

Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee – 12 October 2023

Subject: Future Shape – Our Internal Digital Transformation Programme

Report of: Director of Human Resources, Organisation Development and Transformation

Summary

To receive an update on progress to date with the Future Shape of the Council programme, which is evolving the Council's ways of working in order to meet current challenges.

Recommendations

The Committee is recommended to:

- (1) Note the content of the report and comment on the update on Future Shape presented to the Committee as appropriate.
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Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The Future Shape programme aims to improve the Council's efficiency and effectiveness adapting best practice in using electronic communications where possible and practical.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

The Public Sector Equality Duty under the Equality Act 2010 requires public authorities to consider equality across their work. There are no direct equality duty impacts as Future Shape is an enabling programme of activity which guides how we work. However, it links to other strategies which make clear commitments to create a truly equal and inclusive city, where everyone can thrive at all stages of their life, and quickly and easily reach support to get back on track when needed.

Future Shape is also designed to enable the workforce to represent the Our Manchester behaviours and to demonstrate our attitude and way of working to achieve the Our Manchester vision.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Future Shape is aligned with both the internal ICT & Digital Strategy, and the external Digital Strategy which is designed to strengthen the delivery of the priorities in the these plans.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Digital upskilling is a priority within Future Shape, ensuring that the workforce has the necessary skills and development opportunities, and that the Council becomes an employer of choice.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The use self-serve modern technology will support best use of resources required to deliver services for our residents.
A liveable and low carbon city: a destination of choice to live, visit, work	The Future Shape programme aims to improve the Council's efficiency and effectiveness adapting best practice in using electronic communications where possible and practical.
A connected city: world class infrastructure and connectivity to drive growth	This programme of transformation will enable our organisation to deliver digitally, supporting Manchester's ambition of being a digital leader.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

There are no direct financial consequences arising specifically from this report.

Financial Consequences – Capital

There are no direct capital consequences arising specifically from this report.

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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.

Executive - Wednesday, 17th March, 2021
Future Shape of the Council and Arrangements for the Integration of Health and Social Care

Resources and Governance Scrutiny Committee - Tuesday, 22nd June, 2021
Future Shape of the Council – Digital and ICT workstream

Resources and Governance Scrutiny Committee - Tuesday, 8th February, 2022 2.00
Future Shape of the Council – Digital, Estates, Ways of Working and ICT strategy

1.0 Introduction

- 1.1 Future Shape of the Council is an internal transformation programme designed to enable Manchester City Council (MCC) to be in the best possible shape to deliver its ambitions as set out in the Our Manchester Strategy whilst meeting the external challenges the council face from budget pressures.

2.0 Background

- 2.1 Our Manchester is the strategy for the city. It informs the Councils Public Service Reform programme with partners, and approach to delivery through the five behaviours.
- 2.2 Future Shape is one of the programmes of internal transformation work that are changing how the Council operates. Other programmes include Health and Social Care Integration, Neighbourhood Working and Housing Operations Integration.

3.0 Future Shape of the Council 2020-22

- 3.1 In 2020, external support was commissioned to look at the future operating model of the council to ensure that we are efficient and resilient, and partnership working with residents is at the heart of everything the Council does.
- 3.2 This work initially identified 5 priority areas. These areas have evolved since but for reference were:
- **DBDXP** – now RBDXP (Resident and Business Digital Experience Platform) to give digital first excellent service for people who need to contact the council
 - **Corporate Core** – Transforming ways of working to provide efficient digital first support to the council
 - **Housing ALMO** (*Arms Length Management Organisation*) – Integration of Northwards Housing into the Council
 - **Neighbourhood Working** – Now being taken forward through OMIB and Bringing Services Together for People in Places (BSTPiP)
 - **Health and Social Care Integration** – Setting the MLCO up for success including with the right underpinning agreements
- 3.3 The areas were underpinned by a set of principles that ensured a continued focus throughout on Our Place, Our Residents, Our Partners and Our People.

