Transformation and Innovation Exchange

**Critical Success Factors (CSF)**

Leadership and management

Strong

Members and senior staff have engaged residents and businesses, council staff and members, public and voluntary sector partners alike to develop the authority’s vision and future aspirations. There are clear roles for all of these stakeholders and plans to achieve the vision with all stakeholders involved including effective governance arrangements and strong oversight by members. Tangible progress has been made and monitoring evidences progress in outcome as well as output terms. The senior leadership team mirrors the diversity profile of the area in which services are delivered.

Competent

There is a clear vision for the area. Council staff and members and public and third sector partners understand the vision. The authority has made progress in delivering the vision and is engaging with stakeholders as a part of the process. There are clear governance arrangements and oversight by members. There is progress in terms of outputs as well as outcomes is being made. There is some recognition of the benefits of diversity innovation.

Needing improvement

There is a vision for the area, developed by a small group of senior officers, but this is not based upon an evidenced understanding of current need and future aspiration. Governance arrangements are unclear and there is no oversight by members or awareness of the vision by residents and business, nor local partners in third and public sectors. There is no monitoring of progress on delivery of the vision. There is little or no recognition of the benefits of diversity innovation.

1. The authority has a clear vision for its area (including residents and local business) and the role of the authority as the leader of place and has effective member/officer engagement in the decision-making processes.
2. The authority's senior leadership have approved, and resource validated transformation plans for improvement, and are monitoring progress against those plans.
3. The authority is monitoring and reporting on the success of its transformation programme and has evidential success measures being achieved.
4. The vision is owned by members and officers and is understood by residents and local business through consultation, to identify the desired outcomes.

Approach to change

Strong

The authority has a robust approach to programme management, delivery, and monitoring. There are clear plans that evidence the resources required and the authority has a balance of internal and external resources sufficient to deliver its improvement plans. Resources are continually under review and adjusted to deliver the change programmes’ objectives and timeframes. Both Agile and Structured methods of change are understood and applied accordingly. The approach to change comprises both innovation (the practice of investigating solutions that could improve processes) and transformation (the practice of questioning current procedures to identify weaknesses and implement solutions to solve them).

Competent

There is a clear capacity (internal and external) to deliver the improvement programme. The level of resource is not closely monitored against the scale and pace of change required. The change approach tends to be mainly innovative and follows fixed method.

Needing improvement

There is inadequate resource to deliver the programme. Improvement is in addition to business as usual, heavily reliant on operational staff. There is no evidence that the effectiveness of the resource is being monitored.

1. The authority understands, resources, and evidences the effect of improvement and innovation programmes it requires.
2. The approach to change is underway and planned changes are progressing.
3. The approach to change is understood by the people affected by it.
4. Resources have been identified and are committed in the order required to deliver the priority outputs.

Getting the best from staff

Strong

The authority understands the science of behavioural change and has devised a behavioural framework that is linked to its improvement journey. The authority understands how to baseline, monitor, and manage behaviours throughout the year. Monitoring shows that behaviours are continuously improving/becoming more effective.

Competent

The authority understands behaviours and has devised a behavioural framework. The authority is developing its ability to manage by behaviours. Baselining and monitoring of behaviour change is yet to be put into place. Staff performance is managed in a traditional annual appraisal environment.

Needing improvement

There is no understanding of the role of behaviours and/or the behavioural frameworks. Managers are not able or incentivised to manage by behaviours. There is no monitoring of performance by behaviour.

1. Senior leadership understand and can evidence the role of behaviour change in delivering new ways of working.
2. The authority has designed, with staff involvement, an appropriate behavioural framework for its way of working, which is a key feature of new starters' induction.
3. The authority has implemented a behavioural framework with monitoring and management of behaviours.
4. Staff have been engaged throughout the process, and mechanisms are in place for monitoring and reporting.

**Characteristics**

Role of the authority

Service focus

Strong

The authority has a clear delivery plan for each service, based on evidence of historic, current volumes and predicted future demand. A lean review of business processes within the service (or something similar) has been conducted and acted upon within the last 3 years. Opportunities to collaborate with similar services in neighbouring authorities have been explored and pursued where appropriate. The workforce is encouraged to contribute to service design and process improvements. There is an annual survey of service users as well as feedback gathered in service delivery.

