managing the overall relationship between Publica and the councils; it is not a substitute for or duplication of the locality lead roles of other employees in specific service areas.* This will bring clarity to a system that is already partially in place through custom and practice. The proposed allocation of Directors to councils is:
- Cheltenham Borough Council – Managing Director (Jan Britton).
  - Cotswold District Council – Executive Director – Commissioning (Christine Gore).
  - Forest of Dean District Council – Executive Director – Services (Sue Pangbourne).
  - West Oxfordshire District Council – Group Finance Director (Frank Wilson).
- 2.9 The changing role of the Executive Management Team will inevitably have consequences for the recently-appointed cohort of Group and Business Managers who will need to contribute towards the Directors' new focus on strategic priorities and expand their role in the operational management space.
- 2.10 In considering how the role of Group and Business Managers will change, there is a significant opportunity to release their potential and create the capacity and energy to take on many of the other challenges set out in this report, and to build a sustainable and resilient future for Publica. This will take time – *some of the managers are championing at the bit to take up the opportunity, while others are locked in 'head down' technical mode and reluctant to accept suggestions that they bear any individual or collective responsibility for the organisation as a whole* – but developing the capacity and capability of these managers is an investment in the future which will ultimately return a greater reward in the long term than a directive 'top down' approach.

- 2.11 The first indication of managers' willingness to step up to the plate is promising, as the recommendation in section 3 of this report around Group Managers' roles largely stems from an invitation for Group Managers to respond to the findings of the SWOT Analysis.
- 2.12 However, delivering these objectives will require a concerted and consistent programme to develop the role of the Executive Management Team and empower, equip and challenge the Group and Business Managers. This programme will need number of components, but the key will be endurance, capacity is not built in a day; the main components of the programme will be:
- Develop the strategic role of the Executive Management Team as set out in this paper, to align the greatest part of the Directors' efforts with the priorities set out in the partner councils' corporate plans and formalise the system whereby each member of the Executive Management Team take a strategic relationship lead for one of the four partner councils.
  - Work with the cohort of Group and Business Managers to develop a new, consistent and challenging understanding of the organisation's expectations of them as managers and to empower and equip them to take up the opportunity that is on offer. In particular, to develop with the Group and Business an operating model that assists them to manage their roles serving multiple partner councils.
  - Invest in a sustained Leadership Development Programme for the organisation as a whole, with Group and Business Managers as the lynch pin around which the programme revolves, but extending to Team Leaders and frontline employees and engaging Directors and retained council employees, on the principle of 'leadership at every level'. Some initial thoughts on a Leadership Development Programme are attached as Annexe C. These will require further development before the programme can be commissioned early in the New Year.
  - Evolve the current 'transformation' narrative into a service improvement agenda that replaces the dominant perception of a centralised team 'doing transformation' to hard-pressed services, with a new approach that invests in and supports Group and Business Managers to deliver improvement (and holds them accountable for the results), with a resolute focus on driving service improvement to the frontline. Fundamental to this change in emphasis will be to ensure improvement are made in-line with agreed service design principles, the use of the new council websites and the Salesforce CRM platform as a key digital capability for improvements to the customer experience.

### **3 Group Managers**

- 3.1 One of the most significant individual findings of the SWOT Analysis is that at least one and possibly two Group Managers are carrying unsustainable workloads and that the management structure is under-resourced by one Group Manager. The two Group Managers referred to being the Group Manager – Commissioning (Claire Locke) and the Group Manager – Residents' Services (Jon Dearing).
- 3.2 This finding was put to the Group Managers with an invitation for them to consider where an additional Group Manager in the structure would bring the most benefit, were resources to be

available to create such a post. It bodes well as a sign for the future that the Group Managers responded to this invitation with a proposal to create a new post and re-allocate existing roles and functions broadly along the following lines:

- Create one new Group Manager by sub-dividing the role of the current Group Manager – Commissioning, such that the current post holder continues to cover asset management and climate change, and gains the strategic housing function from the Group Manager – Residents’ Services; and the new post covers waste and contract management with an emphasis on driving efficiency savings and increasing earned income through the effective management of contracted services.
- At the same time, transferring the strategic commissioning function (between Publica and partner councils, referred to in this report) and programme and project management to the Group Manager – Strategic and Company Support (Andy Barge).

