

Powys County Council

Review of Leadership, Governance, Strategy and Capacity

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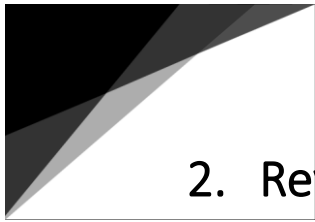
1. Strategic Overview and Background

Following a request from Powys County Council, the Cabinet Secretary for Local Government and Public Services agreed to provide the Council with a formal package of support. This followed a critical Care Inspectorate Wales (CIW) Report into the Council's Children's Services which raised a number of questions and challenges about the organisation as a whole.

As a result of the request "phase one" of the support package involved my appointment as an external advisor to provide an independent perspective of the Council's Corporate Centre and its cultural and leadership challenges and what actions were required to make the necessary changes. In particular the review was intended to examine:

- External validation/advice in relation to the Council's Corporate Plans – especially in relation to the developing Leadership, Management and Governance Plan
- The Council's priorities and longer-term sustainability
- The Council's strategic financial planning arrangements
- The Council's plans for transformation and whether they are fit-for-purpose and deliverable
- The Council's approach to performance management and data

I would wish to put on record my thanks to the Council's political and managerial leadership, particularly the Acting Chief Executive, and all the staff at the Council for embracing the review I have undertaken and engaging openly and positively with it. The willingness to engage in the review of the plans is positive and reinforces the obvious commitment that there is in the organisation to making the necessary improvements to the Council.



2. Review Methodology and Approach

In order to undertake an assessment of the Council I asked three key strategic questions about the organisation and its political and managerial leadership. These were:

1. Does the Council's Leadership fully understand and accept the problems, issues and challenges they face? Are they aware of the size and scale of the transformation required?
2. Does the Council have a well thought through strategy for delivering the necessary improvements and do the detailed plans appropriately address all the issues and challenges?
3. Does the Council have the necessary political and managerial leadership, expertise and capacity in place to deliver the strategy and detailed plans?

In order to assess and analyse the answers to the above questions I deployed a "peer review methodology" which involved a series of interviews, discussion groups and a comprehensive review of all the key council strategies and planning documents. In more detail the main elements of the methodology included:

- Interviews with the political leadership including Leader, Cabinet Members and Opposition Councillors
- Interviews with the Acting CEO and the Corporate Management Team
- Interviews with senior officers responsible for all aspects of the improvement plans including finance, Human Resources, Organisational Development, Policy and Strategy, Performance Management and Children's Services
- Discussion sessions on the council's overall improvement strategy with the Corporate Management Team and with a representative group of senior managers from across the organisation
- Discussions with various external organisations and bodies including the Welsh Government, the Welsh LGA, the Health Board and the Chair of the current Improvement Board
- Review and discussion on the Council's key planning and improvement documents especially relating to the Leadership and Governance Plan



3. Overall Conclusions and Executive Summary

The following sets out the overall conclusions from the review and acts as an executive summary of the report as a whole:

- The Council has very significant challenges in respect of strengthening its corporate leadership and capacity. However, there are no insurmountable issues or dysfunction which suggests that an approach other than an enhanced and intense package of sector led improvement is appropriate
- While some progress has been made in the development of the Council's plans for improvement currently these are not yet sufficiently strong to suggest that they are at the stage of development that will ensure a successful transformation of the organisation
- There is a need for greater leadership capacity and expertise in transformation to provide the organisation with all that is required to deliver the required improvement. This is a priority for the Council to address if the necessary improvements are to be delivered
- To make the changes required in order to improve all aspects of the corporate leadership and culture of the council a number of significant decisions will need to be made by the council in relation to the recommendations in this report
- Encouragingly based upon discussions with the Council's leadership on the broad recommendations of the report I believe that the Council is willing and able to make the decisions required to ensure delivery of improvement
- The Council will require significant and ongoing support probably for a period of up to two years from Welsh Government and the Welsh LGA to ensure that the improvement is long-term and sustainable
- A refreshed and appropriately constituted Improvement Board will be important in providing guidance and challenge to the Council and reassurance to the Cabinet Secretary that the necessary improvements are being delivered in a timely manner



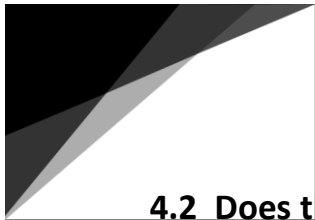
4. Detailed Analysis of the three key questions

4.1 Does the Council's Leadership fully understand and accept the problems, issues and challenges they face? Are they aware of the size and scale of the transformation required?

