

Decision Report: Target Operating Model

Committee: Executive

Meeting or Proposed Decision Date –

02.09.24

Key Decision – yes



Target Operating Model

Chair of Committee: Cllr Bill Revans

Executive Member(s): Cllr Theo Butt Philip, Lead Member for Transformation and Human Resources

Local Member(s) and Division(s) affected: Applicable to all members/divisions

Executive Director: Alyn Jones, Executive Director, Strategy, Workforce and Localities

Executive Summary

This report seeks agreement to adopt the Target Operating Model (TOM) for Somerset Council.

Our TOM is a framework that outlines how the organisation will work together, and with others, to achieve our vision and priorities.

This report also provides the background and context for the TOM, which is a key component of any successful Transformation Programme.

Our TOM has taken the already agreed Vision and Priorities from the Council Plan, our Organisational Design Principles, and Values and Behaviours and created a document that details how they will work in practice through our 5 key thematic areas.

Our TOM has been written with a view to improving the way we work together and delivering better outcomes for Somerset the place, its people, and the communities, at its heart.

Recommendations

Executive are recommended to:

1. Agree the Target Operating Model for Somerset Council
2. Delegate authority to the Executive Director - Strategy Workforce and Localities to make any future minor amendments or improvements to the Target Operating Model in consultation with the Lead Member for HR and Transformation.

Reasons for Proposals

Our TOM sets out how we are going to work as an organisation and how we will collaborate with others, our members are a key part of that organisation and our future.

Our TOM will only be as successful as the support it receives; therefore, it is paramount that everyone is signed up to delivering on it, especially you, our Executive members.

Our TOM is deliberately high level and cross cutting so it can be used to help guide and inform Service Change and Improvement Plans, Service and System Design and help us prioritise our work by focusing on the right things to reach the same shared vision.

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Main report and supporting information



Background and purpose of report

Introduction

1. The current financial reality means that we need to significantly accelerate the pace and broaden the scale of our transformation. We need to fundamentally rethink the way we work, the services we deliver, and the capabilities and competences that we will need to run our Council.
2. Incremental changes to discrete parts of our organisation will be too slow and narrow to deliver on what is needed. We need to adopt a radically different way of working as a Council, operating with fewer staff and a reduced sustainable budget whilst increasing our influence and impact.
3. We have created a transformation approach that brings together transformation and change programmes across the organisation, fundamentally redesigning the whole Council in line with the new Values, Behaviours and Organisation Design Principles.
4. The ambition of the council remains the same – we want the people of Somerset at the heart of everything we do; and we will be a council that will do our best to be there whenever our residents need us. However, we need to be clear that there will be things that we will have to stop doing, and the things that we do continue to deliver will need to be done in a way which is fundamentally different. We will need to continually evolve and innovate to meet the rapidly changing context and challenges we face as a council.
5. A Target Operating Model (TOM) is a framework that outlines how an organisation will work together to achieve its vision and priorities. It is a key component to any successful Transformation Programme and is designed to challenge the status quo and accelerate transformation by questioning traditional ways of working and focusing on efficiency and effectiveness.
6. Our TOM provides a framework for what our future organisation will look and feel like, to both work for and to collaborate with.
7. Our TOM is not in isolation, but part of the wider envelope of the Improvement and Transformation Programme and MTFP savings already agreed and submitted to Executive. Our TOM helps to support their delivery by taking the Vision and Priorities of our organisation and translating them into how they will work in practice through our 5 key thematic areas to be used as a tool in helping guide us towards our desired future state.