Competent

Services have documented business processes using a structured process mapping methodology. Process issues have been identified and are being acted upon. Feedback from customers is gathered each year and used for service planning purposes.

Needing improvement

There is no documentation of business processes. There is no attempt to gather structured feedback from service users and only ad hoc feedback exist. There are no provisions to take inputs and contributions from the workforce to develop improvements and efficiencies.

1. The authority understands and can evidence the need for reviewing the performance of services and their intended outcomes.
2. There are clear, signed off and resource validated, plans, for baselining and monitoring service improvements and comparing with customer feedback.
3. Reviews of services have been conducted and feedback acted upon.
4. Improvements have been realised and are evidenced by outcomes in key reporting lines.

Customer focus

Strong

The authority has evidence of the type and volume of contacts and how customers are likely to group services. Engagement with the customer has been redesigned to enable a one stop response to customer requirements. Services have been reorganised and business processes been redesigned to support corporate customer engagement. The authority records engagements, enabling it to see the whole picture of a customer and revise its understanding of the range of customer engagement. The authority has remodelled engagement with public sector partners across tiers of local government and across the wider public sector.

Competent

Engagement with the customer has been redesigned to enable a one stop response to most customers’ requirements. Service requests are initiated during this engagement. The authority records engagements enabling it to see the whole picture of a customer and revise its understanding of the range of customer engagement.

Needing improvement

The authority does not have a single point of contact for all services and does not involve wider groups of service specialists to consider feedback. Service requests may be recorded at a single point of contact but are passed on to services who initiate the service request.

1. The authority understands why and how customers want to engage with it and why and how it must engage with customers.
2. Customer contact and services have been redesigned around how the customer wants to engage.
3. Customer centred design via co-production has been implemented across the authority.
4. The authority evidences that the implemented approach works for the customer and takes corrective action if required.

Community focus

Strong

Analysis of current and emerging need drives the authorities actions. There is a comprehensive mapping of community capacity and a clear plan to build community capability and resilience. Community support and solutions are mapped onto a single front door for the authority. The authority promotes active citizenship (citizens having control over their daily lives as users of public services, allowing them to influence decisions, voice concerns, and engage with service provision)

Competent

Analysis of current and emerging needs drives the authority's actions. The authority is engaged with community groups and refers customers to them. There is some evidence of co-designed offerings with community groups.

Needing improvement

There is little understanding of community capacity. Authority support is the default in all cases and there is no referral to support within the community.

1. The authority understands (and has quantified where appropriate) community needs, current and future, as well as community capability.
2. The authority has clear, signed off plans, and has committed resources to grow and harness community capacity.
3. The authority actively engages with the community in deploying capacity to meet needs.
4. The authority monitors the impact of community capacity and takes corrective action if required.

Managing income

Service focus

Strong

The authority has a clear approach for the scale of income being targeted and has put in place benefits realisation monitoring. There is a realistic expectation and understanding of the true surplus generated and robust plans (including risk management) for the generation of income. Plans could include property investment, investment interest, and the sale of surplus capacity through commercialisation (fees and charges are covered in expenditure). Where income generation is conducted jointly with other authorities the overall performance as well as the performance for each authority is understood and optimised.

Competent

The authority has income generation plans for its surplus resources and a clear understanding of the true costs of delivery and the surplus generated.

Needing improvement

The authority has no management of commercial income, it does not understand the true cost of commercial services or the opportunities that these may deliver, does not understand their commercial performance and is unaware of the risks associated with each.

1. The authority understands and has quantified a range of income generation opportunities, the investment required, the risks to be managed, and the surplus potential.
2. The authority has signed off benefit realisation plans to generate the income required to support sustainable finances.
3. Income generation activities are delivering planned profitability and risks are well managed.
4. These activities are regularly tracked using the benefits realisation plans and corrective action taken if required.

Customer focus

Strong

The authority looks for opportunities to join its services up in a way that adds value and / or uses its 'customer contact' to join up local businesses offers to enhance the range of services that it can provide.

Competent

The authority redesigns its services in a way that creates added value to residents and local businesses.

Needing improvement

The authority has joined up its services as they exist and, other than digitalising the service and joining up with other services, has not changed what the authority delivers.

1. The authority understand its customer needs and promotes active citizenship, allowing them to influence decisions, voice concerns, and engage with service provision.
2. The authority has engaged local businesses and SME's in signing off plans for new goods and services.
3. These are new services available via its customers' normal engagement channels.
4. It can be evidenced that these goods and services are delivering the expected financial inflows.