3.3 The incoming Managing Director and Executive Management Team have considered this proposal and are happy to endorse it as a way forward, subject to the allocation of resources and the development of further details to ensure the efficacy of the broad proposal set out above.

## **4 Political Awareness**

- 4.1 Another significant finding of the SWOT Analysis revolves around the limited political awareness and understanding across Publica of how to work effectively with Councillors. Much as it would be preferable to address this as part of the wider Leadership Development Programme that is proposed in this report, it is such a pressing issue that there is insufficient time to rely solely on a longer-term strategic approach; more immediate action is required.
- 4.2 Therefore, it is recommended that in the New Year, Publica should engage an experienced provider, such as the Local Government Information Unit (LGIU), to deliver an in-house political awareness programme, fine-tuned to the needs and circumstances of Publica – in order to stem the tide of concern around this issue.
- 4.3 At the same time, a review of Publica’s new employee induction programme needs to incorporate political awareness and understanding of how to work effectively with Councillors, ideally including hearing first-hand from Councillors themselves.

## **5 Employee Survey**

- 5.1 The recent employee survey, change management sessions and directed discussions have provided Publica employees with a number of opportunities to feedback on how they feel about working for the organisation. These have been responded to in the recent (Publica) People Plan and taken into account in framing this report. Many of the matters arising from the consultations with employees are embedded in the SWOT Analysis and the various recommendations in this report, specifically the proposal to invest in a comprehensive Leadership Development Programme.

5.2 However, there are two areas that are worthy of specific reference, the first is the need to launch an effective system for employee appraisals on the back of implementing the new pay and grading structure, and the second is to highlight the employee survey's stark commentary on the low visibility of and limited trust in senior leaders. The only enduring way to address the latter is through sustained action over time and the actions set out in this report will make a significant contribution towards this objective.

## 6 Timescale and Resources

6.1 This report sets out a proposition for Leadership Direction over the medium term, with specific recommendations for action, from the incoming Managing Director. It is deliberately limited in setting specific timescales for individual actions, save for the specific reference to the term of the proposed Leadership Development Programme being nine or twelve months – more likely the latter once time is allowed for commissioning and procurement.

6.2 This is not to suggest that change and improvement must wait for twelve months. The benefits of the approach set out in this report will begin to accrue from January 2020 onwards, but will build up over time. However, it is reasonable to consider that achieving sustainable and embedded change will take at least eighteen months, with the opportunity for the Board to review progress at the mid-point in this timescale.

6.3 There are four proposals and recommendations in this report that amount to significant resource pressures:

- The proposal to allocate £50,000 from the Transformation Fund to kick start work on asset management and strategic housing investment.
- The proposed Leadership Development Programme, which will be a significant undertaking and a major transformational investment on the part of Publica.
- The immediate programme around political awareness and working with elected Councillors.
- The proposal to create a new Group Manager post by sub-dividing the role of the current Group Manager – Commissioning.

6.4 Of these, the first three are one-off costs, albeit significant ones. It is recommended that these should be funded by the allocation of £350,000 from the Transformation Fund.

6.5 The final pressure in the list is a recurring cost, as it relates to the appointment of a permanent post. However, the initial outline business case for this post indicates that it offers significant scope for driving efficiency savings and increasing earned income – and that there is an opportunity for the post to become substantially self-funding in the medium term. It is therefore recommended that start-up funding for the first twelve months of this post be provided by the allocation of £100,000 from the Transformation Fund.

