Strategy and Tactics in Changing Councils

"Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat." – Sun Tzu

Budget cuts facing public organisations are bigger in scale than the early 80s and there is less 'fat' to reduce. Recent successful experience of transformational change points in the direction of the need for multiple well coordinated initiatives, if the order of 20-30% budget reductions are to happen.

What this has meant is that the organisation's leaders (political and managerial) have taken a hard **strategic** look at what it will mean for the organisation and how the **tactics** are to be handled before diving into action and 'cutting'.

The scale of the cuts demands that the organisation mobilises all the resources of thought and action it can muster. It will be a mix of **transformational leadership** and getting the strategic direction sorted; **sourcing more widely** how to reshape and deliver services; and **transactional leadership** which gets the tactics right and being persuasive at individual, team and organisational levels.

Five Factors

There are five main factors that in our experience define how you must make these radical changes:

A) A leadership group of members and officers able to forge a strategic vision and take responsibility for the tactics to deliver this strategy to deal with the budget cuts and policy changes. This would ideally be the Cabinet and corporate management team – though if this is too large and unwieldy then a smaller subset may be necessary. This leadership group needs to be geared up to meet, debate, decide and manage the radical changes necessary. Whether it is the same group or others who manage the ongoing service delivery business of the council these need coordinating with the cuts programme and lead as one agenda - otherwise the organisation's capability will be stretched more than feasible.

B) Reduce to a minimum the core principles that are to guide practical decision making. A few core principles must guide this process – two dozen won't do, nor those wrapped up in a 'war and peace' strategy document. What are the core principles that will keep informing the way choices are made and deliver realistic progress towards the strategic vision?

C) Being as clear about what the cut looks like and over what timetable. Establishing straightforward targets and the evidence required to show they have been delivered. This may not be easy but this needs targets – not unrealistically ambitious or unduly modest – but ones which have political (preferably cross-party) and managerial support. They must mean something across the organisation

D) Being clear about the scale and range of options available (e.g. Annex1). This will range from:
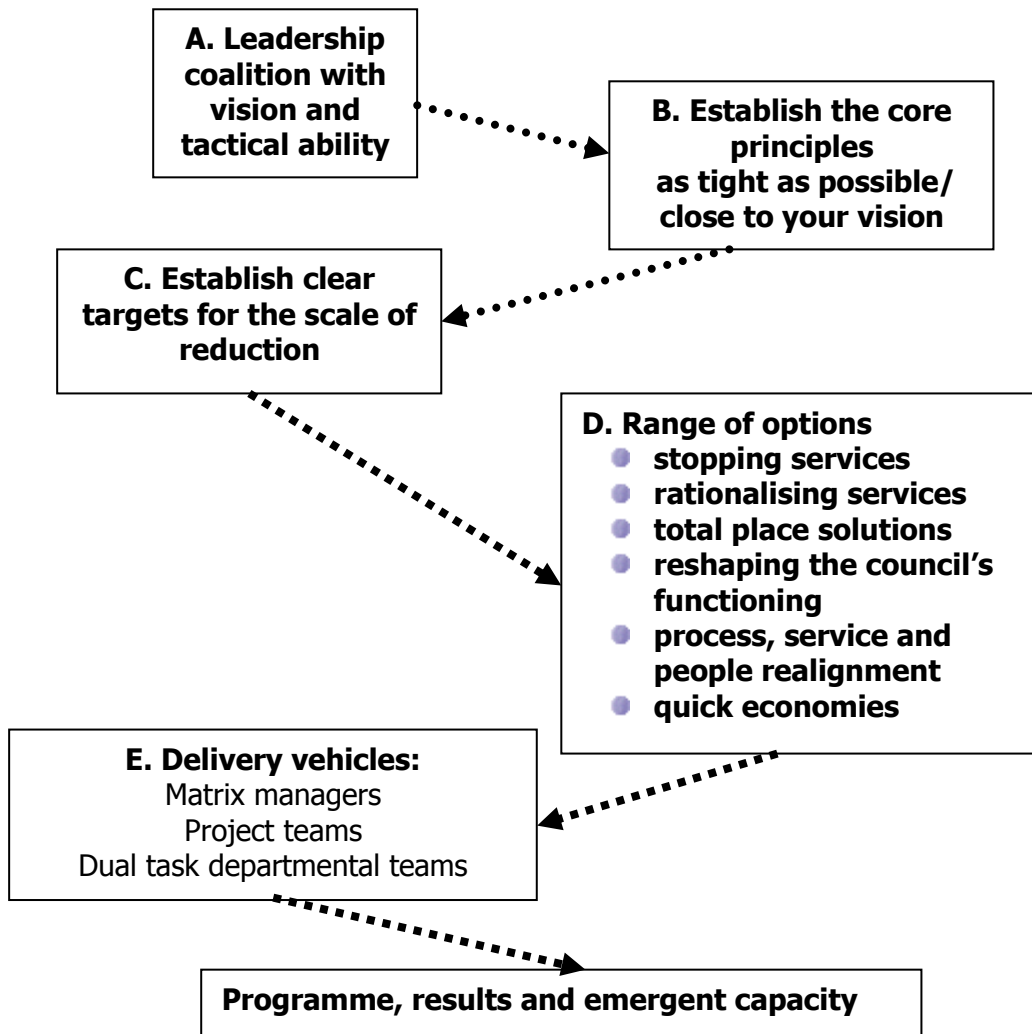
- 'quick wins' of easy economies