Community focus

Strong

The authority has developed or commissioned new services that meet a need within the community that would otherwise lead to a demand on public service. The authority looks to promote economic growth which generate sustainable tax income.

Competent

The authority has developed new income that funds community capacity that supports service delivery within the community.

Needing improvement

None of the authority's income streams divert demand for services.

1. The authority understands and can quantify the business opportunities that meet the needs of its customers, evidencing reduced public service demand and/ or growing economic activity.
2. The authority has peer reviewed and signed off asset management plans (financial and capacity) to build profitable business that diverts demand from public service if more beneficial outcomes might be achieved.
3. The authority supports established businesses that have diverted demand (from support by public bodies) and supports community groups to self-serve.
4. The authority regularly reviews and quantifies the effects of demand diversion, acting if targets are not met.

Managing expenditure

Service focus

Strong

Resources are clearly aligned with local priorities. An understanding of unit costs (and related unit prices) is not an end but prompts further questions to understand cost drivers, and prioritisation (demand, demographics etc.). Accordingly, the organisation monitors up-to-date unit costs regularly for every service. Up-to-date analysis of time spent, and processes exist to identify the true cost of transactions. Unit costs of support services are identified separately to enable comparison with other organisations for the same services. For services operated in partnership with other authorities the cost effectiveness of the joint service and for the individual partners is understood.

Competent

The authority understands the costs of service delivery through having approximate unit costs generated from total cost divided by the number of units (which might be a proxy measure, for example the number of households or residents in an age group). The authority is part of a benchmarking group of authorities with comparable service cost data.

Needing improvement

The authority has no information on alignment with priorities or on unit costs. Expenditure is purely addressed through incremental change. Fees and charges are updated in line with inflation.

1. The authority understands the resources required (at unit cost level) to deliver its services and functional areas (e.g. IT) and compares performance with other authorities.
2. The authority has processes to monitor variations in unit costs and performs comparisons with other authorities.
3. The authority takes action to understand the cause of variations and acts where appropriate.
4. Forecasted expected demand is factored in and likely future unit costs have been quantified.

Customer focus

Strong

Up-to-date unit costs are available for every service. Up-to-date activity analysis and process maps exist to identify the true cost of transactions. Costs of all functional areas (locality work, case handling, professional support, support services) are identified separately to enable comparison with the same services in other organisations of the same type and delivery strategy. Where joining up across the public sector, collective and individual expenditure is optimised.

Competent

The authority has approximate unit costs generated from total cost divided by the number of units (which might be a proxy measure, for example the number of households or residents in an age group). The authority is part of a benchmarking group of authorities with comparable data.

Needing improvement

The authority has no information on unit costs.

1. The authority understands demand, how grouping services (front line and back office) can offer benefits to the organisation and its customers and where best to effect delivery (in home, locality, online, phone or on premises).
2. The authority has plans for redesign of the organisation and its ways of working to optimise the cost per unit of output delivered.
3. The authority has optimised its organisation and process design to reduce unit costs.
4. The redesign is delivering the planned improvements in expenditure.

Community focus

Strong

Up-to-date unit costs are available for every preventative action and combined with an understanding of the total net cost to serve. Modelling of lifetime costs of traditional services are maintained and compared to the lifetime costs of preventative actions. The value and variation in unit cost of 'cost shunting', whether to a future point in time or to other public sector partners, of removing the preventative measures are maintained.

Competent

The authority understands the nature and costs of engaging with the community and can estimate of the impact of this in preventing demand for services - cost reduction, prevention and (where appropriate) income generation. Estimates may be based on references to developing research in the field.

Needing improvement

The authority has no measure of the value of preventative actions.

1. The authority understands the cost of services and of alternative actions outside the authority to meet needs in the community and prevent service demand.
2. The authority has considered the whole life cost of prevention compared to the cost-of-service delivery, as a standalone analysis or as part of an options appraisal.
3. The authority has a forward budget prediction of these costs over the next 3 years.
4. The authority monitors the actual expenditure reduction delivered by service prevention and takes corrective action if targets are not being met.

Use of data and intelligence

Service focus

Strong

The authority holds digital records that enable it to predict service demand and minimise the number of times the customer needs to present data. It uses AI to drive decision making by crunching large amounts of data to provide the authority with reliable predictions and actionable insights. Where the service is operated in partnership with other authorities digital records an analysis serve the partners individually and collectively.

