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Council Building
The Atrium
137 Glover Street
Perth
PH2 0LQ

08 June 2016

A Meeting of the **Strategic Policy and Resources Committee** will be held in the **Gannochy Suite, Dewars Centre, Glover Street, Perth, PH2 0TH** on **Wednesday, 15 June 2016** at **10:00**.

If you have any queries please contact Charlotte Irons / Joy Somerville on (01738) 475128 or email Committee@pkc.gov.uk.

BERNADETTE MALONE
Chief Executive

Those attending the meeting are requested to ensure that all mobile phones and other communication devices are in silent mode.

Members:

Councillor Ian Miller (Convener)
Councillor Alan Grant (Vice-Convener)
Councillor Bob Band
Councillor Peter Barrett
Councillor Ian Campbell
Councillor Dave Cuthbert
Councillor Dave Doogan
Councillor John Kellas
Councillor Alistair Munro
Councillor Douglas Pover
Councillor Mac Roberts
Councillor Alexander Stewart
Councillor Barbara Vaughan
Councillor Willie Wilson

Councillor Anne Younger

Strategic Policy and Resources Committee

Wednesday, 15 June 2016

AGENDA

MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.

- 1 WELCOME AND APOLOGIES/SUBSTITUTES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTES**
 - 3(i) MINUTE OF MEETING OF THE STRATEGIC POLICY AND RESOURCES COMMITTEE OF 20 APRIL 2016 FOR APPROVAL AND SIGNATURE 7 - 12**
 - 3(ii) MINUTE OF MEETING OF THE JOINT CONSULTATIVE COMMITTEE OF 3 MARCH 2016**
 - 3(iii) MINUTE OF MEETING OF THE PROVOST'S SUB COMMITTEE OF 20 APRIL 2016**
- 4 CORPORATE AND DEMOCRATIC SERVICES ANNUAL PERFORMANCE REPORT 2015-16 13 - 26**

Report by Depute Chief Executive, HCC (Corporate and Community Development Services) and Chief Operating Officer (copy herewith 16/265)

Note: The above report will also be considered by the Scrutiny Committee on 15 June 2016.

6	SECURING THE FUTURE FOR CULTURE AND SPORT - IMPLEMENTATION UPDATE	27 - 34
	Report by Senior Depute Chief Executive, ECS (Equality, Community Planning and Public Service Reform) (copy herewith 16/267)	
7	TRANSFORMATION PROGRAMME 2015-2020 PROGRESS UPDATE AND CORPORATE DIGITAL PLATFORM BUSINESS CASE	35 - 60
	Report by Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (copy herewith 16/268)	
8	GOVERNANCE AND SUPPORT OF THE COUNCIL'S TRANSFORMATION PROGRAMME	61 - 84
	Report by Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (copy herewith 16/269)	
	Note: The above report will also be considered by the Scrutiny Committee on 15 June 2016.	
9	FOLLOWING THE PUBLIC POUND	85 - 102
	Report by Head of Legal and Governance Services (copy herewith 16/270)	
10	HR POLICIES – WORKFORCE CHANGE AND FAIRNESS AT WORK	103 - 144
	Report by Corporate Human Resources Manager (copy herewith 16/271)	
11	AUTHORITY TO WRITE OFF DEBTS AND OBSOLETE STOCK	145 - 162
	Report by Head of Finance (copy herewith 16/272)	
12	TENDERS ACCEPTED BY THE TAYSIDE PROCUREMENT CONSORTIUM AND COUNCIL SERVICES	163 - 176
	Report by Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (copy herewith 16/273)	
5	RATES RELIEF - USE OF COMMUNITY EMPOWERMENT ACT 2015 TO EXPAND PROVISIONS OF SMALL BUSINESS BONUS AND FRESH START SCHEMES	177 - 208
	Report by Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) and Head of Finance (copy herewith 16/266)	

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STRATEGIC POLICY AND RESOURCES COMMITTEE

Minute of meeting of the Strategic Policy and Resources Committee held in the Gannochy Suite, Dewar's Centre, Glover Street, Perth on Wednesday 20 April 2016 at 10.00am.

