

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources

11 September 2019

TRANSFORMATION PROGRAMME 2015-2020

**Report by Depute Chief Executive, Chief Operating Officer
(Report No. 19/249)**

This report gives an update on phase four of the Transformation Programme approved by the Council on 1 July 2015 (Report 473/15) and provides an overview of progress on the current projects.

1. BACKGROUND / MAIN ISSUES

- 1.1 The Council's Transformation programme supports the Council's approach to public service reform and aims to encourage innovation, creativity, flexibility and greater entrepreneurship to meet the significant challenges ahead.
- 1.2 A major part of the Council's transformation strategy is being delivered through a programme of transformation reviews. The current programme has 15 projects in total aimed at developing new ways of working to sustain high quality service delivery, and for some, achieving a challenging level of savings.
- 1.3 We are now into phase four of the transformation programme initiated over the past three years, this phase being agreed by Council in April 2018 (Report 18/137).
- 1.4 Highlight Reports for each project are available on ERIC and Elected Members can contact the individual Senior Responsible Owner (SRO) or Project Manager for further information on any of the projects below at any time.

2. PROGRESS TO DATE

- 2.1 Progress on each of the projects is provided by the appropriate Executive Director below:

Education and Children's Services (ECS)

2.2 Review of Catering Services

- 2.2.1 The review will examine optimum production, menu and service arrangements across Tayside and look at options for a Central Production Unit (CPU) and partnership working to ensure the most efficient and effective catering service.

2.2.2 Savings of £459k have been identified for PKC (£426K of budget savings to ECS with an additional surplus to be returned to the council of £33k). Due to initial delays in the project commencing, it is not anticipated that the CPU will be operational any earlier than August 2020. This project is being reported as at risk due to the differing views of the project. Risks are being managed through project governance procedures.

2.2.3 An update Report will be presented to Council on 25/09/19.

2.3 Securing the Future of the School Estate

2.3.1 The project is reviewing the school estate to make the most effective and efficient use of school buildings, and staff across the school estate.

2.3.2 This project is progressing as planned although there are some issues in relation to the uncertainty of outcomes from Statutory Consultations and feasibility studies.

2.3.3 On 16 July 2019 the Council was advised that Scottish Ministers are calling in the proposal to close Abernyte Primary School and are referring it to the School Review Closure Panel.

2.4 Review of Inclusion Services

2.4.1 The review will redesign the delivery model which may result in some efficiencies but any savings or changes to service provision must be undertaken within legal duties held by the council.

2.4.2 The project is progressing however is marked as having some issues due to the delay in planning the phasing of the implementation of the Review. Necessary operational staffing changes will come into effect from the beginning of the 2019/20 school session. Widespread consultation with all stakeholders will help inform the development and implementation of the review.

2.4.3 There are no savings attached to this transformation project. The ongoing implementation of the review of Inclusion Services is designed to bring about cultural change, service redesign and a shift in resources to improve the effectiveness of inclusive education for children and young people with Additional Support Needs (ASN). The Inclusion Team is managing changing demand for ASN within the current budget allocation.

Housing and Environment Service (H&E)

2.5 Corporate Property Asset Management Review

2.5.1 The review of the Council's property assets will provide a property estate which is appropriately sized for requirements, well used, properly maintained, integrated with partner organisations' asset management plans, with

maximised collaborative opportunities, and ensures property is in appropriate geographical locations.