Competent

The authority holds data on current demand and trends in demand and uses these to inform service plans and budgets. It is placing some effort into considering the use of AI.

Needing improvement

The authority does not understand the scale of current and future demand and does not link this to service plans and budgets.

1. The authority understands the use of data and data standards to plan, manage and monitor the delivery of services.
2. The authority understands and can evidence how data is used as a part of their overall transformation activities and has plans to implement and monitor.
3. The authority has the evidence to demonstrate where it actively uses structured digital data for planning, managing, and monitoring its services.
4. The authority's regularly reviews the data it needs to monitor service demand and performance and takes steps to acquire it if required.

Customer focus

Strong

The authority holds digital records on its customers enabling it to understand how best to join up its services in the interests of the customer. Standards for common data such as names are universally adopted. Common data are held only once and linked to service data. The authority actively designs its engagement to reduce the need for the customer to provide data. It uses AI-powered assistants, technology, chatbots, or automated processes to provide better personalisation and enable more efficient interactions, enquiry handling, ensuring customers get access to the right services more effectively.

Competent

The authority holds digital records on its customers enabling it to understand how best to join up its services in the interests of the customer. There is some duplication in legacy applications of common data, but the central customer service can read from and write to these applications. There is a clear plan to replace these legacy applications.

Needing improvement

The authority holds digital records on its customers enabling it to understand how best to join up its services in the interests of the customer. There is duplication of common information in service applications, but the central customer service can read from and write to these applications. There is no plan to remove this duplication.

1. The authority understands the use of data and data standards (operational and analytic) to support customer centred response.
2. The authority has signed off plans to link service data to customer data and to generate data on trends in customer activity.
3. The authority understands and can evidence what business intelligence is required and uses this as the basis of identifying what data is needed.
4. The authority has realised improvements in its customer engagement from the use of advance data practices involving good governance, transparency data standards, linking and sharing.

Community focus

Strong

The authority maintains profiles of its localities that support the understanding of need and information on community groups that help it understand current community capacity and any gaps. It shares these with public partners and works with them to create a common view of the needs of localities and key customer groups.

Competent

The authority maintains profiles of its localities that support the understanding of need and information that help it understand current community capacity and any gaps.

Needing improvement

The authority only uses data about localities for predicting demand for services and budgeting purposes. No information on community capacity is gathered nor is there any analysis of gaps between current capacity and that required to meet need.

1. The authority knows and accesses the data sources that are available to it, and where there are gaps, they engage with the community to fill in the blanks.
2. Signed off plans have been formulated to regularly review the needs of localities, map community capacity and commission community response to customers.
3. The authority regularly produces and reviews locality profiles to understand need and use data on community capacity to commission support.
4. The use of data has enabled an understanding of need, availability of community capacity and delivery of community outcomes.

Use of digital and technology

Service focus

Strong

The authority adopts lean strategies or something like its business processes and uses service applications to simplify the engagement for the customer and to analyse customer demand. The authority actively explores (alone or through its contractor) the opportunities for new technology to radically reduce costs and improve quality. Where the service is operated in partnership with other authorities there is a joint approach to the adoption of new Digital, AI, and Technology solutions.

Competent

The authority 'leans' its business processes and uses service applications to digitalise these, allowing customer to find, book and pay for applicable services.

Needing improvement

The authority uses silo legacy systems to manage its service and has no improvement plan for service management or delivery.

1. The authority understands and can evidence the opportunities for digital, AI and new technology which are available to them.
2. The authority is using technology as an enabler to achieve the service goals it has identified.
3. New technologies have been used to deliver benefits to the organisation and customers (including channel choice, process efficiencies and ease of access).
4. The authority can demonstrate how it measures the benefits of new technology.

Customer focus

Strong

The authority redesigns its business processes to support a customer centric approach and implements digital applications and technology (resident, business, place, and asset) that support this. The authority actively explores patterns of customer engagement to continuously improve its ability to resolve enquiries. Where working in partnership across the public sector there is a joint approach to the adoptions of new Digital, Technology and AI solutions.

Competent

The authority redesigns its business processes to support a customer centric approach and implements applications (resident, business, place, asset) that support this.

Needing improvement

The authority implements applications without redesigning its business processes around the customer.

