

PUBLIC HEALTH REFORM OVERSIGHT BOARD (Paper 2.2)

LESSONS LEARNED

Purpose

1. To note the lessons learned from previous reform and merger activity and discuss the proposed mitigating actions.

Background

2. Many of the lessons learned in this report relate to leadership and benefits realisation. In response, our proposal is to create an Executive Delivery Group to respond to the day to day leadership challenges and use EFQM/PSIF methodologies to help address the benefits challenges.

2.1 The Executive Delivery Group will be responsible for the day to day leadership of the reform programme, related engagement with staff and reporting to the Oversight Board on progress. These senior leaders will be chosen for their knowledge and expertise in navigating the existing and future national, regional and local delivery challenges and ensuring our design and delivery choices remain upstream focused.

2.2 The EFQM/PSIF expertise will allow the Executive Delivery Group to capture the available baseline performance information within the predecessor bodies and use this to demonstrate progress. Related assessments will help identify data gaps and areas of strength / areas for improvement and will allow us to establish a benefits realisation plan to help track the development of the new body. This work will also support related corporate planning and post-implementation reviews.

3. The views and comments of the Oversight Board on the options presented here are welcomed. Specifically:

3.1 Are you content to establish an Executive Delivery Team along the lines described?

3.2 Are there any other mitigating actions you believe we need to put in place?

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1. Discussion

1.1 In their 2012 review of mergers¹, Audit Scotland identified lessons learned from sample of 9 mergers which took place between 2008 and 2012. These lessons will help inform the planning and implementation of our public health reform work.

1.2 Overall, Audit Scotland conclude that mergers need strong, strategic leadership from the outset. The absence of such leadership in the early stages of planning and implementation can mean that important decisions are deferred and key elements such as vision, objectives and structure are poorly developed.

Proposed Action: Establish an Executive Delivery Group to lead the reform work. In due course, this Group could take on some shadow responsibilities for the emerging body.

1.3 In most cases, benefits planning and realisation activity was weak and more could have been done during the planning stages to set out how the new organisations would develop after the merger. In other words, there was little focus on when the new organisations would start to deliver the expected benefits.

1.4 For many of the mergers, there were weaknesses in performance measures and baseline information which made it difficult for the new organisations to demonstrate the impact of changes made in the way they deliver services.

Proposed Action: Bring together EFQM/PSIF experience from within the current bodies and the Improvement Service to help capture the available baseline performance information in the legacy bodies so we can demonstrate meaningful progress (para 1.4).

1.5 In addition to the Audit Scotland report, we have also reviewed lessons learned material from the creation of the single fire and rescue and police services in Scotland and the establishment of Revenue Scotland. The recommendations below highlight the key learning from these lessons learned exercises.

Key Recommendations

1.6 Lessons learned suggest that the Public Health Reform Programme would benefit from:

1.7 Appointing the permanent Chair and Chief Executive at the earliest possible opportunity – and ideally, at least six months before the start date of the new organisation – to allow them to progress important decisions and contribute to establishing a clear and strong vision, structure and plan for the

¹ http://www.audit-scotland.gov.uk/docs/central/2012/nr_120614_public_body_mergers.pdf

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new organisation. Given that the appointment processes for such roles can often experience difficulties, shadow arrangements should be put in place earlier than this, where the scale of the merger merits such an approach. Such arrangements can then become interim arrangements if needed.

1.8 Identify the skills, knowledge and expertise needed to lead the new organisation and use this to assess - and if necessary supplement - board and senior management capability. Work together with existing organisations leadership teams to progress different aspects of the merger in a cohesive way.

1.9 Identify, when planning the merger, the specific improvements we expect each merged body to deliver and the criteria to be used to assess this.

1.10 Develop robust cost and savings estimates and regularly review and revise these figures as necessary as the merger progresses.

1.11 Ensure merger plans extend beyond the start date of the new body – to ensure business as usual continues and to plan for subsequent organisational development (OD) that is sufficient, effective and focused on delivering improvements.

1.12 Schedule a post-implementation review within six months of the start date of the new body to identify lessons learned, monitor progress in meeting the strategic aims and objectives and assess if the merger is on course to deliver the long-term benefits.

1.13 Develop and adopt a corporate plan for the new organisation within 12 months of its start date. The plan should provide a strong, strategic focus on the purpose and benefits of establishing the new organisation and the further organisational change (OD) required to secure these benefits.

1.14 Develop performance reporting systems and key performance indicators that measure the benefits expected from the merged body and aim to publicly report performance information no more than two years after the start date.

1.15 Collect views from users, staff and stakeholders on performance and use this to measure improvement and influence service design and delivery.

1.16 A good understanding within the project team of related legislative requirements is essential.

1.17 Don't underestimate the challenge of public service re-organisation. Establishing the programme and project teams as early as possible and committing time and resources to create the necessary behaviours and culture will ensure that colleagues are able to learn together and build relationships and trust. This helps enormously with simplifying future phases of the project.

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1.18 In the early stages, make time (both formally and informally) to discuss issues beyond the boundaries of the project mandate. This helps stakeholders to find their feet and begin the journey of taking ownership of related issues themselves. It also ensures that other issues are picked up and passed on to other relevant projects and not simply overlooked. This helps to ensure that contingent issues which were beyond the immediate scope of one specific project do not become critical as work progresses towards Day 1.

1.19 As above, make efforts to ensure early ownership of the process. Local ownership by the new services helps to avoid the perception of imposition by others (such as Scottish Ministers and COSLA).

1.20 For complex legal matters such as staff transfers, use professional HR officers and ensure external legal advice is made available early on in the project lifecycle.

1.21 A clear staff engagement strategy is essential. Ensure local communications plans exist and remain active. The use of intranets and electronic newsletters to update Q&A and FAQs is very useful. Aim to involve the employee representative bodies as soon as possible in this process. Communications and engagement with staff and stakeholders is key to success and may require a dedicated resource to lead this work.

1.22 Related due diligence approaches take time to develop and implement and are best viewed as an evolving process. Related design work needs to be accompanied by sufficient practitioner and legal discussion to ensure overall viability, especially given that much of the approach - while based on existing good practice - will likely feel new and novel to those individuals tasked with its implementation.

1.23 PRINCE2 training should be provided in a timely manner to those leading the project and some form of overview training is provided as a minimum for project board members (if they are not already PRINCE2 practitioners).

1.24 Recognise that programme delivery requires adequate people resource from the outset. To enable this quickly, identify and make use of existing programme and project management expertise and standard approaches that may exist in the organisations that are to be merged.

1.25 Ensure throughout the delivery cycle that there is a clear separation of role between those providing advice and challenge (governance), those supplying products ('suppliers' in PRINCE2 terms) and those receiving and signing off products ('users' in PRINCE2 terms). These are distinct roles and cannot be easily carried out by the same person. It is very risky to combine them and could require painful unpicking of decisions at a later stage.