## 7. Recommendations

7.1 It is recommended that the Board:

- 7.1.1 Agree this report as a basis for the Leadership Direction of Publica over the medium term and for incorporation into the Business Plan for 2020/21.
- 7.1.2 Note the current Leadership Assessment of where Publica currently stands, as set out in Section 1 of this report.
- 7.1.3 Endorse the proposals for the development of the role of the Executive Management Team, as set out in Section 2 of this report.
- 7.1.4 Agree the allocation of £50,000 from the Transformation Fund to kick start work on asset management and strategic housing investment, in line with the priorities set out in the partner councils' corporate plans, as set out in Section 2 of this report, and subject to the agreement of a detailed business case on a 'spend to invest' basis by the Chair of the Board and the Group Finance Director.
- 7.1.5 Agree the allocation of £300,000 from the Transformation Fund to fund the Leadership Development Programme and political awareness training, as set out in Section 2 of this report, and subject to the details of the Leadership Development Programme being agreed by the Chair of the Board and the Group Finance Director.
- 7.1.6 Agree the broad parameters for the creation of an additional Group Manager post and associated changes in the allocation of functions and roles, as set out in Section 3 of this report, and subject to the detailed business case for the post being agreed by Executive Director – Commissioning and the Group Finance Director.
- 7.1.7 Agree the allocation of £100,000 from the Transformation Fund to fund the additional Group Manager post for the first twelve months, as set out in Section 6 of this report.
- 7.1.8 Note the total allocation of £450,000 from the Transformation Fund to support this programme over an eighteen month period from January 2020 and delegate authority to the Chair of the Board and Managing Director, in consultation with the Group Finance Director, to reallocate funding within the programme, but not to exceed the total allocation, in the event that such reallocation becomes necessary.



## Annexe A – SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>➤ The establishment of Publica as a four council partnership is a significant achievement in its own right.</li> <li>➤ The underlying business case that the Publica partnership provides scope for efficiencies and economies of scale and capacity for self-improvement, which individual district councils alone may not be able to achieve, continues to be sound.</li> <li>➤ Publica has delivered approximately £2m of base budget revenue savings for the councils to date and has the potential to deliver the remaining savings to meet the target in the original 2020 Vision business case.</li> <li>➤ In the first two years Publica has also delivered one-off savings in the order of £1m, some of which the councils have reinvested in a graduate and intern scheme.</li> <li>➤ Services have been sustained at a level at least as good in terms of performance as pre-Publica, whilst savings have been made – and many other councils have been forced into substantial cuts.</li> <li>➤ Customer satisfaction with services provided by Publica on behalf of the partnership councils is high.</li> <li>➤ There continues to be a commitment on the part of the partner councils to make Publica work and realise the benefits that the shared services model offers.</li> <li>➤ Publica benefits from many good employees who are deeply committed to their services and the place and people they serve.</li> <li>➤ ICT within Publica is generally sound and communication technology is used effectively to mitigate the challenge of working across four council geographies.</li> <li>➤ The ICT investment in Salesforce is a valuable strength but has to be tempered by reference to the significant amount of work that is still required to make best use of this investment across the business.</li> </ul>	<ul style="list-style-type: none"> <li>➤ There is a limited shared across the organisation of what Publica is for and how we do business.</li> <li>➤ The Executive Leadership Team structure has insufficient clarity over roles and responsibilities or sense of a single, joined-up team.</li> <li>➤ There is a lack of clarity in roles between senior Publica employees and retained council officers.</li> <li>➤ There is limited political awareness and understanding of how to work effectively with elected Councillors; there is a lack of political acumen and a ‘tin ear’ when it comes to political sensibilities.</li> <li>➤ The recent change in political leadership at Cotswold DC was poorly prepared for by Publica. The arrival of the new administration, with very different expectations and new service requirements has exposed a weakness in Publica’s ability to respond to changing circumstances, while also bringing other issues into sharper focus.</li> <li>➤ Business as usual processes – such as sign off of reports, member briefings, workforce planning etc. are inconsistent or absent. Almost every plan, project or proposal generates an ad hoc discussion about how to move it forward.</li> <li>➤ Directors are not focusing on strategic issues to the extent they should be and tend to ‘work down’ to the operational level – often firefighting to compensate for the weakness of business as usual processes, gaps in capacity or communication gaffes.</li> <li>➤ The commissioning function – <i>and the role of Publica as commissioning agent for the councils, both of services provided by Publica and by third parties</i> – is inadequate and has been criticised in LGA peer reviews. There is a need to develop a structure where Publica, as commissioning agent for the councils, provides the council with sufficient performance information and analysis for the councils to properly hold Publica to account for the performance of the services it provides and those of third parties. <i>(Note: situations where one organisation, often the council itself, is both the commissioner and provider of services are common in local government, but to be effective and transparent require clear lines of accountability).</i></li> <li>➤ At least one and possibly two Group Managers are carrying unsustainable workloads; the management structure is under-resourced by one Group Manager.</li> <li>➤ For a relatively small organisation, Publica’s structure is very hierarchical.</li> <li>➤ The evidence of the employee survey and directed discussions is that morale amongst the Publica workforce is mediocre and trust and confidence in senior leadership is low; there is little visibility of senior leadership across the organisation.</li> <li>➤ Data maturity is low and business information is not used consistently to enable informed, evidence-based decision-making.</li> <li>➤ The quality of written communication and report writing is patchy at best and lacks consistency.</li> </ul>