Present: Councillors I Miller, A Grant, H Anderson (substituting for Councillor D Doogan), B Band, I Campbell, D Cuthbert, A Gaunt (substituting for Councillor P Barrett) Provost L Grant, Councillors J Kellas, A Munro, D Pover, M Roberts, A Stewart, H Stewart (substituting for Councillor W Wilson), B Vaughan and A Younger.

In Attendance: B Malone, Chief Executive; J Valentine, Depute Chief Executive, The Environment Service (Sustainability, Strategic and Entrepreneurial Development); K Donaldson, C Irons, S Munro, L Potter, L Simpson, J Symon, G Taylor and S Walker (all Corporate and Democratic Services); J Cockburn and S Devlin (both Education and Children's Services); N Ballantine, S Crawford, S Homer, D Littlejohn, K McNamara, S Merone, D Murray and B Renton (all The Environment Service); B Atkinson, N Copland and M Mitchell (all Housing and Community Care).

Apologies for Absence: Councillors P Barrett, D Doogan and W Wilson.

Councillor I Miller, Convener, Presiding.

The Convener led the discussion for Arts. 297-303 and Arts 305-309 and the Vice Convener for Art 304.

297. WELCOME AND APOLOGIES

The Convener welcomed all those present to the meeting and apologies were noted as above.

298. DECLARATIONS OF INTEREST

There were no Declarations of Interest in terms of the Councillors' Code of Conduct.

299. MINUTES OF PREVIOUS MEETINGS

(i) Strategic Policy and Resources Committee

The minute of meeting of the Strategic Policy and Resources Committee of 10 February 2016 (Arts 80-89) was submitted, approved as a correct record and authorised for signature. In relation to Article 84(v), the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) undertook to provide information to members on the purchase of electric vehicles. In relation to Article 85(ii), it was noted that a report on the Following the Public Pound Toolkit would be submitted to this Committee on 15 June 2016.

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(ii) Employees' Joint Consultative Committee

The minute of meeting of the Employees' Joint Consultative Committee of 26 November 2015 was submitted and noted. **(Appendix I)**

(iii) Corporate Health, Safety and Wellbeing Consultative Committee

The minute of meeting of the Corporate Health, Safety and Wellbeing Consultative Committee of 14 December 2015 was submitted and noted. **(Appendix II)**

(iv) Property Sub-Committee

The minute of meeting of the Property Sub-Committee of 18 December 2015 was submitted and noted. **(Appendix III)**

(v) Executive Sub-Committee

The minute of meeting of the Executive Sub-Committee of the Strategic Policy and Resources Committee of 20 January 2016 was submitted and noted. **(Appendix IV)**

(vi) Appeals Sub-Committee

The minute of meeting of the Appeals Sub-Committee of 23 February 2016 was submitted and noted. **(Appendix V)**

300. REVENUE BUDGET 2015/16 – MONITORING REPORT NUMBER 4

There was submitted a report by the Head of Finance (16/179), providing an update on (1) progress with the 2015/16 General Fund Revenue Budget based upon the January 2016 update ledger; and (2) the projected financial position of the Housing Revenue Account and (3) proposing a number of adjustments to the 2016/17 Final Revenue Budget.

Resolved:

- (i) The contents of Report 16/179 be noted;
- (ii) The adjustments to the 2015/16 Management Revenue Budget as detailed in Appendix 1 to and Section 2 of Report 16/179, be approved;
- (iii) The proposal for the Audit Committee to consider the 2015/16 Unaudited Annual Accounts at its meeting on 29 June 2016 be approved.
- (iv) The service virements, summarised in Appendices 2 and 3 to Report 16/179, be approved.
- (v) The adjustment to the 2016/17 Final Revenue Budget detailed in Section 5 of Report 16/179 be approved.
- (vi) That the Council had satisfied the Perth and Kinross Integrated Joint Board as to the Transparency, Proportionality and Adequacy of the Social Care Budget for 2016/17 be noted.
- (vii) Thanks be conveyed to all staff for achieving the projected underspends.