This is an important question in that it examines and tests the extent to which the organisation both understands and accepts the challenges it faces and provides a platform to move forward both on strategy and delivery. Overall, I found that both members and officers were very focussed and committed to delivering the improvements required in the Council. There was a sense of this being the key priority for the organisation and one which was driving organisational priorities and activity.

More detailed findings included:

- That there was a reasonable understanding of the size and scale of the challenges facing the organisation which was generally shared by both political and managerial leaders. There was a strong desire to improve both service and corporate performance
- However, there is some lack of understanding of “what good looks like” in the organisation and I felt that the Council at times was “insufficiently daunted” by the size, scale and nature of the change required. While the improvements required are possible and have been achieved in a number of other Councils the task at hand is significant and will require strong leadership and sustained effort over the medium to long-term
- The Council is insufficiently clear about what needs to be done and how to do it. This manifests itself in a too slow a pace of change. A greater understanding of the skills, expertise and capacity is required to make the improvements necessary
- I have discussed in some detail with the political and managerial leadership the implications of needing a greater understanding of “what good looks like” and believe that the organisation is willing to accept the recommendations set out in this report that will help address this important issue

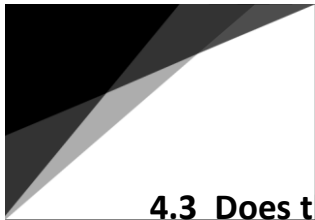


4.2 Does the Council have a well thought through strategy for delivering the necessary improvements and do the detailed plans appropriately address all the issues and challenges?

The Council has worked hard to pull together a Leadership and Governance Plan alongside an Improvement Plan for Children's Social Care. The plan has drawn on examples of other council improvement plans and many important areas of focus within the Leadership and Governance Plan are appropriate for Powys and have corresponding actions to support this. However, the Plan as currently constituted does not yet provide the necessary level of assurance that the strategy and actions are sufficiently transformational in nature to deliver the required sustainable improvement.

In more detail my findings in relation to the strength of the overall strategy and detailed plans are as follows:

- The Council has developed its 2025 Vision but this needs to be further developed given there is an absence of outcomes for the community and place that is key to any improvement strategy
- Overall visionary leadership, cultural and behavioural change does not come through strongly enough in the documents or “come alive” in discussions with senior management. The Council's leaders struggle to articulate what will be different when the improvements are made and what the steps are to achieve this
- The plans would benefit from being more transformational in their ambition and currently come across as both being overly complex and transactional/process driven. While many of the individual actions contained within the Plans are appropriate they don't appear to come together effectively as part of a clear and coherent strategy
- The gaps in the current plans indicate that the Council's leadership does not have a full understanding of what is required to “turnround” a Council that has the breadth of challenges that Powys faces

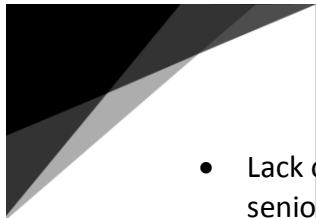


4.3 Does the Council have the necessary political and managerial leadership, expertise and capacity in place to deliver the strategy and detailed plans?

As a result of the work I have undertaken I have concluded that the greatest challenge that the organisation faces is a shortfall in the expertise and capacity in respect of delivering an Improvement Journey of the magnitude that the Council faces. Whilst there is no lack of commitment or activity neither the political leadership nor more importantly the officer leadership have the experience or track record of whole organisational transformation on the scale required in Powys to draw upon. This manifests itself in an insufficient understanding of the scale of the challenge and the strategy to address this. It is important to note that the Council has service and operational strengths in respect of individual services and council corporate functions but this would be most effectively deployed in “steady state” rather than improvement activity.