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>➤ A previous over-reliance on external consultants is beginning to be replaced with an insourcing model that captures the learning from external advisers to expand capacity within the company.</li> <li>➤ The imminent conclusion of the pay and grading process presents a significant opportunity to look to the future and set new expectations for Publica.</li> <li>➤ A review of the Executive Leadership Team arrangements would help to clarify roles and expectations around issues such as commissioning, council liaison etc.</li> <li>➤ The compact cohort of twenty Group and Business Managers has the potential to provide a powerful engine room for change and improvement across the business, if they can move from silo to team working.</li> <li>➤ There is an opportunity to evolve the ‘transformation’ narrative, which has become tarnished, into a service improvement agenda that replaces the dominant perception of a centralised team ‘doing transformation’ to hard-pressed services, with a new approach that invests in and supports Group and Business Managers to deliver improvement (and holds them accountable for the results).</li> <li>➤ Salesforce and other initiatives present an opportunity to develop business information capability to drive improvement and increase the return to the councils.</li> <li>➤ Emerging council priorities around climate emergency, housing and commercialisation present an opportunity for Publica to demonstrate its ability to respond to new priorities and deliver stronger outcomes through joint working where councils’ priorities align.</li> <li>➤ The recent moves by shareholders (Council Leaders) to meet – and the imminent informal shareholders meeting – are welcome developments, as Publica will benefit from a joined-up approach by its shareholders; extending similar joint meetings to cabinet portfolio holders in key priority areas may also be of benefit.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Financial pressure on district councils is likely to continue in the medium term (3-5 years).</li> <li>➤ The approach to identifying and delivering the efficiency savings set out in the 2020 Vision business case is not sufficiently strategic.</li> <li>➤ Publica has not responded effectively to the changing expectations of the councils about what Publica will deliver and how it will work since the decision to establish the company in 2016/17.</li> <li>➤ Council concerns about the branding and identity of Publica relative to that of the councils themselves is both a threat in its own right and, to some extent, a proxy for other concerns about Publica’s current manner of operation.</li> <li>➤ Prolonged single status process (terms and conditions, pay and grading) continues to present risks in implementation (equal pay) and hurdle to progress across the business.</li> <li>➤ Project and programme management within Publica is haphazard and lacks senior management oversight. Some work is currently underway to address this concern.</li> <li>➤ The vision of the current/previous Managing Director far exceeds the current capacity of the organisation to deliver.</li> <li>➤ Many employees have perceived previous management messaging as presenting a binary choice between loyalty to ‘their’ council (in most cases their previous employer) or to Publica; most have tacitly chosen the former.</li> <li>➤ The views of elected Councillors can be under-appreciated by the Publica Board from a political perspective.</li> <li>➤ Local government reorganisation continues to be a threat to district councils and therefore to Publica.</li> <li>➤ There is a casualness in communication between employees and elected councillors which is widely held to be conducive to good working relations, but recent examples of cabinet member dissatisfaction with communication suggest otherwise and long-standing evidence across local government demonstrates that over-familiarity between elected members and officials can lead to the erosion of standards.</li> </ul>