1. There is an understanding of the role of digital in creating a customer centric authority.
2. There is a clear intention to use digital and new technology (including AI where applicable) to redesign the authority around the customer.
3. Digital has been used to integrate services and provide a joined-up response to the customer at the place and time of their choosing.
4. The implementation of new technology (including AI) has reduced costs and/or improved the customer experience.

Community focus

Strong

The authority actively develops systems that support analysis of need, community engagement, building community capacity and community referral. The authority actively explores the use of new digital and new technology that meets need and prevents demand for public service either by its own use, with public partners or by the community.

Competent

The authority actively develops systems that support analysis of need and planning of community engagement.

Needing improvement

The authority engages with the community as a stand-alone activity and systems are not in place for the analysis of need in localities or customer groups. There are systems to support for community groups.

1. The authority understands the need for resilient communities and the role of technology in enabling communities to connect need with capacity.
2. There are signed off plans to use new technology to help build community capacity.
3. New technology has been implemented widely in understanding need and supporting resilient communities.
4. Digital and technology has supported reduction in need for public service and generated greater resilience and independence in communities.

Procurement and commissioning

Service focus

Strong

The authority has a continuously updated contracts register and spend analysis. It monitors prices and has an evidenced based approach to calculating the fair price for all goods and services. It has processes in place to ensure that contracts are properly monitored, renewed and that all spend is on contract.

Competent

The authority carries out analysis annually. It compares its prices with other councils. It has an evidenced-based approach to calculating the price for critical services. It ensures that contracts are up to date. It communicates the way to use contracts effectively.

Needing improvement

The authority does not know if contracts comply (e.g., out-of-date). The service has no means to check off-contract spend. There is no evidence to support prices in complex services and the authority could be paying too much or be open to challenge for paying too little.

1. Services understand their expenditure and supplier base.
2. Commissioning plans are being informed by the wider transformation programme, they are being delivered to achieve the desired outcomes and there is evidence to support this.
3. The services use procurement effectively to improve outcomes.
4. Services continually use strategic procurement techniques to demonstrably minimise costs and improve services.

Customer focus

Strong

The authority has coordinated activity for categories of spend across the council. It uses the combined spend of the council to optimise the cost and quality of goods and services. It collaborates with suppliers to reduce their costs with a resultant saving to the council. Where the supplier has better prices, it accesses these to reduce costs to the council. The authority seeks to collaborate with its public partners to optimise cost and manage categories of expenditure.

Competent

The authority has a coordinated programme of procurement across the council. It makes available the prices it has secured to its suppliers to reduce their costs of operation and has negotiated a reduction in price to the authority as a result.

Needing improvement

The authority has no combined view of its expenditure and is unaware of the prices paid by its suppliers and the opportunities to engage with them to reduce costs. The authority does not make available its prices to its suppliers.

1. Senior leadership clearly understand and can evidence the combined spend of the authority per capita
2. The authority has procurement pipelines in place and can benchmark its procurement capability.
3. The authority has used its buying power, strategically or tactically, as leverage to reduce the cost for its services (inc. costs of suppliers or to take advantage of its supply chain's buying power).
4. Procurement is reducing the costs of services and costs for suppliers, and the impact of this can be demonstrated on an ongoing basis.

Community focus

Strong

The authority has modelled long term trends (such as rises in fuel poverty) and the impact of short-term events (such as storm damage on elderly residents properties) and has a procurement programme in place to reduce the cost of these trends and events, particularly on vulnerable groups.

Competent

The authority conducts procurements on behalf of residents and business for some commodities such as energy. It uses its procurement to increase capacity of partner organisations and groups.

Needing improvement

The authority is unaware of the impact of long-term trends or short-term events on the cost-of-living residents and businesses. It does not use procurement to support the building of capacity in the community or mitigate the effects of trends on vulnerable groups or more generally for residents and businesses.

1. The authority understands and can evidence the concept of social value (jobs, growth, social environment, and innovation) and can apply this in the short and long term to its communities.
2. The authority has signed off plans to maximise its procurement skills to mitigate costs with appropriate monitoring in place.
3. The authority has completed procurements that have reduced the cost of living for residents and businesses and there is evidence that the changes can be sustained on an ongoing basis.
4. It can be evidenced through monitoring that reductions in costs for vulnerable groups has led to greater independence and reduction in demand for public service.