

# Public Sector Reform

## The Time is Now!



“Sometimes if you have financial restraints, it’s a benefit. It forces you to come up with a more creative way.”

**Robert De Niro**

To say that there has been a lot of writing around public sector transformation/reform is an understatement. We are all experts. Just google and read!

I’ve had the privilege of working and networking with agencies in the UK faced with the challenge of meeting community expectations in times of fiscal constraint. Over the last 6 years, the UK government has achieved a drastic deficit reduction, with 80% attained through a cut to the public sector purse.

**This innovation is achieved under a number of guises and principles including:**

- ⊙ Regional Devolution of Powers, where decision making and allocation of resources is made at a regional rather than central level;
- ⊙ Localism, where Ministers transfer local public functions from central government and;
- ⊙ Remote quangos, also known as local authorities or combined authorities and economic prosperity boards.

At the end of the day the result is the same, the sharp end has less money to deliver the services required!

## So how do we define Public Sector Reform?

“Public sector reform is a systematic process of ongoing strategic initiatives, in response to change, resulting from internal and external sources. The ultimate goal of public sector reform is to improve effectiveness and efficiency in both operational and service delivery areas.”<sup>1</sup>

The definition from a 2004 Public Sector Reform Forum clearly links business transformation and change to the shifting world around us. I believe many countries in the last 5 years have seen a significant transformation in the public sector, where changing fiscal direction has impacted policy change and thus lead to Public Sector Reform (PSR).

## The fundamental question



“Will our governments and institutions be able to adapt fast enough to harness change instead of being overwhelmed by it?” -

**United States National Intelligence Council entitled Global Trends 2030**

<sup>1</sup> Excerpted from a speech delivered by Roosevelt Finlayson who served as Forum Facilitator at a Public Sector Reform Forum for Senior Public Officers, Executives of Unions, and Staff Associations on Friday, 28 Oct., 2004.

During my travels I have found consistent **Key Policy Areas** that are driving **Public Sector Reform**, including:

## Devolution of Power and Decision - Local Decision Making

In the UK, devolution is the redistribution of power and funding from national to local government. This was demonstrated through the devolution to Scotland, Wales and Northern Ireland, which resulted in the creation of Assemblies.

There has now been a spate of new 'Regional' Authorities, e.g. Manchester and Liverpool, created to enable the transfer of services and funding from Central Government. This in theory allows for improved 'local' decision making and more effective collaboration of services between local, public and private service providers. Ultimately this allows the community their democratic right to 'vote' what is best for them.

Encouragement of 'Regionalism' is not new in Australia with Federal and State Governments using 'Regions of Councils' as a vehicle for driving better service delivery and regional planning. The discussion of the relevance and roles of the three levels of Government needs to be had (no winners in that debate!); however, clearly 'Localism' and the need for decision making close to grassroots is a growing trend, especially as the increasing tech-savvy communities of the future will want greater control over their destiny.

## Openness and Engagement with Community to meet their needs

"Transparency is an idea whose time has come. And it is the friend of the reformer. Governments that work with it, and go with the grain, will be stronger for it."<sup>2</sup>

Whilst every country is different, there are widespread growing expectations for better quality and more relevant deliverables. As mentioned earlier, the modern person is well researched and more knowledgeable than previous generations, setting expectations on the public sector to deliver with the same efficiency as the private sector organisations they deal with. Tech-savvy individuals expect to be heard and will increasingly demand high standards of accountability from the public sector. There is no doubt that in the future, those organisations not committed to openness and engagement will be undertaking a high risk strategy. The use of digital technology to allow for the provision of ongoing engagement with community and other stakeholders will be an important part of future performance management frameworks.

## Challenging the service delivery norms through Collaboration and Service Redesign

Reform, driven by fiscal restraint, is changing the 'norm' of service delivery. The 'Salami' approach, is arguably feasible for 10-20% reductions, but not sustainable medium to long term as the \$'s/ £'s reduce. The public sector will need to critically examine alternatives to direct service provision and regulation that could yield more cost effective outcomes. The future service delivery benchmark may well be more a hybrid model of internal and external agencies, partnered with the private sector, depending on the community driven requirements.

At the corner stone of change will be stronger emphasis for collaborating agencies to develop a culture and operating climate, similar to that of the private sector. To achieve this there will need to be a redesign of how services are delivered, who delivers them and at what standard. Service providers will be leaner and more focused on what the community deems to be core activities. In some cases resources will be increased to areas deemed to be the greatest level of importance/risk to the local community. The public sector will not only have to collaborate and undertake real analysis of options, but follow through with hard decisions to make it work. Monitoring cross agency performance and ensuring accountability across agencies will be increasingly important, whilst defining and benchmarking the success of collaboration will also be an essential requirement.

Arguably the biggest risk to the public sector is its ability to move from the traditional silo, specialist mentality, to a more community driven collaborative model. A more formalised approach to collaboration to achieve community outcomes will be required and this needs to be inherent in the 'way we do business'.