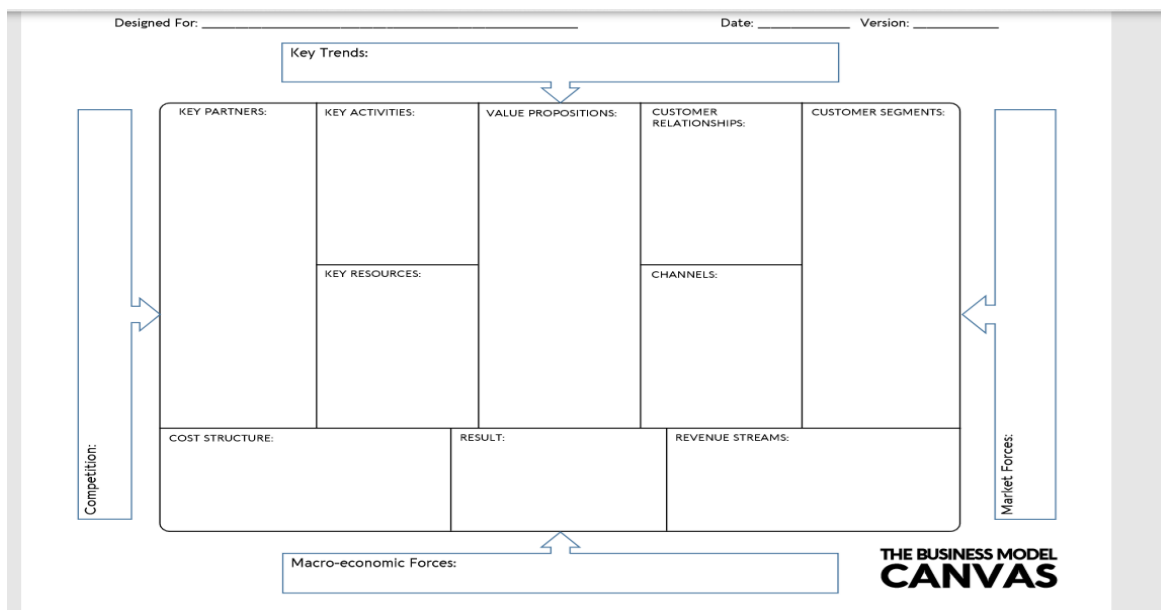
## **Annexe B – Commissioning – Direction of Travel**

1. Three of the four partner Councils purchase the majority of their services, including commissioning, from Publica, and whilst the Heads of Paid Service are the lead commissioners for each Council (except at Cheltenham where the Executive Director for People & Change is the lead commissioner), with a direct relationship in that context with Publica's Executive Director (Commissioning) and Managing Director, the bulk of the responsibility for commissioning sits within Publica, acting as agent for the Councils.
2. Consequently the Executive Director (Commissioning) must be able to undertake the commissioning function in such a way that they are directly accountable to the Councils for the services commissioned from Publica, and also for the services commissioned by Publica from third parties, on behalf of the Councils. In essence, Publica as contracting agent for the Councils must ensure that the Councils have sufficient information to challenge the performance of services provided by Publica.
3. The provision of robust performance data in future – both quantitative and qualitative, together with an analysis thereof – will give the Councils the assurance they require that their commissioned services are being delivered in accordance with the quality and standard that they expect. This data will be presented in the first instance to the Heads of Paid Service who will approve it (or otherwise) for inclusion in a formal report to the relevant Council Committee/Cabinet. It is proposed that a 'tiered' approach be developed and adopted, in discussion with members and the Heads of Paid Service, to ensure that the appropriate level of detail is provided to all relevant stakeholders in order to provide them with the assurance they require.
4. In circumstances where the performance falls below what is expected, the Executive Director (Commissioning) will have the authority to report this to the Council, with the reasonable expectation that appropriate members of Publica's senior management team (or a senior manager from another contractor where it is their performance that is called into question) will separately report on the reasons why this is the case and what is being done to rectify the situation.
5. In relation to any new commissioning activity, Publica should undertake the necessary options appraisal and the Executive Director (Commissioning) will be responsible for presenting this in an objective manner to the Councils' statutory officers in order that they can then make appropriately informed recommendations to the Councils.
6. Similarly, when any contract which one or more of the Councils have entered into (whether with Publica or another third party) is due for review, the Executive Director (Commissioning) should report objectively to the Councils statutory officers on the options available, which may in some circumstances include contracting with a third party other than Publica, for a