This is important because it is my view that with leadership and extra capacity that does have the necessary skills, knowledge and experience there is no reason why over a two year period the Council cannot deliver the improvements and changes that everyone agrees is required. This situation is beginning to be recognised within the Council. With regard to more detailed findings in respect of the area of expertise and capacity I would highlight the following:

- The political capacity of the organisation is a relative strength. This is because the current coalition has the potential, given it has 50 out of 73 seats, to make the necessary strategic and potentially difficult decisions required to deliver the improvement required
- The feedback from all stakeholders is that the Council and Cabinet is much more able to provide the leadership necessary
- The Council leader has the necessary political determination and drive to implement the decisions necessary
- The Cabinet is generally inexperienced but is recognised as having potential by stakeholders as long as high quality officer and peer advice and support is available to assist with the improvement journey
- The relationship between the cabinet and opposition groups is underdeveloped. Evidence from Councils who have successfully improved corporate and service performance is that this is most successful when done on a whole Council basis. Based on discussions with all group leaders I believe that there is potential for this to be achieved in Powys if constructive discussions on how this is best achieved take place



- Lack of extensive improvement and turnaround experience from the organisation's senior officer leadership is a potentially significant barrier to improvement and serious consideration needs to be given to how this can be addressed
- The Chief Executive is currently on sickness absence . I believe that an experienced Interim Chief Executive with a proven record of transformation is required with urgency.
- The Acting Chief Executive has used his experience in senior local government positions to provide much needed stability and leadership in this context and has begun a range of work to drive improvement. This is to be commended.
- The current improvements required in Powys in my view require substantial experience of leading an organisation successfully through a similar challenge. The appointment of an Interim Chief Executive with such experience would, I believe, provide a much greater level of assurance to the organisation and stakeholders that the Improvement Plan would be effectively led, developed and delivered.
- Corporate capacity and expertise is generally underdeveloped in key areas such a performance management, cultural and behavioural change and strategic financial planning. This is holding the organisation back and needs to be addressed a matter of urgency in order to support the delivery of improvement
- Further capacity and expertise needs to be put in place to lead, co-ordinate and drive the improvement plan as currently this is under resourced in respect of technical knowledge, capacity and leadership. This would also have the positive benefit of supporting and developing a number of managers across the organisation that have the potential to play a significant role in improvement with the right development
- Existing capacity in Children's Services is beginning to make a positive impact – this needs retaining and a similar investment should be made in enhancing capacity in adult social care
- Additional financial resources are required to enable investment in areas where capacity is currently inadequate – this needs to happen as a matter of urgency to improve the pace of change and delivery



5. Conclusions and Recommendations

5.1 Overall Conclusions

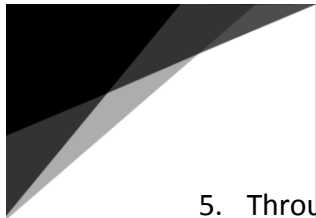
Having undertaken the review and sought to identify the answers to the key questions I am in a position to draw a series of conclusions from the work and make a number of recommendations. With regard to conclusions these are as follows:

1. Strategically the improvements required at Powys County Council are deliverable by sector led improvement rather than intervention with the right package of support and consequential decisions by the Council
2. I believe that based on discussions on my recommendations the Council agrees that these are the right actions to be taken and will implement them
3. There will need to be a package of support from Welsh Government and the Welsh LGA to assist the Council to make the changes and improvements required
4. Ongoing challenge and holding to account will be required to support the Council to make the changes and this would be best achieved through a refreshed and enhanced Improvement Board covering the whole range of improvement areas both corporate and service based

5.2 Strategic Recommendations

I am making a series of Strategic Recommendations to the Council and Welsh Government which I believe if implemented will enable Powys County Council to have a good chance of delivering the improvements required over the next two years. The Recommendations are as follows:

1. That an enhanced package of sector level support is put in place building on what is already in place for up to a period of two years
2. That consideration is given to the best way of dealing with the ongoing absence of the existing Chief Executive
3. That an experienced Interim Chief Executive is appointed by the Council to work with the Cabinet and Management Team to provide additional capacity and transformational leadership. This individual should have the experience of improving an organisation in similar circumstances
4. That an Interim Director of Transformation is appointed to oversee the Improvement Plan and help build capacity in the organisation around performance management, HR/OD, Internal Communications, change management, strategic financial planning etc



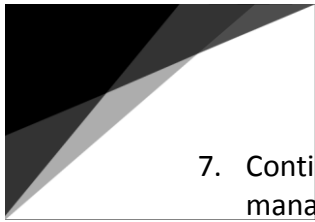
5. Through secondments, Interim capacity etc the organisation has additional expertise in the following areas:
 - a) Performance Management
 - b) Strategy and Policy
 - c) Human Resources and Organisational Development
 - d) Internal Communications Behaviour/Cultural Change
 - e) Strategic financial planning
6. Create a dedicated “task force” made up of key internal staff and secondments identified above to provide dedicated resource to deliver the Improvement Plan
7. Provide additional Peer mentor support to the Leader, Cabinet and individual Cabinet Members to enable them to develop as individual and collective political leaders
8. Appoint a high quality Director of Social Services accepting this may require a “market supplement” to attract the best. Ensure that the existing leadership capacity in Children’s Social remains in place for at least 12 months. Put similar capacity into Adult Social Care
9. Build a degree of consensus across the political spectrum in the Council re the Improvement Plan. Hold discussions between the Cabinet and Opposition Groups about how best to facilitate this and ensure effective cross-party involvement
10. Create a single Improvement Board so that a set of support assurance and challenge arrangements can be put in place looking at all aspects of the Council. This should be supported by WLGA
11. Identify from within the Council, WLGA and WG the necessary financial resources to fund the recommendations for up to two years



5.3 Specific Recommendations

As well as a series of Strategic Recommendations, I believe it is wise for the Council to develop, continue or introduce a number of actions as soon as possible to generate the maximum amount of momentum over the next few weeks while the strategic recommendations are considered and implemented. The Council has already started to work on a number of these areas and this could be enhanced and accelerated by additional short-term advice and capacity which will help the Council both develop their plans and demonstrate further improvement. In particular the work to establish a strong and clear political and managerial vision for Powys is an important priority. The specific recommendations for the immediate future are:

1. Have a clear vision for the place and identify the outcomes and other success factors that will deliver the vision – ensure the question of what’s the ambition for Powys and what will be different in five year’s time is answered? This is important for inspiring and motivating people inside and outside the Council and provide a overarching narrative for “followers”
2. Develop a detailed strategy and delivery plan for the vision ie what needs to happen to achieve the vision, what financial and other resources are required to ensure this takes place and who will take responsibility politically, managerial and from a partnership perspective for delivery? This will assist the Council in identifying what is and what is not a priority
3. Ensure that all partners and the council are aligned to the vision and make sure that the strategic and medium term financial planning is aligned to the vision including investing in areas that have been identified as a key priority e.g. economic development
4. Introduce a performance management system that measures the achievement of the vision and outcomes and identifies strong remedial action when delivery is not taking place. Creating a step change in the performance management of both borough wide outcome measures and Council performance is crucial for the improvement of the organisation. This and developing the leadership culture to support this should be a short-term priority
5. Further develop the work already started in relation to the organisational culture that the leadership is seeking to achieve. Ensure that managers and staff know and understand what the Council’s ambitions are both for the place and for Improvement
6. Ensure that there is strong and congruent alignment between vision, culture, internal communications and staff behaviours as part of a comprehensive organisational development and change strategy – consider implementing Investors in People (IiP) or similar. Work should be undertaken to simplify and clarify key organisational messages and a priority given to ensuring that this is communicated effectively to managers and staff at all levels



7. Continue and accelerate the work being undertaken to enhance the performance management and development system for managers and staff at all levels delivering effective appraisal
8. Ensure that MTFS planning recognises the need to sustain investment in social services and that resources are made available to invest in corporate improvement
9. Continue to develop an effective leadership and development programme for members that recognises all of their roles – cabinet, opposition, scrutiny etc and consider how the Strategic Recommendations in this report can be integrated with the existing member development programme