To achieve the changes required going forward and address multi-dimensional problems, will entail collaboration with experts or providers outside of the public service and openness to different points of view; which can challenge our traditional vertical accountability models. Building the requisite relationship management and communication skills as well as resolving the accountability issue have been a focus of work in Australia since 2010 and is still to this day a work in progress.

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<sup>2</sup> The Hon Lord Maude of Horsham and Civil Service Reform: 10 February 2014

Innovative solutions will require a multidimensional approach to collaboration and implementation while traditional models will need to be challenged. Commencing with the best outcome and working back will find that collaboration may be on multiple fronts and levels. The involvement of the community in owning the outcomes will be paramount.

The collaborative delivery of 'value' based services that positively impact community needs and outcomes is often described as 'Strategic Commissioning'. Strategic Commissioning (SC) is a 'process' often cyclical that adapts as the environment around the community changes. It can incorporate many steps but typically involves, community engagement, defining their needs and priorities, analysing and reviewing delivering alternatives and commissioning the outputs whilst continually monitoring and assessing performance. SC supports no political mantra and it is relevant to delivering services through the public sector, private sector or a combination of both.

**Based on our experience SC provides a range of benefits/outcomes including:**

- ⤵ Improved communication and collaboration across regional/public sector agencies;
- ⤵ Real-time performance information for governance, scrutiny and external regulators to base decisions upon;
- ⤵ Technology supporting the rollout of enhanced operational models in a commissioning environment (e.g. transparency); and
- ⤵ The ability to undertake strategic workforce planning and scenario modelling prior to structural changes taking place.

There is one definite; the way we deliver services and how we ensure they are what the community needs and are willing to pay for, is changing rapidly.

## Public Sector Cultural Change through Capacity Development and Performance Management

It is an easy thing for those of us in the private sector to criticise public sector culture. Having worked at a senior level in both, I know there are brilliant employees at all levels of the public sector and I understand the value of good roads, drainage and sporting grounds our communities rely on. We owe much to generations of dedicated public servants!

However, the traditional public sector culture is likely to be more at odds with what will be required in the future. We know there will be less public servants and those who remain will need increased business and commercial acumen. A stronger customer centric approach will be required and more services will be digitally driven rather than face to face as we deregulate and redesign them. Stronger emphasis on partnership and collaboration will be the new norm and the silo mentality will not only be discouraged (as it is already), but actively discouraged and/or penalised.

Decreased rules and restrictions will mean less public servants working in isolation and a stronger interaction with the community and other stakeholders. Deal making will be seen as an essential characteristic. Effective workforce planning, driven by clear direction on current priorities, an assessment of likely future capability requirements, along with a relevant reward system that recognises innovation and commercial success, will be paramount.

The public sector of the future will require not just traditional, operational, technical and specialist skills, but also far stronger skills in collaboration, partnership management, communication, networking and community engagement. The use of digital technology to assist collaboration, talent management and workforce planning and analytics, will be critical to maximise success. Traditional planning and performance approaches will need to be redesigned and the status quo challenged.

## Digital Technology

The use of 'smart' digital technology through the cloud provides the opportunity or mechanism to challenge the way we deliver services. It certainly creates the opportunity to provide services faster and more economically; however, it is not just moving away from a traditional paper approach and achieving process savings, but rather strategically gives us an opportunity to redesign and reignite the public sector in meeting and exceeding community expectations.

To achieve this we will need to engage, collaborate, partner and be more willing to take qualified risks. Yes, there are risks (as the problems around the 2016 Australian Census indicates); however, the potential returns are significant.

The digitalising of our services provides an opportunity to question regulation and provide simpler, faster and cost effective outcomes for the community.

# CAMMS Public Sector Reform Approach

CAMMS believes in the future of an efficient, accountable and transparent public sector. It brings over 35 years of working with the public sector in the area of cultural change and business transformation. To partner with and support its vision for the public sector, CAMMS has produced a conceptual framework specifically designed to assist the public sector to be ahead of change.

The conceptual framework was developed as a result of CAMMS' experience working with multiple agencies over a number of years.

CAMMS delivers its conceptual framework by utilising its Public Sector Reform Tool Kit, currently being utilised in the UK and NSW, for Public Sector Reform projects.

## CAMMS Public Sector Reform Conceptual Model

Figure 1. Depicts CAMMS approach to providing real transformation for the public sector. The model is adaptable to all levels of public sector transformation and reform including:

- Regional Transformation linked to UK Local Government Partnerships
- NSW Local Government Mergers
- Public Sector cross agency collaboration

Figure 1. CAMMS Public Sector Reform Conceptual Model



## Community Outcomes (CO)

The pinnacle to CAMMS' model is the requirement to meet the needs of the wider community. Certainly not new; as sustainability through outcome based planning and budgeting linked to value based services has been for many years drivers of PSR. However, the model depicts a more focused approach to developing and implementing real reform. This is critical in the context of reducing fiscal funding.