- 2.5.2 A Project Manager has been appointed and started in post May 2019. Initial development is ongoing in the delivery of phase one of the re-scoped programme agreed in the November 2018 report to SP&R Committee. Contacts have been developed and initial meetings held with Scottish Futures Trust and other key stakeholders to scope out options for localities in line with the programme.
- 2.5.3 Workshops are being arranged with community planning partners (NHS/Police Scotland/Scottish Fire & Rescue Service/Scottish Ambulance Service) to discuss shared public estate options for Blairgowrie, and discussions also ongoing with Blairgowrie & Rattray Development Trust to explore options for community asset transfer.
- 2.5.4 Further information gathering is underway regarding the remaining Perth Office Estate to provide high level data for option appraisal purposes in advance of the end of the Pullar House PFI agreement in September 2025.
- 2.5.5 Discussions continue with the Council's Community Planning team to further develop opportunities for Community Asset Transfers and progress existing applications.
- 2.5.6 Recurring savings of approximately £900,000 are already being achieved, predominantly through the former Perth Office Programme with additional savings identified from recent school estate strategy decisions and the closure of Beechgrove House. Risks remain in securing the remaining balance of the total £1.8m savings target by April 2020 as well as the phasing of achievable savings, but will largely be dependent on the pace at which options can be developed with Communities and Community Planning Partners for consideration at SP&R Committee.
- 2.5.7 A progress report for the Corporate Property Asset Management Transformation Review is to be presented to the Modernising Governance Member/Officer Working Group in October with option appraisals to be presented to SP&R Committee on a project/locality basis.

2.6 Council Vehicle Fleet Utilisation and Optimisation Review

- 2.6.1 This review looks towards the better utilisation of the council's small vehicle fleet through the introduction of telematics and effective ongoing analysis of associated data. In addition, the project proposes to undertake a review of the grey fleet (ie private vehicles used for Council business) with the aim of reducing the extent to which delivery of Council Services rely on this, with resultant significant cost saving (through less payment of travelling expenses).
- 2.6.2 The project is now back on target, with the new Project Assistant having started on 17 June 2019. Work to update the Travel Policy is ongoing with Human Resources to change the hierarchy of travel choices and de-prioritise

the use of personal vehicles for Council business, and a full review of current policy will be undertaken over the next few months.

- 2.6.3 Following a positively received demonstration to staff, the Pool Booking System will go live imminently, supported by user guides and internal communications. This will make choices easier for staff to use pool cars over their own vehicles for Council business.
- 2.6.4 Further work to analyse data across all Council Services is underway to inform the future work plan within the project. Understanding how and where our vehicles are used, and where they are kept, will ensure maximum access to lower cost, and more sustainable, forms of transport, for all staff.
- 2.6.5 The uptake by staff of Electric Vehicle Familiarisation sessions has been very positive - with all sessions fully booked - and further sessions will be arranged to meet staff demand. This will give staff confidence to use electric pool vehicles.

2.7 Low Carbon Project

- 2.7.1 The Project seeks to prepare the Council for emerging duties in relation to Climate Change Act 2009 and our duties around low carbon emission.
- 2.7.2 Initial outreach activities have started with a meeting being held with representatives of the Perth and Kinross Climate Change Cafés on 11 July. This has identified potential avenues for joint approaches and partnership working around community and public engagement with the climate change and low carbon agenda and these are currently being followed up and developed. Over the coming months it is planned to engage with further groups with activities in climate change and low carbon transitions aiming to develop the foundations of an ongoing engagement network.
- 2.7.3 It is acknowledged that so far this engagement has involved groups already active in the climate change agenda and the greater challenge will be reaching out to communities, groups and members of the public who have not previously engaged in issues around climate change and low carbon transitions. In addition to the local network we will look to engage and co-ordinate local activities with National climate change initiatives to lever against these national resources, focussing and refining them where required to reflect local contexts and issues.
- 2.7.4 Internal briefings have continued with presentations of policy updates and PKC strategy to the convener and vice-convener of the Environment and Infrastructure Committee on 1 July and to the Corporate Management Group on 9 July. An event for Elected Members is planned for 3 September. Future PKC staff events will be planned, such as learning lunches and development of on-line resources to ensure as wide a dissemination of climate change activities and information as possible.

2.7.5 Risks, issues, costs, savings, and non-cashable benefits are unchanged and remain in line with the existing plan.

2.8 Review of Housing and Community Care Repairs Service

2.8.1 This project is undertaking a detailed review and analysis of key areas of housing repairs to identify improvements to efficiency and productivity which both improves the service delivery model and achieves savings of £500,000.