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- process and people realignment
- reshaping the Council and its key processes (e.g./ commissioning, customer services etc)
- rationalising/stopping services which are not absolutely core, finding a wide range of alternative providers e.g. from conventional to social enterprises, mutuals and self help
- 'total place' deals with partners to pool responsibilities, resources and control

E) Finding management vehicles, existing and special purpose, to deliver the results for the organisation. It will require dedicated vehicles for example:

- Matrix lead managers (Annex 2)
- Delivery project teams
- A programme/project office

Making transformational change all five elements are necessary. They are illustrated below.

A. Leadership coalition with vision and tactical ability

B. Establish the core principles as tight as possible/ close to your vision

C. Establish clear targets for the scale of reduction

D. Range of options
- **stopping services**
- **rationalising services**
- **total place solutions**
- **reshaping the council's functioning**
- **process, service and people realignment**
- **quick economies**

E. Delivery vehicles:
Matrix managers
Project teams
Dual task departmental teams

Programme, results and emergent capacity

Theses sketchy suggestions in this note draw upon experience from councils who are making transformational change and using a 'one council' business model.
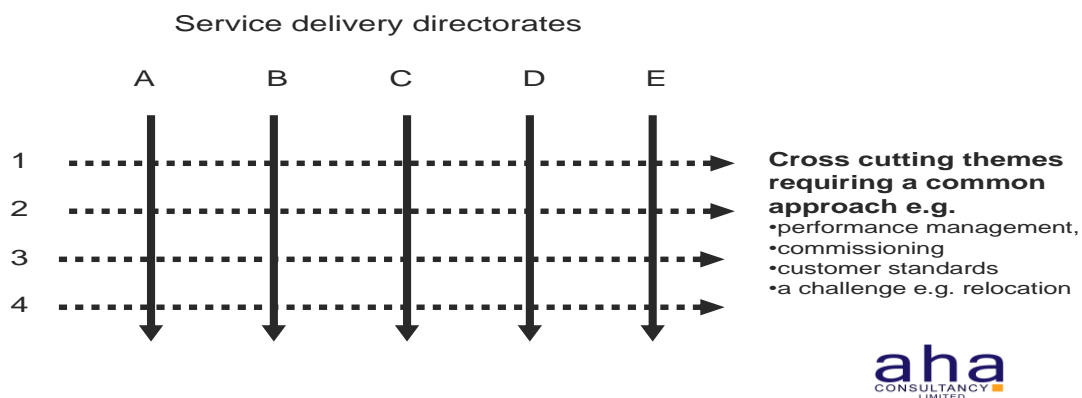
Annex 1. Range of Options

A chart adapted from one by **Price Waterhouse Coopers** is helpful. Cuts of the order of 20 -30%, PWC argue, require more than levels 1-3,   the difficult levels of 4 and 5 must be tackled if you are to get beyond 10-15%

5.	Total Place	New solutions – end to end pathways, demand 'management, pan-public sector. Use of community and customers own organisation and resources
4.	Service prioritisation/rationalisation	Stopping doing some things – alternative providers
3.	Organisation wide transformation	Cost, quality, structures and culture – 'standardise', 'share', customer first, commissioning, outsourcing
2.	Focused improvement initiatives	Cost and quality – remove waste, simplify, streamline processes, improve services
1.	Quick wins	Cash – cutting costs, raising income, funding investment

Annex 2. MATRIX WORKING

The transformation agenda common to most authorities is the balancing act required between directorate/service delivery **and** cross- council/cross-partnership transformation projects. It is often referred to as **the matrix management issue**. The diagram below represents this:

Matrix Structures:
service delivery structures overlaid with cross cutting themes

Service delivery directorates

A   B   C   D   E

1
2
3
4

Cross cutting themes requiring a common approach e.g.
•performance management,
•commissioning
•customer standards
•a challenge e.g. relocation

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What many corporate groups of managers are finding is that the competition between the 'vertical' service delivery priorities and 'horizontal' cross cutting improvement priorities need robust management. Typically this requires:

- **individual managers committing a proportion of their time to cross cutting projects** as well as carrying through their service delivery and improvement work;

- **management teams managing the conflicting processes, priorities and plans between different tasks** – CMT at a strategic level, SMT/DMTs at business planning level, frontline teams at a delivery level;

- **cross cutting projects getting full project disciplines** –this needs senior 'sponsors' who will defend and be accountable at CMT; project leads with time and skills; project disciplines of PIDs, resourcing, outcomes, and performance timescales; and overall management of the workload pressures and conflicting demands (of which there will be plenty).

What is important with matrix management is that it is an embedded and familiar way of managing the authority: it does require staff, managers, teams and the organisation's systems and processes to reflect and practice the principles.