## Stakeholder Engagement (SE)

Real stakeholder engagement is critical to ascertain not just desired outcomes but priority areas and acceptable standards levels. This is reflective of the reality that not all outcomes can be achieved at the standard levels desired by the community. Digital engagement mechanisms with a strong focus on ongoing involvement and communicating the resulting deliverables, are key components of CAMMS' Stakeholder Engagement

## Reform Strategic Plan (RSP)

Insights gained from stakeholder engagement will drive change to traditional policy approaches. In the RSP stage potential changes to strategic direction on services and its delivery are analysed and risks assessed. The 'what, why and how much' as it relates to community outcomes are further defined and the identification of collaboration and strategic commissioning requirements are clearly stated. The Reform Strategic Plan identifies directions on service strategy and provides an implementation plan driving required changes.

## Value Based Service Reviews (VBSR)

During VBSR detailed service profiling is undertaken including operational risk assessment. The impact of transitioning to 'new directions' on people, business process, service standards and costs are analysed and documented. Digital communication with community stakeholders continues and the results feed into the VBSR. A key deliverable from the VBSR is specific commissioning plans for nominated services.

## Strategic Commissioning (SC)

A critical element of PSR is the strategic commissioning of services consistent with VBSR. This involves effective collaboration across agencies to deliver change. Depending on policy this may involve liaison and collaboration between the public and private sector. The commissioning process is integrated into procurement and contractual guidelines. The implementation of improved business processes and more effective use of our human assets to meet agreed service standards are priorities. Effective communication, monitoring and progress reporting, , is an essential deliverable.

## Performance Management and Review (PM&R)

Effective performance management ensures the connection between policy, strategic directions and implementation is established whilst minimising strategic risks. Underpinning PM&R is the collaboration and reporting of key milestones and benchmarks along with effective collaboration around projects. The use of digital technology integrated with a sound performance management framework is critical to achieve this.

The CAMMS Public Sector Reform Framework is indeed unique in its ability to 'make it happen'. CAMMS has utilised consulting experience, vertical knowledge and digital technology to bring its Public Sector Reform Framework to life and reduces the overall cost of 'making it happen'. The digital technology supporting the framework provides real value and an opportunity for the Public Sector to own the change.

The driver of CAMMS approach is its unique Public Sector Reform Toolkit (PSR Toolkit):

## Global Collaboration

- Cross Organisational Planning, Reporting and Collaboration
- Monitoring and reporting on Reform Strategy and Implementation Plan
- Corporate Governance and Stewardship

## Community Dashboard

- Performance metrics and key community projects
- Stakeholder engagement through cloud based data visualisation tool

## Strategic Workforce Planning

- Organisation Diagnostics and Profiling (Workforce Analytics)
- Scenario and Options Analysis (Future Organisation Structures)
- Link to Competency Frameworks

## Service Analysis and Modelling

- Scenario Modelling (e.g. shared services, external contracts, alternative delivery models)
- Service Definition and Planning (Profiling and Standards)
- Business Process Improvement

## Supporting Business Transformation Options

- Development and review of Transition Plan
- Strategic Workforce Planning
- Development of Strategic Workforce Plan
- Implementation, Training, Integration and Project Management
- Service Review and Redesign

The CAMMS Reform Tool Kit, brings together elements of business transformation and reform into one solution that provides the tools for government to make the real changes required to meet future challenges. There are no other providers globally that can deliver this.

For those governments and experts who now believe reports and studies undertaken by consultants and 'experts' want deliver alone and are looking for real outcomes, CAMMS Reform Tool Kit will empower your workforce to succeed.

For Further information please contact Joe Collins on **+61 (0) 407185297** or email [joe.collins@cammsgroup.com](mailto:joe.collins@cammsgroup.com)



## Joe Collins

Founder & Managing Director, CAMMS

Joe Collins, Managing Director of CAMMS, has an extensive background in the public sector having held senior management positions in State Government as well as having held the position of CEO in local government. He originally founded CAMMS in 1996 as specialised management consultancy company and has developed the company internationally from its Adelaide head office.

Joe's expertise includes future direction and vision development and the development of high level frameworks for strategic, corporate, business planning and performance management. Joe also has a strong background in organisational and service review and process re-engineering. Joe is well recognised for his ability to deliver successful outcomes on difficult projects. Joe has been the driving force behind the development of CAMMS SYCLE solution which provides a unique system for providing a clear line of sight within organisations and links organisational planning and performance management with employee performance management.

Joe has led the international expansion of CAMMS, exporting expertise and product to the United Kingdom and North America. Joe has worked very closely with international organisations in the context of 'intelligent commissioning' as they look at the challenges posed by significant reductions in public sector funding and the implications for service delivery.

### Experience:

- Corporate Performance Management
- Strategic, Business and Financial Planning
- Business Process Reengineering
- Organisational Review and Change Management
- Mentoring / Training
- Management Accounting

### Qualifications:

- Degree in Accounting
- Post Graduate Diploma in Management
- Fellow of the Australian Society of Certified
- Practising Accountants
- Member of Institute of Management Consultants

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