2.8.2 This project is on target and, having implemented improvements and delivered efficiencies, work is now underway to review and measure what has been achieved and the impact of the changes.

2.8.3 Savings in the first 3 years of the project total £300k, some of the key milestones in delivering this are;

- 1 - Developing a mobile working solution for the repairs service
- 2 - Introducing locality working for teams
- 3 - Launching the reporting of repairs online
- 4 - Use of Scotland Excel procurement framework for materials
- 5 - Developing a stores solution
- 6 - Reviewing fleet use and efficiency

2.8.4 Further specific work is underway to develop a dashboard for trades' productivity. A demonstration of the revised dashboard will be shared with the project team in August. An inspection of the Store was conducted and this showed good stock levels and management of stock following the work undertaken as part of this project. Further work will be undertaken to develop an online store process.

2.8.5 Review of fleet usage has shown that fuel usage and mileage has reduced over the last 2 years, although overall fleet costs have increased. A planned review of fleet will be brought forward with a view to addressing this.

2.8.6 The review of the project outcomes and objectives achieved has identified further actions to support next steps within the service. These will be discussed and actions prioritised at a future project board.

2.9 Commercialisation of Assets and Income Generation

2.9.1 This project will review and collate evidence of local, national and international markets; business sponsors, event organisers and advertisers' needs and requirements; and community funding models and external funding sources. This will inform the development of a Council Strategy to drive forward our work to generate income for the Council and partners from potential commercialisation of business sponsorship linked to advertising, community funding, and external funding.

2.9.2 Specialist consultancy services are currently being sought to review and collate evidence of local, national and international markets; business

sponsors, event organisers and advertisers' needs and requirements; and community funding models and external funding sources. This will inform the development of the Council's strategy.

2.9.3 A contract procurement strategy has been prepared to allow issue of tender by September and appointment of consultant by December 2019.

2.9.4 Key procurement dates, criteria, tasks, risks and milestones have been identified to include within the specification, to achieve desired outcomes in respect of developing frameworks to secure business sponsorship, and generate income to achieve potential savings in the delivery of projects and activities.

Corporate and Democratic Services

2.10 Modernising Performance Reporting Review

2.10.1 The review will identify technology to transform the presentation of performance management information, allowing more efficient, effective and instant access to Council performance data, for all users of the information.

2.10.2 Project progressing at pace supported by good commitment from stakeholders. A Performance Framework identifying reporting expectations has been agreed with the Corporate Management Group. Existing software options that exist within the Council have been explored and are not considered compatible with project needs.

2.11 Smart Perth and Kinross: Perth and Kinross Open Data

2.11.1 The project will review the publication of Council data, in collaboration with other Scottish cities, for better co-ordination, and to develop a locality based community information system, to help identify and tackle inequalities, engage and empower communities and assist with neighbourhood planning.

2.11.2 A pipeline of future data sets is being established, and key data challenges are identified. Collaborative work with data specialists from the Scottish Government is ongoing to ensure alignment of data standards across the 8th City partners.

2.11.3 This project remains on target and has now enabled the release of the roads defect repairs and maintenance data for financial year 2018-19 as 3 star open data.

2.12 Procurement Reform Review

2.12.1 The project will achieve further savings from procurement activities through closer management of suppliers, maximizing use of collaborative procurement consortia, development of professional procurement skills for staff, improved monitoring and reporting systems, and managing demand through re-specifying products and services.

- 2.12.2 The conclusion of all of the objectives set out under this transformation project is dependent on improvements in contract and supplier management capability. Significant analysis of our options has taken place. The most favourable option being considered is to work more collaboratively with the digital transformation team. There is no available funding to move dedicated resource into the IT team to take this forward at pace. Potential to achieve these objectives through the Tayside programme of work will now be considered.
- 2.12.3 The Community Benefits wish list is now live and has had 5 requests in July, the number of people visiting the Community Benefits external webpage has doubled in the last month. A member of the team attended the Local Action Partnerships Chairs and Leads meeting to discuss the community benefits wish list and agreed that they will engage with community groups in their areas. Communications have been issued on Social Media to promote the wish list.
- 2.12.4 Following agreement from the Strategic Investment and Improvement Board (SIIB) in July that the delivery of remaining outcomes from the project should be concluded through the Council's digital strategy it is proposed that reporting separately on this project is concluded. At the end of September the funding for the project will have been used in full. One final highlight report will be submitted at the end of September.