8. Our TOM encourages, supports, and enables the requirement for a whole council approach to Transformation, as first outlined in the February Executive report for The Transformation and Workforce Reduction Business Case.
9. The decision-making, oversight, scrutiny, and representative roles of elected councillors are central to the Council's purpose and functions. The intention of the Operating Model is to be the vehicle by which the Council can ensure that it has the right capabilities, processes, structures, people, information, technology, governance, and culture to deliver agreed vision and priorities, as set out by elected members of the Council.
10. Our TOM has been written with improving the way we work together and delivering better outcomes for Somerset: the place, its people, and the communities, at its heart.
11. Our TOM has been drafted over several months using learnings from other similar organisations, experience and expertise from key officers and via feedback from groups such as a group of subject matter experts for each thematic area, a volunteer Service Director Working Group, Senior Leadership Team, Central Leadership Team, our Chief Executive, a Staff Focus Group and our Executive Members.
12. The practical application of our TOM is it being used as a guide with every Improvement, Transformation and Change proposal, ensuring we have consistency of approach and that prioritise our work against the same common principles. If we want to make a change, we can use the Target Operating Model to challenge our thoughts and ideas to ensure we are moving towards our vision and not away from it.
13. Our TOM, if agreed, will not supersede, or direct any political or commercial decision making – although it will inform and shape the considerations made.
14. Finally, Our TOM should not be regarded as the final position that will be implemented exactly as described at this stage. Rather, it is the organisation's best attempt to describe the future state of the council. We see it as a "living document" and it will inevitably be amended through implementation and in the future through experience and evidence and especially through feedback and engagement from councillors, residents, partners, and staff. This supports our goal as an organisation to work iteratively and learn as we go. Importantly however, such change will be designed and controlled against this baseline.

Summary of the proposal

15. For Executive to agree that our TOM is adopted.
16. This will mean supporting and championing both the use and delivery of the TOM throughout the Organisation.
17. Delegate authority to the Executive Director - Strategy Workforce and Localities to make any future minor amendments or improvements to the Target

Operating Model in consultation with the Lead Member for HR and Transformation.

Benchmarking with other councils/providers

18. We took advice and learnings from other similar organisations, local councils, and support partners when developing our TOM.

Links to Council Plan and Medium-Term Financial Plan

19. The Council Plan and its vision and priorities were used to create the TOM.

20. Our TOM takes those aspirations and creates a working example of them through our 5 key thematic areas.

21. Our TOM will help accelerate the delivery of the Council Plan by ensuring that every change we make is measured against the same agreed vision and priorities to make sure that we move towards it and not further away whilst aligning to the immediate and future Medium-Term Financial Plan.

22. Our TOM helps the organisation understand how the Council Plan will change the way they work and the way they interact with the people, the business, and the communities we serve.

Other options considered

23. An alternative approach would be to forgo the implementation of a Target Operating Model (TOM). However, this could result in a number of risks, including the possibility of slow, uncoordinated changes that may conflict with one another. Without a TOM, the organisation may not be able to transform to the desired level, and restructures may not align with the demands of the organisation. This could result in a failure to deliver value to customers, and investments may be directed towards areas that do not contribute to the achievement of shared organizational goals.

24. There are also several types of TOMs you can create some extremely high level in pictorial format on one page and others 70 pages long with a tremendous amount of detail.

25. We specifically chose to create a high level and aspirational TOM that was clear and easy to understand by everyone in the organisation. It is important to us that it is jargon free and easy to interpret to maximise its use throughout Transformation – if it is too detailed it becomes too rigid and people are less likely to use it.

26. By allowing Services, and our Leaders and Managers to provide the detail of how their Service(s) will and can deliver against the TOM, we are adhering to our Values and Behaviours as an organisation to work as one team and build belonging.

Key considerations for the Council

Scrutiny comments / recommendations:

27. This covering report has been shared with the Chair of Scrutiny Committee for Corporate and Resources.

Consultation and feedback

28. We first engaged with a group of subject matter experts for each thematic area to help build the early draft content for each section within the TOM. These were officers from Governance, ICT, Digital, Data and Business Intelligence and HR&OD. They have remained involved, and any proposed amendments have been made.
29. From the beginning we have had an officer from our communications team involved with the role of challenging the language we used to ensure it was jargon free and easy to understand.
30. A volunteer Service Director Working Group was mobilised where we exercised and discussed the TOM, its content, and its use. The group provided feedback which was then used to help shape the content even further.
31. We have shared the TOM with our Leadership Team and Executive for feedback and refinement at scheduled meetings with the Senior Leadership Team, Central Leadership Team, and members.
32. We attended informal Executive on 29th July to introduce the TOM to our members sharing the document itself along with an Introduction Video. We invited feedback and refined the TOM further following the feedback that was received.
33. A Staff Focus Group was mobilised on the 5th of August with 24 staff members completing a survey to provide feedback. The TOM was well received, 75% of respondents could see how their survey might use the TOM and 86% could see how their service would interpret the TOM to their own service goals and aspirations. There were some improvements to be made around language and design. A summary of the feedback results, as well as links to the full feedback received and an overview of what changes we made or have planned as result was delivered at Informal Executive on 19th August.
34. The TOM was part of an all-Member Briefing on 14th August, where the members not within Executive requested further understanding. An all-Member Briefing pack was therefore created for sharing on 22nd August to ensure all members are aware of the TOM.

