
**Manchester City Council
Report for Resolution**

Report to: Economy Scrutiny Committee – 14 January 2015
Subject: Reform and Innovation Team
Report of: Strategic Director (Reform)

Summary

This report provides an overview of the proposed Reform and Innovation team, including aims and functions, the different Budget options, and high level timeline for implementation. It also includes details of activity underway to map different programmes (such as complex dependency) to create a single reform plan.

Recommendations

The committee is asked to note the information included within this report.

Wards Affected:

All wards.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

None

1. Aims of the Reform and Innovation Team

- 1.1 The aim of the proposed Reform and Innovation Team is to drive the pace and scale of public service reform in Manchester. It will develop options and proposals that are potentially very different to current service models, in the context of the challenges and opportunities for the city going forward, in order to:
- a) Deliver better outcomes at lower cost
 - b) Drive changes in residents and staff behaviour
 - c) Drive the pace and scale of public service reform across the city, including with partners
 - d) Drive delivery in Manchester of the reform elements of the GM Devolution Agreement, for example, employment and skills, health and social care, and early years
 - e) Deliver differently – implement new ways of working that deliver tangible results
 - f) Reduce demand for high cost, reactive services
- 1.2 The proposal is to establish the Reform and Innovation Team and cease the current Transformation Team. This will ensure Directorates are clearly responsible for delivering programmes and services. The focus of the Core will shift from providing operational project management support to delivering strategic options appraisals, proposals and business case development. There will also be a much greater focus on external links with Whitehall, partners in the city, think tanks and consultancies, and leading practice nationally and internationally. Other deliverables are likely to include, feasibility studies for alternative business models, an implementation plan for Public Service Reform, cost-benefit analysis and financial modelling.

2. Functions of the new Reform and Innovation Team

Function 1 – Driving the Public Service Reform (PSR) programme

- 2.1 The challenge is to drive forward reform at greater pace and scale, in order to connect many more of the city's residents to the opportunities created by economic growth. This means applying the principles that are working for Troubled Families – integration of public services, evidence-based interventions, and a whole-family approach – to broader and deeper cohorts and to other complex challenges.
- 2.2 The role of the Reform and Innovation Team will be to develop and oversee an ambitious city-wide Implementation Plan for PSR, given the challenges of Budget reductions, and the ambition of the GM Devolution Agreement. It will also provide specialist insight and capacity for particular elements of the programme, e.g. where additional analysis or innovative models are required.
- 2.3 The team is working with the Children and Families and Growth and Neighbourhoods Directorates to map the programmes which support families

and individuals with complex dependency. This is being developed into a single, coherent implementation plan.

- 2.4 The programmes being mapped include for example Complex Dependency to Employment, including Troubled Families, Working Well, Intensive Community Orders, the forthcoming Mental Health and Work pilot, and the expansion of Working Well. Each of these delivery models is working with different cohorts of residents to address a range of issues, but applying the same principles of reform – integration, family based and sequenced interventions.
- 2.5 The mapping work will identify the measures of success for each of the different programmes and apply these to the population at large. This will show the scale of the current programmes and their impact over the next 12 months and provide targets to measure success against. The mapping work will also help to identify areas where further coordination or integration would make most sense for residents.
- 2.6 The team will be working closely with the GM Public Service Reform team to ensure that proposals for the Work Programme are joined up and coherent at a GM and Manchester level. This includes identifying the specific actions for Manchester, and agreeing targets for the next 12 months and then two years.
- 2.7 This mapping work will be completed in February 2015.
- 2.8 More broadly, the team will support big ticket reform items such as Health and Social Care integration (e.g. options for investment, commissioning, governance and delivery) and Learning Disabilities.
- 2.9 The Team will also lead a programme of behaviour change with residents, staff and partners, testing different ways of working, supporting and challenging existing practice.