4.0 Year One Achievements

- 4.1 There were several achievements in Year One which included the following areas completed and subsequently closed within the programme:

- 4.1.1 **Building the Future for MLCO:** The Section 75 Partnership Agreement was completed and signed. The revised Accountability Board operational with a model for MCC support services agreed for MLCO.
- 4.1.2 **Embedding Place Based Working:** Developed options for embedding place based in planning and delivery, workshops and design with capital finance and will continue in Core workstream; and Neighbourhood working being delivered via Our Manchester with 'Place' embedded in service planning.
- 4.1.3 **New Approach to Housing:** Lift and shift to bring ALMO back in house completed with agreed transition plan and governance.
- 4.2 The areas of work to improve ways of working in the Corporate Core, digital integration and ensuring the workforce benefits from a good experience whilst at work were established and made initial progress. These have continued and subsequently evolved to provide a basis for the new work programme detailed at point 7. A highlight of progress includes:
 - 4.2.1 **Effective and purposeful core:** Vision and purpose of Core agreed; New approach to integrated finance and corporate plan performance monitoring; ERP replacement programme launched.
 - 4.2.2 **Digitally Integrated Council (Including RBDxP):** Appointment of delivery partner; Data management principles and policy drafted; Accessibility governance aligned to workstream with an accessibility process approved for new system implementations; SCULPT accessibility training rolled out to organisation.
 - 4.2.3 **Culture and Behaviours:** aligned Future Shape with Organisation Development Plan and Service Design activity; Estates utilisation programme underway to ensure best use of offices and buildings; End User Device rollout progressed as part of OWOW; identified key areas for digital skills development

5.0 Peer Review Recommendations

- 5.1 In 2021, Manchester City Council took part in a Peer Review. The following recommendations in relation to Future Shape were made:
 - 5.1.1 We need to be satisfied there is sufficient capacity, in the right places across the council to deliver on OM, Future Shape and wider transformation plans. Consider more capacity at a senior level on some of these key priorities.
 - 5.1.2 Clarify what is Future Shape (internal digital transformation) and what is Public Service Reform (partnership working with a focus on prevention and improving outcomes for residents)
 - 5.1.3 Ensure there is a clear narrative and plan that is owned and led by the senior management team.

5.1.4 The Council needs to be clear about our Target Operating model, underpinned by clear workstream plans on digital transformation, HR and other policies and the role of the corporate centre etc.

5.1.5 A clearer definition of the digital ambition in order to unlock its full potential -A lot of progress made– have building blocks but not consensus on what 'Digital' means or how it will be achieved, or a digital strategy built on the foundations of an IT Strategy or Technology Roadmap.

5.2 The following changes were made to fulfil the recommendations.

5.2.1 In 2023, a new Director of Human Resources, Organisation Development and Transformation (HRODT) was appointed. HRODT now have responsibility for business change and transformation, with the Future Shape resource moving from Reform and Innovation and into HRODT.

5.2.2 The vision for Future Shape is that most internal and external customers will be able to self-serve through convenient, intuitive, and unmediated channels. This will happen through a programme of internal digital transformation. The resources gained from this channel shift will be saved, or redirected to those who need it most, or used to prevent problems becoming crisis, or to resource our capacity to strategise in the future.

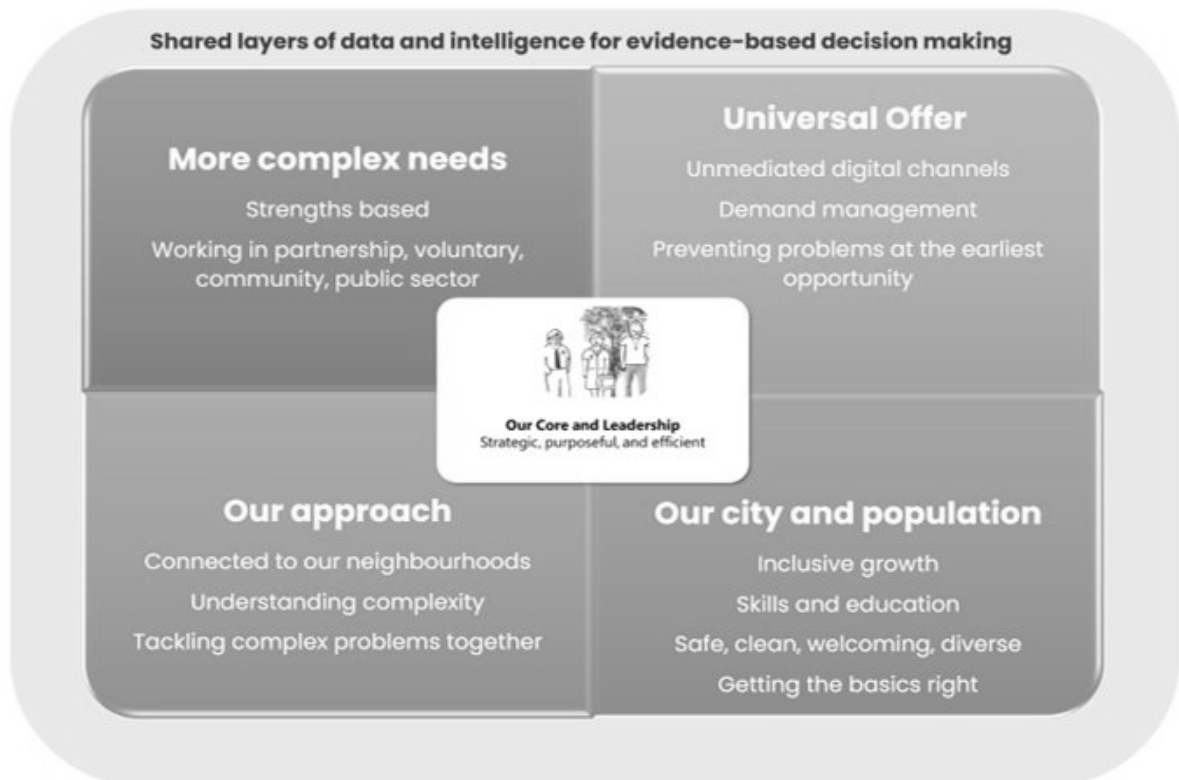
5.2.3 To provide clarity of Future Shape, the priorities of the programme have been defined as:

- purchasing and adopting technology, and preparing the organisation and our customers with the skills, tools and motivation to use them
- working in a human centred way to design services
- having access to better, shared data and intelligence on our residents and our workforce
- being clear about our appetite for risk to appropriately devolve decision making
- ensuring that we maintain our neighbourhood focus and to collaborate across teams and individuals, bringing the Our Manchester behaviours to our work.

5.2.4 Future Shape has and will continue to be strongly aligned with:

- Public Service Reform - work on integration across public sector and person centred services
- Medium Term Financial Plan – Future Shape has to continue to deliver efficiencies and financial savings. Some of these savings are directly aligned to programmes of work, Future Shape will support the delivery of savings and benefits realisation
- Our approach to organisational change, helping to provide capacity and prioritisation of resources
- Our Ways of Working and Estate Utilisation – helping the workforce to adapt to new ways of working and promoting flexibility
- Organisations Development Plan, Our Manchester Experience (which will be refreshed), staff engagement, values and behaviours.

- 5.2.5 The Governance for Future Shape is being reviewed to ensure that the direct impact of activity can be clearly tracked and monitored, and to ensure that SMT have enough oversight and ownership of the programme.
- 5.2.6 The Workstreams (detailed in point 7) have been revised to align with the Councils Operating Model shown below.



5.2.7 The council has two ambitious digital strategies. The Manchester Digital Strategy is built on the wider ambition of the city to create a more sustainable, inclusive and diverse economy that benefits all our residents, and the ICT & Digital Strategy is the councils internal strategy. This provides a strategic response and blueprint for the future in which the technology landscape will be a fundamental and essential part of the running of the Council.

6.0 Current Future Shape Programme

- 6.1 The ambitions of the external and internal **digital strategies**, along with the modernisation of how the Council operates presents opportunities and challenges for the council.
- 6.2 Future Shape needs to focus on the **digital first transformation journey** for the Core, and how we support and develop the workforce, therefore becoming the Internal Digital Transformation programme. This creates clear alignment between our ICT ambitions and the purpose of the programme.

- 6.3 This will help to ensure that there is clarity and consistency between the transformation programmes in the Core, and that the Councils key **workforce strategies** (Organisation Development Plan, Health and Wellbeing Plan, Workforce Equality Strategy and Talent Plan) support the aims of Future Shape.
- 6.4 Staff must be at the heart of, and have a voice in, change by using **Human Centred Service Design principles** that are modelled in other strategy development. There will be a particular focus on ensuring that staff who are closest to the work but furthest from decision-making have opportunities to engage at various stages within Future Shape activities.
- 6.5 The organisation has sufficient and coordinated **capacity for enabling change** and capacity is directed in the right places following the move of the Future Shape resource into HRODT. The impact successfully enabling change readiness cannot be underestimated and requires support from the broader Organisation Development team. This is to ensure that change is sustained and not created in isolation.
- 6.6 To meet the digital and future workforce ambitions there must be a fit-for-purpose **digital skills offer** in place, that evolves to meet the needs of the programme. An internal programme has been developed based on 5 themes: Literacy, Enhance, Upskill, Accessibility and Inclusion
- 6.7 The first theme to progress is 'Literacy'. This is ensuring all employees within the council have a basic level of **digital literacy** aligned to the government framework. This is being delivered in partnership with Learning and Development to ensure that it is embedded within business-as-usual, and Manchester Adult Education Service who are provide support and training aligned to the external digital skills offer.