Financial and Risk Implications

35. There are no Financial and Risk implications associated with this decision today.
36. However, any service specific or wider organisational impacts on Finance and Risk as a result of delivering against the TOM will be considered separately as the programme develops through the development of business cases which would be brought to the relevant Scrutiny committees and Executive for decisions.
37. The Improvement and Transformation programme, within the transformation approach, will bring forward individual costed business cases.
38. Any savings outlined by the Transformation, Workforce or MTFP programmes will be supported in their delivery by our TOM as it sits within the same envelope as a tool to help guide our organisation to challenge the way it currently works and move towards our vision and priorities.

Legal and Procurement Implications

39. There are no Legal and Procurement implications associated with this decision today.
40. However, any service specific or wider organisational impacts on Legal and Procurement as a result of delivering against the TOM will be considered separately as the programme develops through the development of business cases which would be brought to the relevant Scrutiny committees and Executive for decisions.
41. Any changes in the provision of services would be considered through the appropriate decision-making process, including consideration by Scrutiny as the Improvement and Transformation programme, delivering the TOM, develops through the development of business cases.

HR / Workforce Implications

42. There are no HR/Workforce implications associated with this decision today.
43. However, any service specific or wider organisational impacts on HR/Workforce will be considered separately as the Transformation programme develops through the development of business cases which would be brought to the relevant Scrutiny committees and Executive for decisions.
44. Our TOM will help support the organisation in successful Service Redesign required as a result of the Workforce Reduction Programme and VR (Voluntary Redundancy) Programme ensuring we work towards our Vision and Priorities as council while working with a smaller and leaner workforce.

45. Our TOM has a dedicated theme for People and Skills which refers to our Values and Behaviours directly, outlining how we will support our staff and what we expect from them in return.
46. There are areas where Organisation Development may be required to support the delivery of the TOM to ensure we build the skills and capabilities required to deliver the organisation of the future it describes.

Equalities Implications

47. Our TOM is a high-level framework and not a detailed plan of the changes to come as a result of it being delivered against at this stage, so therefore we have concluded that an EIA (Equalities Impact Assessment) on the TOM itself as an appendix to this Executive Report is not necessary. We do anticipate the need for EIAs (Equalities Impact Assessment) and mitigating actions as a result of this TOM being delivered with the Improvement and Transformation Plan.
48. However we have considered due regard as part of the drafting process, we included a Staff Focus Group where all Staff Networks, including networks focused on Neurodiversity and Disability were engaged to provide their views and potential impacts for consideration to be imbedded into the copy Executive are taking a Key Decision on today.
49. We have also considered due regard throughout the TOM itself as we mentioned that Service Design is done using "co-designing" as a method and with that we will ensure that all staff and users of the service that could be impacted will be involved in shaping the outcome and specific EIA's can be completed as the need is identified against change proposals. We also discuss Digital being something we *"enable, prioritise and promote"* not enforce, while *"providing training and support to those that need it."* This is about not leaving anyone behind or switching off traditional contact methods and processes for those that need it, but more considering the needs of everyone to ensure all processes are as efficient and focused on delivery improvements against the user needs as they can be, whether they are performed digitally or not. Another example is where we refer to using Data in a more intuitive way to provide early support to those that need it, therefore there is a lot this TOM could deliver to provide a positive impact on protected groups if we do it correctly.
50. To ensure this happens we anticipate such additional operational documents as a Service Design Framework and set of Service Design principles which will be the next level of detail. These will be created alongside colleagues from the Equalities and Inclusion which will contain solid and robust plans at the core ensuring that due regard for Equality, Diversity and Inclusion are imbedding throughout Service Design from the start. We will be committed to identifying and mitigating any impacts on users of that service, whether it is staff, resident, businesses, or wider organisation.