301. COMPOSITE CAPITAL BUDGET 2015/22 AND HOUSING INVESTMENT PROGRAMME 2015/21 – MONITORING REPORT NUMBER 4

There was submitted a report by the Head of Finance (16/180), (1) providing a summary position to date for the Composite Capital Programme for 2015/16 to 2021/22 and the Housing Investment Programme 2015/16 to 2020/21; and (2) seeking approval for adjustments to the programme.

Resolved:

- (i) The contents of Report 16/180 be noted;
- (ii) The proposed budget adjustments to the seven year Composite Capital Budget 2015/16 to 2021/22, as set out in Sections 2 and 3 of and summarised at Appendices I and II to Report 16/180, be approved;
- (iii) The proposed budget and monitoring adjustments to the Housing Investment Programme Budget 2015/16 to 2020/21, as set out in Section 4 of and summarised at Appendix III to Report 16/180, be approved;

302. MAJOR CAPITAL INVESTMENT IN COUNCILS FOLLOW UP – ACCOUNTS COMMISSION REPORT – JANUARY 2016

There was submitted a report by the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (16/181) providing a summary of the Accounts Commission report – *Major Capital Investment in Councils Follow Up* – published in January 2016 including the findings and recommendations, and providing an update on the good practice within Perth and Kinross Council in relation to capital investment.

Resolved:

- (i) The Council's current position in relation to the recommendations contained within the Accounts Commission report as detailed in Appendix 1 to Report 16/181, be approved.
- (ii) The Accounts Commission report – *Major Capital Investment in Councils Follow-Up* – as contained in Appendix 2 to Report 16/181, be noted.
- (iii) A further report be submitted to this Committee in December 2016 on the continuing progress being made on improving capital programming in Perth and Kinross Council.

303. COMMERCIAL PROPERTY INVESTMENT PROGRAMME – PROGRESS UPDATE AND REVISED PROGRAMME

There was submitted a report by the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (16/182) providing an update in delivering the Commercial Property Investment Programme (CPIP), and seeking agreement to revise the programme through adjustments and re-profiling for the delivery of site infrastructure along with the development of business space, using capital receipts from the disposal of commercial properties.

Resolved:

- (i) To support the proposed multifaceted approach, by continuing with and accelerating the delivery of the Commercial Property Investment Programme

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- (CPIP) and entering into innovative funding agreements as detailed in Report 16/182.
- (ii) Commercial properties be disposed of as outlined in Report 16/182, subject to further reports being brought to future meetings of the Property Sub-Committee on detailed terms and conditions for each sale.
 - (iii) The existing fixed term post be extended by 2 years to support the delivery of the CPIP, requiring a recurring £45,000 per annum to be funded from the Programme.
 - (iv) The Director (Environment) be instructed (i) to submit any variances for consideration to this Committee through capital monitoring reports and (ii) prepare an annual review for the consideration of the Enterprise and Infrastructure Committee and this Committee.
 - (v) The decision by the Depute Chief Executive, Environment (Sustainability, Strategic & Entrepreneurial Development), to agree to progress the mini solar farm project at Perth Food and Drink Park with an allocation of £95,000 in line with Council's Financial Regulations, be noted.
 - (vi) The disposal of commercial rent generating properties and an allocation of funds to meet recurring costs will impact on future rental income, requiring adjustment to revenue budgets for future years, be noted.

304. RIVER TAY HEAT PUMP AND NETWORK AND SOLAR FARM PROJECTS – PROGRESS REPORT

There was submitted a report by the Director (Environment) (16/183) providing details on the progress of the River Tay Heat Pump and Network and solar farm projects to be deployed at North Muirton as part of the Tay Eco-Valley initiative, and recommending exploring a financial package using borrowing to top-up funding from the Local Energy Challenge Fund, Commercial Property Investment Programme and Housing Improvement Programme.