2.13 Council Assets for Commercial Sponsorship

- 2.13.1 This project will utilise the Council's existing assets to generate income by offering sponsorship and advertising opportunities. The revenue generated from this project can offset the costs of providing valuable public services.
- 2.13.2 A prospectus of potential advertising sponsorship sites has been developed online - <https://www.pkc.gov.uk/sponsorship>, and has been publicised. The Council's Commercial Waste Team is promoting these opportunities when engaging with businesses on their waste management requirements.
- 2.13.3 Although the sponsorship of Council owned roundabouts has been very successful, plans to extend this to larger roundabouts at Broxden and Inveralmond have slipped, as Transport Scotland (TS) are currently undertaking an assessment of roundabout sponsorship sites on the whole trunk road network to review accident history and inform policy in this area. This has impacted on the opportunity for the Council to go to market with the roundabout opportunities identified and agreed previously through a Memorandum of Understanding with TS. This decision has had a significant effect on the potential income target of £50k for the financial year 2019/20.
- 2.13.4 A tendering exercise for advertising on the sides of Council vehicles has been undertaken, and contract details are being finalised with the successful tenderer.

- 2.13.5 Other commercial opportunities have been explored but have not been commercially viable or acceptable to current Council policies.
- 2.13.6 New opportunities such as advertising at play parks and on threshold signs will potentially only generate a small income which still leaves a deficit in the £50k income target for 2019/20.
- 2.13.7 Following discussion at the Strategic Investment and Improvement Board in July it was agreed to close this project, and mainstream the activities, by handing over existing sponsorship arrangements to the Commercial Waste Services Team.

2.14 Digital Platform

- 2.14.1 The Corporate Digital Platform Project will deliver Hybrid mail, a digital mailroom and back-scanning facility and Electronic Document Management System (EDMS) with process redesign that will reduce bureaucracy and build an integrated paperless framework.
- 2.14.2 The Digital Mailroom portion of the programme comprising of Hybrid Mail, Incoming Mail and Back Scanning has been fully delivered and is in benefits realisation. This has already exceeded the target of 30% reduction in mail a year earlier than forecasted. The overall programme has an efficiency target of £288k and has delivered efficiencies of £282k as of March 2019. The team were also finalists for the Public Sector paperless awards run by the UK Cabinet Office.
- 2.14.3 The EDMS project is at risk because it is recognised that this cannot be completed on time given changes which were unforeseen.
- 2.14.4 The EDMS solution has been developed and is in the process of being rolled out. There has been a change in the organisation's Microsoft licencing position which means the developed solution based on SharePoint 2016 cannot be rolled out as it's not compatible with Office 365 /SharePoint online.
- 2.14.5 Schools were excluded from EDMS plans as the thinking at the time was they would go on to use the GLOW platform for their document management needs, but this is not suitable for storage of personal data so unsuitable for school administration.
- 2.14.6 The project team have worked with IT and external parties to develop a prototype for EDMS on SharePoint online (Office 365). This was handed over to PKC for user acceptance testing and has been taken into full development.
- 2.14.7 The combination of adding schools to the project workload and requirement to migrate to Office 365 / SharePoint Online means the project cannot be completed on time.