Community Safety Implications

51. There are no community safety implications associated with this decision today.

52. However, any impacts on community safety as a result of delivering on the TOM will be considered separately as the Transformation programme develops through the development of business cases which would be brought to the relevant Scrutiny committees and Executive for decisions.

Climate Change and Sustainability Implications

53. Somerset Council have declared both a Climate and Ecological Emergency. Through that, the Council has committed to working towards making the whole county, including our own estate and operations, 'Carbon Neutral' by 2030 and to take positive action to reverse the damage on our natural habitats by man-made activity. We have also pledged to ensure that Somerset is resilient to, and prepared for, the effects of Climate Change. There are no climate change and sustainability implications directly arising from this decision.
54. We do reference becoming a low carbon organisation through Property Rationalisation and better use of the spaces we have available: *"Our buildings and spaces we share with partners will be inclusive, efficient, low carbon and multi-use allowing us to collaborate effectively and provide customers with access to the services they need."*
55. The TOM outlines prioritising and promoting the use of digital and reducing footfall as well as using our workspaces more dynamically and choosing where we work a little more wisely. All of these things will have a positive impact on climate if we have less commuting to work or accessing services where it is not necessary.

Health and Safety Implications

56. There are no Health and Safety implications associated with this decision today.
57. However, any impacts on Health and Safety as a result of delivering on the TOM will be considered separately as the Transformation programme develops through the development of service specific business cases which would be brought to the relevant Scrutiny committees and Executive for decisions.

Health and Wellbeing Implications

58. There are no negative Health and Wellbeing implications associated with this decision today.
59. However, any service specific or organisational wide impacts on Health and Wellbeing as a result of delivering on the TOM will be considered separately as the Transformation programme develops through the development of service

specific business cases which would be brought to the relevant Scrutiny committees and Executive for decisions.

60. By delivering an upbeat and aspirational TOM and establishing how we are going to operate in the future we expect a positive impact on Health and Wellbeing.

61. The TOM describes that any changes as part of Service Design will be done using a co-designing methodology meaning we will identify all impacted users of a service and involved them in any changes from early on. This will enable us to ensure we do not leave anyone behind, and all users' needs are considered whether people, businesses, or whole communities.

62. The TOM seeks to only enhance and improve Health and Wellbeing does not decrease it.

Social Value

63. There are no Social Value implications associated with this decision today.

64. However, any specific negative impacts on Social Value as a result of delivering on the TOM will be considered separately as the Transformation programme develops through the development of service specific business cases which would be brought to the relevant Scrutiny committees and Executive for decisions.

65. Our aim is to provide training and support to those who need it to enable them to interact and collaborate with us in a more digital world.

66. The TOM seeks to only enhance and improve Social Value does not decrease it.

Background Papers

None

Appendices

Appendix A – Target Operating Model

Appendix B – [Link to 4 minute Introduction Video](#)

Report assurance checklist ahead of report publication (for Audit, Executive, Full Council and Scrutiny Committees)

Officer Name	Date Completed

Legal & Governance Implications	Jill Byron (Legal) and Scott Wooldridge (Governance)	Governance: 20.08.24 Legal: 21.08.24
Finance & Procurement	Nicola Hix	20.08.24
Workforce (*)	Dawn Bettridge	20.08.24
Asset Management (*)	Chris Hall	21.08.24
Executive Director	Alyn Jones	07.08.24
Executive Lead Member	Cllr Theo Butt Phillip	21.08.24
Consulted:		
Local Division Members	N/A	
Opposition Spokesperson(s)	Cllr Faye Purbrick Opposition Spokesperson for Transformation and Human Resources	Sent on 14.08.24
Relevant Scrutiny Chair(s)	Cllr Bob Filmer for Scrutiny Corporate & Resources Committee	20.08.24

Note:

Directors may nominate additional officers to act on their behalf

(*) – these areas only need to be consulted on proposals if the proposals have workforce or asset management implications

Reports will not be published if assurance checklist has not been adequately completed – report author to liaise with Democratic Services well ahead of publication deadline