Function 2 – Establishing a different deal for Manchester

- 2.10 This strand of the work programme is designed to generate options for how a different deal with residents, staff, partners and Whitehall can address key opportunities and challenges facing Manchester. This includes persistent worklessness; the productivity gap; demographic changes; changing expectations of public services to be more specialist, personalised and responsive; and interacting through new technology and media.
- 2.11 This work programme will consider:
 - Different models of building community resilience, supporting residents to help themselves and each other, strengths and assets in services and communities
 - Opportunities for more efficient delivery in collaboration with partners
 - Working with residents and service users to co-design new ways of working

Function 3 – Making the Devolution deal happen

2.12 This will include driving the implementation of the Devolution deal in Manchester, plus working with the GM PSR team to provide additional specialist capacity and insight on elements of the deal, using the skills of R&I team who previously worked in GM PSR.

2.13 Areas for joint work with Children and Families, Growth and Neighbourhoods and the GM PSR team (to be defined as the new function is established) may include:

- Employment and skills – a system that is built around labour market needs and engaging those further from the labour market
- Co-design of the successor to the Work Programme
- Scaling up of Working Well – cohorts, timing and performance
- Health and Social care integration – business case development
- Early Years – supporting investment from partners including schools

3. Budget options

3.1 The three options being considered are as follows. All options include 3 funded senior roles that have already been dedicated to the R&I team following Personnel Committee approval in September:

No.	Budget	Roles	Other
1	£1m annual budget. £500k saving	19 FTE including - 6 Reform and Innovation Managers - 8 Reform and Innovation Analysts - 3 senior roles as above - 1 Graduate position - 1 Behaviour Change lead (temporary placement)	£250k allocation* to be split between C&F and G&N Directorates for project management support
2	£750k budget. £750k saving	As per option 1	No allocation for Directorates
3	£500k budget. £1m saving	14 FTE including - 4 Reform and Innovation Managers - 5 Reform and Innovation Analysts - 3 senior roles as above - 1 Graduate position - 1 Behaviour Change lead (temporary placement)	No allocation for Directorates

** the allocation would be for one year to aid transition as Directorates become responsible for project management and delivery.*

3.2 The main differences between these options are:

- Option 2 has 5 more FTE staff than Option 3. This will enable a more ambitious and comprehensive work programme to be developed covering the three strands above. It will mean greater resources to drive the embedding of reform across the organisation. It will enable greater capacity for the new function to challenge established practice, and work with a more diverse external network. It will mean greater hands-on support to develop cost-benefit analysis, financial modelling and new performance management methodologies.
- Option 1 additionally includes project management support for Directorates, which will help support the transition from the Transformation Team to Directorates taking more responsibility for implementation of service redesigns

4. Impact of budget options

4.1 Each of the options above will result in:

- Headcount reduction within the corporate core, as the new Reform and Innovation team will have less staff than the current transformation team (with more headcount reduction in option 3 than option 1 and 2)
- Change in reporting lines for the work programme, from heads of service to the organisation's senior leadership team
- Shift from supporting directorates change services at an operational level to shaping the strategic direction of the Council
- Change in the work programme, activities and remit of the new function, moving away from work looking at service silos to directorate and council-wide work

4.2 The functions of the transformation team (process mapping, project management, project assurance etc) will transfer to the Children and Families and Growth and Neighbourhoods Directorates. The benefits of this approach are that there is clarity of ownership and responsibility for delivery of projects and programmes within delivery directorates; and project management skills and tools are embedded within the day to day running of the Directorates rather than being drawn down from the corporate core.

4.3 The primary risks of the transfer of project management responsibility to the Directorates are two-fold. Firstly, that the directorates do not have the capacity to undertake project management alongside existing activity; and secondly, managers and staff do not have the required skills to deliver projects effectively.

4.4 To mitigate these risks, the following actions are being undertaken:

- A training and development offer is being developed for managers and staff that require project management training, equipping them with the core skills required for effective project management

- Undertaken a review of the capacity requirements to deliver the savings options as part of the budget process
- Ensuring there is a clear handover / close down plan for all existing transformation team projects

5. Timeline for the new Reform and Innovation Team

31 January 2015	Development of draft work programme for Reform and Innovation
31 January 2015	Development of high level implementation plan for Public Service Reform
February 2015	Budget recommendations on the size, structure and roles within Reform and Innovation
February 2015	Personnel Committee report for the creation of the new roles
March 2015	Assessment process to recruit personnel to the new roles
April 2015	Staff recruited to new roles; R&I function launched
April 2015	Confirmation of R&I work programme for first 3-6 months