7.0 Programme Workstreams

- 7.1 As described in points 4.2 and 5.2.6, the work programme has evolved, and changes ensure that there is clear alignment between the ICT ambitions of the organisation and Future Shape. The programme ensures that the council has the digital infrastructure to support the digital ambitions, improving customer experience for residents and businesses accessing services online, and that the ways of working which include our approach to change, building digital skills and best use of offices and equipment for our workforce.
- 7.2 **Digital:** Implement new back-office digital technology and process changes needed to work smarter and more efficiently, so *that* resident and staff experience is significantly improved, and we are making best use of the data and intelligence.
- 7.3 **RBDxP:** Implement an improved customer service offer to ensure that Manchester residents have a high quality, accessible and seamless experience when accessing council services. Reduce the cost of delivering transactional services and redirect resources. Digital becomes the preferred

way to access service and residents are supported to become regular and confident online users, and digital becomes the preferred way to access services

- 7.4 **Effective Core:** Reshape the Corporate Core to provide the best leadership and support to the organisation and the city. So that core Services, systems and processes are customer-focussed incorporating self-service and digital functions where appropriate and meet the needs of the city, staff, residents and partners. This includes the new Finance and HR System, and the development of an internal digital plan for the Core, ensuring a coherent plan for the implementation of technology aligned with a comprehensive programme of engagement enabling change readiness.
- 7.5 **How We Will Work:** Improve how we work to give the best experience to residents and employee so that our workforce can thrive in the workplace with the right tools, skills and support; our offices are hubs of activity, collaboration and productivity with a strong connection to the place and communities they are in and our culture prides itself on flexibility, be it hours or place of work.
- 7.6 A more detailed breakdown is provided in Appendix A.
- 6.0 **Understanding the impact of Artificial Intelligence (AI) on Future Shape**
- 6.1 AI will impact on Future Shape workstreams and services across the Council given the speed of change and the breadth of applications. It will be considered as part of the Councils current ICT systems, RBDXP and Our New Finance and HR system (also known as ERP System Replacement– Enterprise Resource Planning).
- 6.2 AI has the potential to significantly disrupt much of what we do. Used effectively, examples could include:
- more effective digital interaction with residents,
 - more efficient and quicker processes and saving time
 - help with diagnosing issues e.g., traffic management
 - developing quicker responses,
 - machine learning to predict future issues and improve prevention e.g., children’s and adults
- 6.3 It is acknowledged that there are risks which include, for example, inappropriate use of AI for everything from service responses, communicating with residents, job applications, fraudulent activities.
- 6.4 It will be important to need to consider enabling ICT technology, workforce skills, support for the workforce, and any ethical implications and information governance. There will also be city-wide applications of AI, and consideration required in relation to the Council’s roles in influencing these
- 6.5 Resources and Governance Scrutiny Committee considered some of these issues in their September 2023 meeting.

7.0 Communications and Engagement

7.1 The communications and engagement of Future Shape is important, however relevance and timeliness of these are critical, particularly when considering that Future Shape is a combination of a number of major programmes which will have their own requirements for comms and engagement.

7.2 In terms of Future Shape as the overall digital transformation programme, a high-level overview of the key activity and milestones over the programme duration is shown within Appendix A. This will need to be aligned to wider organisational change programmes when considering communications messaging.

7.3 Examples of where we will engage with staff are:

7.3.1 Influencing changes in behaviours

- using insights to influence decision making and shaping projects and activity
- where we need to keep key stakeholders updated due to impact on them or their services as the project progresses
- where there are non-system changes required (i.e., to manual processes) that need to be actioned prior to project start

7.3.2 Physical things

- system changes
- where things look different
- where staff might need to do different things in the actual system. As they are about to happen

8.0 Summary

8.1 The Future Shape of the Council programme is an ambitious and challenging programme of transformation. This paper provides an summary of the background to Future Shape, highlights what has been delivered to date and demonstrates why now is the right time to refresh the programme of work so it can enable the delivery of our internal digital transformation ambitions.

8.2 Future Shape brings connection and co-ordination to some significant transformation activity and provides a way of working which will lead to better outcomes.

8.3 Future Shape is internally focused, but improved council services will lead to better outcomes for the residents and businesses of Manchester.

9.0 Recommendations

- (1) Note the content of the report and comment / question the information presented to the Committee as appropriate

10.0 Appendices

Appendix 1 - Programme Workstreams