service/function currently provided by Publica. As above, the final recommendations will be formulated by the Councils' statutory officers.

## Annexe C – Initial Thoughts on Leadership Development Programme

1. The proposed Leadership Development Programme is at an early stage of development. The first principle is that Group and Business Managers should be the lynch pin around which the programme revolves, but that it should extend to Team Leaders and frontline employees and engage Directors and retained council employees, on the principle of ‘leadership at every level’.
2. The programme needs to be a sustained investment, quite likely over a nine or twelve month period as a one-off event or a short series will not have the necessary impact or the capacity to embed cultural change.
3. It is envisaged that the programme will have a number of components, but the key will be endurance;
  - ❑ Work with the cohort of Group and Business Managers to develop a new, consistent and challenging understanding of the organisation’s expectations of them as managers and leaders and to empower and equip them to take up the opportunity that is on offer.
  - ❑ Evolve the historical ‘transformation’ narrative into a service improvement agenda that replaces the dominant perception of a centralised team ‘doing transformation’ to hard-pressed services, with a new approach that invests in and supports Group and Business Managers to deliver improvement (and holds them accountable for the results), with a resolute focus on driving service improvement to the frontline and delivering council priorities.
4. The programme is not intended to be about high strategy – more leadership competencies, business planning, commercial and political awareness – but the underlying agenda around behaviours and cultural change are at least as important. A lot of the early discussions about the programme have used the Business Model Canvas management tool (below) as a tool to aid the discussion. The Business Model Canvas is a bit dated as a management tool, but it suits Publica’s circumstances in that it looks at the purpose of a business, partners, resources etc. – and therefore can help to tease out discussions around the roles of partner councils, shareholders, the councillors etc.



5. The programme will develop a sense of team and shared trust and confidence between the Group and Business Managers to empower and equip them to take a greater collective role in managing the Publica business as a whole. This is partly about setting expectations, partly giving permission and developing ownership, and partly about providing some of the tools.
6. It is also essential the programme includes an outward view of the best of modern local government, utilising external speakers to widen the cohorts understanding and appreciate of alternative ideas and approaches around areas such as performance and customer service. The involvement of members of the Publica Board, Council leaders, Cabinet Members and retained officers in the Programme will also help to build a common view.
7. The programme will take into account the substantial amount of information that HR and the Transformation Team have collected over the past 6-12 months from both staff and Managers through various forms, which includes the employee survey, change sessions, Business Managers induction and one to ones, as well as the recent peer review findings.
8. It is also recognised that there needs to be a conscious sense in which this is intended and received as an investment in employees. This will help to address the employee survey and directed discussions which show that morale amongst the Publica workforce is mediocre and trust and confidence in senior leadership is particularly low.
9. The programme needs to be co-produced and co-delivered by Publica's transformation and HR teams. This will take longer than straightforward delivery by an external provider under contract, but there is a valuable development opportunity for these employees as part of this programme, of which we should take full advantage, not least because once the programme is completed there will be a need to continue and extend the approach using the in-house teams. Where external support is needed, there will be a requirement that the organisations commissioned will provide a legacy of skills and knowledge so ensuring that capacity is built internally, thus helping the programmes sustainability going forward rather than an ongoing reliance on 3<sup>rd</sup> party organisations.