

# Finance and Resources Committee

10.00am, Tuesday 2nd February 2016,

## Building capacity for transformation leadership

<b>Item number</b>	7.1
<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 in order to be able to operate effectively in a much altered financial climate.

Senior leadership plays a crucial role in any organisational transformation in ensuring the expected benefits are delivered in practice (in the Council's case, cost savings and improved outcomes from locality partnerships). Because of this, and to reduce the risk to Edinburgh Council's transformation agenda, an investment has been made in the organisation's senior leadership in 2015 in partnership with Steve Radcliffe Associates.

The work to date has had a strong positive impact: engagement with the work has been at unprecedentedly high levels, leading to the adoption of new and cohesive approaches to transformation leadership and the reduction of the levels of risk. It is recognised, however, that further work is now needed to extend and cement the progress made and a second phase of the work is now planned to ensure the strongest possible coalition for transformation leadership within the Council.

A procurement waiver is sought so that we can keep continuity with the existing partner as this is seen as a crucial factor in the ongoing success of the transformation.

### 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 in 2015 to support the organisation's senior leadership in successfully leading the Council's transformation to ensure the delivery of transformational benefits (cost savings and improved outcomes from locality partnerships).
- 2.2 It was recognised in early 2015 that leadership for the transformation was one of our significant areas of risk. In response, work was undertaken from spring 2015 onwards to build aligned, cohesive senior leadership for the transformation.
- 2.3 In April 2015 a one-off event was run in partnership with Steve Radcliffe Associates to begin to create a shared sense of the challenges and strategic choices facing the organisation amongst the organisation's senior leaders, to ignite their leadership and create appetite for them playing a shared and cohesive leadership role.
- 2.4 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 this event as it was recognised that the level of impetus for change needed was significant and it was only somebody of his calibre that could have the level of impact needed.
- 2.5 The event received an unprecedented level of engagement and positive feedback from the group. It was considered crucial that this work continue to help this group of leaders come in from their functional 'silos' to cohesively lead for the whole Council transformation.
- 2.6 Due to the positive reception and exceptionally high level of adoption of the approach taken by Steve Radcliffe Associates, a procurement waiver was secured to undertake a series of 'leadership learning sets' within this group, to support this group in determining strategies for their transformation leadership and to build cohesion in their leadership approach. A waiver was put in place

at the time and this was reported to Finance and Resources Committee in September 2015.

- 2.7 The work undertaken to date has served to refocus the organisation's senior leadership on playing a powerful and aligned role in leading change. Under the new CEO's leadership, this support has enabled the beginnings of real cohesive leadership for change.
- 2.8 By the end of 2015, leadership was no longer explicitly a top risk in our transformation risk register, which reflects the growth in the organisation's capacity for transformation leadership.

### **3. Main report**

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- 3.1 It is recognised that, while the work to build the organisation's capacity for transformation leadership has made a powerful impact, further work is now needed to both embed and extend the impetus and coalition for change to help deliver real and lasting return on the investment made in transformation leadership to date.
- 3.2 In addition to tracking the impact on risk, we have begun tracking the senior leadership team's progress in leading change. We are tracking indicators that show the extent to which leadership has built commitment and confidence in the direction of travel, engaged and supported people through change and built climates ripe for change and performance.
- 3.3 A baseline has been established that shows further work is still needed to grow the leadership impact in these three vital areas. It is recognised that improvements in these areas are crucial in ensuring we have an engaged and productive workforce with the ability to be successful in striving to improve outcomes for the city within a very new financial climate.
- 3.4 It is also recognised that the route to these improvements is in both embedding and extending the work that has been undertaken to date in building an ever greater and ever stronger leadership force for Council transformation.
- 3.5 Accordingly, a second phase of the work is proposed to ensure that the organisation's leadership is in the strongest possible position to secure the organisation's transformation and deliver a Council that is fit for purpose for the role it needs to play within the city.
- 3.6 Work has therefore commenced to embed the work, supporting the organisation's new Corporate Leadership Team and their direct reports to put their now shared leadership aspirations in to practice. To grow the coalition for change, work is also being planned to extend the work to the next tier down once the organisational review affecting tier 3 is complete.
- 3.7 It is estimated that the value of the work in 2016 is up to £80,000.

- 3.8 It is deemed to be crucial that this work continues with Steve Radcliffe Associates as, having embedded a leading change focus and ethos, it would not make sense to change providers at this stage.
- 3.9 Owing to the success of the initial work, Steve Radcliffe Associates are seen amongst the target population as highly trusted, credible facilitators taking a compelling approach to leadership. They are also seen as having an exceptional amount of experience and expertise in supporting leaders to lead large-scale change. This has led to a high appetite for engaging with the leadership development process and will ensure that senior leaders now proactively sponsor the next phase of the work with the next tier.
- 3.10 It is anticipated that continuity of service delivery partner will enable the Council not only to ensure a high return on the investment made in transformation leadership but it will put us in a strong position to capitalise on the momentum gained and extend and cement progress at the quickest pace.

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

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- 4.1 Success will be tracked using the 'transformation pulse tracker survey' indicators referred to in 3.2.

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

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- 5.1 The value of the work is estimated at up to £80,000. This includes supporting the Chief Officer population additionally, this will be used to extend the support to the third Tier of senior leaders. The numbers are still being finalised as we are confirming the organisational reviews. It is estimated this could be between 70-100 staff.
- 5.2 The approach taken in partnering with Steve Radcliffe Associates has a sustainability focus so that internal organisational development capability is built into the process, reducing dependence on them, or other providers, in the future.
- 5.3 The costs associated with procuring this contract are estimated at less than £10,000.
- 5.4 The outcomes from the work undertaken should have a positive effect on the Council's financial position.

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

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- 6.1 The risk of not granting the waiver is that the Council fails to fully grow its capacity for transformation leadership and in so doing reduces the benefits to the organisation of effective leadership.

6.2 There is a risk of challenge from other potential providers but this is considered to be very low given the unique services and the relative low value.

## **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**