2.15 Online Services and Myaccount Review

- 2.15.1 The review will enable the development of a whole organisation transformational approach to online services, and 'channel shift' (from face to face and telephone services, to online) which delivers savings, maximizes digital inclusion and improves customer satisfaction by giving access to Council services online anytime, anywhere, and from any device.
- 2.15.2 The programme is progressing well. To date we have 44 services online with 32k people signed up for a MyAccount - which represents approximately 40% of households.
- 2.15.3 There is an ongoing programme of engagement with Services: A Digital Transformation workshop with H&E managers took place in June. Information is currently being assimilated by H&E Senior Management Team (SMT) to identify Service priority areas. These priorities will then be merged in to the overall programme.
- 2.15.4 In line with this, refreshed governance is being put in place to prioritise, track and monitor work across the programme.
- 2.15.5 Work with other Services is also making good progress – within ECS, School Lets and Music Tuition forms having recently gone live on MyPKC - and within Corporate and Democratic Services (CADS) a refreshed Establishment Approval Process (EAP) process is close to release, and discovery work is in progress for both complaints handling and member's enquiries.

2.16 Mobile Working Review

- 2.16.1 This review will implement a corporate mobile solution which automates key tasks, processes and work flow to improve productivity, efficiency and quality, reducing the requirement for staff to navigate numerous systems and supporting the workforce to be more mobile, and work more efficiently and effectively.
- 2.16.2 The programme is progressing well. To date we have deployed mobile working solutions to 200 operational staff and have plans to extend this to a further 100 staff over the next 3 months.
- 2.16.3 Engagement with Services is ongoing: A Digital Transformation workshop with H&E managers took place in June. Information is currently being assimilated by H&E SMT to identify Service priority areas. These priorities will then be merged in to the overall programme. In line with this, refreshed governance is being put in place to prioritise, track and monitor work across the programme.
- 2.16.4 Work with the Health and Social Care Partnership is making good progress and we are currently working together to shape a programme of work. An early success has been creating efficiency through digitisation of HART (Home Assessment and Recovery Team) staffs' timesheets.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 This report updates the Strategic Policy and Resources Committee on the Council's five-year transformation programme. It summarises the progress across 15 projects, which are managed by individual project boards and the Strategic Investment and Improvement Board.
- 3.2 The Strategic Policy and Resources Committee is asked to:
- (a) Note the progress related to the Transformation Programme.

Author

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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	14 August 2019

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	No
Communication	
Communications Plan	No

1. Strategic Implications

Community Plan/Single Outcome Agreement

- 1.1 This report supports the delivery of the Strategic Objectives within the Community Plan 2013-23 and the Corporate Plan 2018-2022.

2. Resource Implications

Financial

- 2.1 Any changes to projections for funding and savings for each project are detailed in the Revenue Budget Monitoring Report to Strategic Policy and Resources Committee.

Workforce

- 2.2 There are no workforce implications arising from this report.

Asset Management (land, property, IT)

- 2.3 There are no direct asset management implications arising from this report.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as not relevant for the purposes of EqIA.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The proposals within this report have been considered under the terms of the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:
- in the way best calculated to delivery of the Act's emissions reduction targets;
 - in the way best calculated to deliver any statutory adaptation programmes; and
 - in a way that it considers most sustainable.
- 3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Legal and Governance

- 3.7 Not applicable.

Risk

- 3.8 There are no additional risks which arise from this report.
- 3.9 Project risks are managed within the context of each project.

4. Consultation

Internal

- 4.1 Senior Management teams were consulted in the preparation of this report.

External

- 4.2 Not applicable.

5. Communication

- 5.1 Communications with staff will be undertaken as part of the individual reviews/projects.

2. BACKGROUND PAPERS

The background papers referred to within the report are:

- Report to Council on 1 July 2015 (Report No 473/15)
- Report to Council, Building Ambition: The Council's Transformation Strategy 2015-2020 and the Organisational Development Framework (report 15/292)
- Report to Council on 22 February 2017 (Report No: 17/82)
- Report to Strategic Policy and Resources Committee, 27 November 2017, (Report No: 17/393)
- Report to Council on 22 February 2018 (Report No 18/47)
- Report to Council on 13 June 2018 (Report No 18/198)
- Report to Council on 12 September 2018 (Report No 18/288)
- Highlight Reports of each project are available on the ERIC Transformation Strategy page
- Hard copies of The Transformation Strategy are available from transformationenq@pkc.gov.uk