

# Finance and Resources Committee

10.00am, Thursday, 3 November 2016

## Building capacity for transformation leadership

<b>Item number</b>	7.12
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	

### Executive Summary

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The organisation is under pressure to transform itself and become fit for purpose to operate effectively in a much altered financial climate. The organisation's executive team have a clear and aspirational vision of the type of culture that needs to be established to ensure the organisation is at its most effective in delivering for the city.

Leadership plays a crucial role in any organisational transformation and culture change and, without investment in leadership, expected change (and associated benefits) is rarely delivered in practice. Because of this, an investment has been made in the organisation's senior leadership in 2015/16 in partnership with Steve Radcliffe Associates.

The work to date has had a strong positive impact, leading to the beginnings of a 'One Council' approach and new ways of working. It is recognised, however, that further work is now needed to extend the progress made and a subsequent phase of leadership development work is now planned.

A procurement waiver is sought so we can keep continuity with the existing partner as this consistency is a crucial factor in the success of the transformational agenda.

### Links

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**Coalition pledges**

**Council priorities**

**Single Outcome Agreement**

## Building capacity for transformation leadership

### 1. Recommendations

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- 1.1 Agree to the waiver of Contract Standing Orders to appoint Steve Radcliffe Associates for the next phase of the work to build the organisation's capacity for transformation leadership, ensuring a successful City of Edinburgh Council transformation.

### 2. Background

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- 2.1 Work has been undertaken since spring 2015 to support the organisation's senior leadership in successfully and cohesively leading the Council's transformational agenda to ensure the delivery of key benefits (cost savings, efficiencies and improved outcomes from partnership working). Putting in place this support was in response to it being recognised, in January 2015, that collective leadership for the transformation was one of our significant areas of risk.
- 2.2 In April 2015, a one-off event was run in partnership with Steve Radcliffe Associates to begin to create shared goals for the transformation leadership agenda and an agreement about leading together cohesively with a 'One Council' spirit.
- 2.3 Due to the exceptionally positive reception and high level of adoption of the approach taken by Steve Radcliffe Associates ('Future-Engage-Deliver'), a procurement waiver was secured (and reported to Finance and Resources Committee in September 2015) to enable us to undertake further work in partnership with Steve Radcliffe Associates. This was to enable us to have continuity in using the Future-Engage-Deliver approach in undertaking a series of 'leadership learning sets' with this group to determine effective strategies for leading the change agenda and build relationships to do so cohesively.
- 2.4 The success of the work in 2015 was seen in the beginnings of a move away from functional 'silos' to a more aligned and 'One Council' approach to leading the organisation's transformation. Under the new Chief Executive Officer's leadership, the leadership development support provided enabled the beginnings of a more powerful leadership for change.
- 2.5 Reflecting on the early indications of positive change, the Corporate Leadership Team wanted to extend this approach to include the entirety of the Wider

Leadership Team (broadly speaking, the organisation's top 100). So in February 2016, a further waiver was agreed at Finance and Resources Committee to enable us to undertake further Future-Engage-Deliver leadership learning set work with the wider group.

- 2.6 This phase of the work has recently been completed. The result appears to be that, in addition to the Corporate Leadership Team being united about the cultural transformation they will lead to build an effective organisation, we now have the full 100 leaders at the top of the organisation behind the vision for change, and motivated to use a consistent approach in leading it.
- 2.7 Steve Radcliffe is one of Europe's top leadership experts and has provided leadership coaching to over 50 chief executives and heads of the Civil Service, the NHS and other government departments. He was the choice of partner for the initial event that led to the decision to invest in leadership development work because it was recognised that the level of impetus for change needed at that time was significant and it was only somebody of his calibre that could have the level of impact needed.

### 3. Main report

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- 3.1 It is recognised that, while the work to build the Wider Leadership Team's capacity for transformation leadership has made a powerful impact, further work is now needed to extend the coalition for change to be able to have a real impact on the organisation's performance across this large and diverse organisation.
- 3.2 Accordingly, a subsequent phase of the work is proposed to engage a broader pool of managers in adopting the leadership approach to drive the change and improvement agenda.
- 3.3 This next phase will see us extend the leadership work down to the next level of management within the organisation (approximately 350-400 managers). It will also see us extend out into our partnerships in the city, to support the leadership team development of the newly forming Locality Leadership Teams, by running team workshops to help them form as the sort of teams that will inspire collaborative practices in the locality.
- 3.4 Including further work with the Corporate Leadership Team, some embedding work with the Wider Leadership Team, some planned work with members, the work with locality leadership teams and the large scale work with the next tier of management, it is estimated that the value of the work between now and March 2017 is up to £85,000.
- 3.5 It is deemed to be crucial that this work continues with Steve Radcliffe Associates as, having embedded the Future-Engage-Deliver leading change focus and ethos, losing continuity at this stage would significantly reduce the impact, success and return on investment of the work.

- 3.6 Beyond this phase of work, however, the intention is to move to a more self-sustaining model, reducing the reliance on Steve Radcliffe Associates. In order to transfer capability from Steve Radcliffe Associates to our internal team, we will need to procure further low level background support from Steve Radcliffe Associates - for example, some leadership facilitation skills development support and potentially the procurement of supporting resources (e.g. in the form of elearning materials and books). The value of this later support phase is initially estimated at an additional £25,000.

#### **4. Measures of success**

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- 4.1 Success will be tracked using participant feedback and by tracking impact on staff survey indicators and organisational change effectiveness and performance.

#### **5. Financial impact**

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- 5.1 The value of the work is estimated at up to £85,000 between now and March 2017 with the potential of a further investment of £25,000 thereafter, to support the transition from dependence on Steve Radcliffe Associates to a more self-sustaining approach. The organisation's transformation fund is being used for this work.
- 5.2 The costs associated with procuring this contract are estimated at less than £10,000.
- 5.3 The outcomes from the work undertaken should have a positive effect on the Council's financial position, making it more likely that cost-savings are enduring (due to the reliance of the cost-savings on an aligned 'One Council' approach and a partnership approach within localities).

#### **6. Risk, policy, compliance and governance impact**

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- 6.1 The grounds for direct award without competition are not met with regards to procurement regulation. Further legal advice has been sought regarding this requirement and it is considered that the risk of challenge from the market is low, due to both the nature of the work and the value of the requirement.
- 6.2 The risk of not agreeing a direct award to the current provider is that business continuity of the programme would not be achieved, leading to a negative impact on organisational change, effectiveness and performance.

## 7. Equalities impact

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7.1 There are no direct equalities impacts arising from this report.

## 8. Sustainability impact

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8.1 There are no adverse environmental outcomes arising from the report.

## 9. Consultation and engagement

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9.1 Not applicable.

## 10. Background reading/external references

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10.1 None.

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## 11. Links

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**Coalition pledges**

**Council priorities**

**Single Outcome**

**Agreement**

**Appendices**