Resolved:

- (i) The development of the solar farm at Perth Food and Drink Park be noted.
- (ii) The development of the River Tay Heat Pump and District Heating Network project be supported.
- (iii) The Director (Environment) be instructed to finalise negotiations with the Energy Saving Trust and, if satisfactory, accept the offer of a Local Energy Challenge Fund grant of £2m towards the project.
- (iv) Options be explored for the future borrowing of £4.5m towards the project and a report be submitted the next meeting of this Committee.
- (v) A further report be submitted to this Committee giving details of the full business case, the project governance arrangements and the creation of a legal entity to operate the project when commissioned.

305. ENERGY POLICY AND STRATEGY

There was submitted a report by the Director (Environment) (16/184) providing an update on the current position relating to energy consumption within the Council's property estate and outlining the proposed policy to be adopted to reduce the overall energy consumption in the future.

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Resolved:

- (i) The target reduction of at least 3% per year for 2016/17 to 2018/19 in overall energy consumption, be noted.
- (ii) The Energy Policy as detailed in Appendix 1 to Report 16/184, be approved.

306. AUDIT SCOTLAND: PROCUREMENT IN COUNCILS: IMPACT REPORT

There was submitted a report by the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (16/173) providing an update on (1) the report published by the Accounts Commission in February 2016, on the impact of the Audit Scotland report – *Procurement in Councils (2014)*; and (2) on how progress with procurement reform at Perth and Kinross Council compares with the key messages set out in the audit.

It was noted that this report would also be considered by the Scrutiny Committee at a meeting to be held later in the day.

Resolved:

- (i) The key messages from the Accounts Commission 2016 report as set out in Appendix 1 to Report 16/173 be noted.
- (ii) The current position pertaining to the Audit Scotland 2014 recommendations be noted, with the resulting Council actions as set out in Appendix 2 to Report 16/173.
- (iii) The contribution of the approved Procurement Strategy 2016 and the Procurement Transformation project in moving the Council closer to meeting the Audit Scotland recommendations be noted.

307. LIVING WAGE ACCREDITATION

There was submitted a report by the Depute Chief Executive, HCC (Corporate & Community Development Services) and Chief Operating Officer (16/185) confirming that Perth and Kinross Council had become a Living Wage Accredited Employer on 1 April 2016.

Resolved:

That Perth and Kinross Council is now a Living Wage accredited employer and continues to promote payment of the Living Wage be noted.

308. TRANSFORMATION PROGRAMME 2015/2020 – ADDITIONAL PHASE 2 OUTLINE BUSINESS CASES

There was submitted a report by the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (16/186) detailing progress with Phase 1 transformation projects and requesting permission to draw down up to £150,000 from the Earmarked Reserve for Transformation to provide the capacity and support to secure the effective delivery of a further transformation review, in addition to those approved by the Committee on 10 February 2016.

It was noted the report abstract of the report incorrectly stated that £420k would be requested rather than £150,000.

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Resolved:

- (i) The progress with Phase 1 transformation projects be noted.
- (ii) Up to £150,000 funding be released from the Earmarked Transformation Reserve, to provide capacity and support to secure the effective delivery of the Council Vehicle Fleet Utilisation and Optimisation Review.

309. COLLABORATIVE WORKING WITH OTHER COUNCILS

There was submitted a report by the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) (16/187) proposing a programme of collaborative work in partnership with neighbouring Councils, scheduled for commencement in 2016/17.

Resolved:

- (i) The areas identified in Paragraph 2.1 of Report 16/187 be further explored within the collaborative programme of work.
- (ii) Perth and Kinross Council participate in the development of the collaborative programme of work in association with neighbouring Councils.
- (iii) Update reports be provided to the Modernising Governance Member/Officer Working Group and this Committee, alongside reporting on progress against the transformation programme.

PERTH AND KINROSS COUNCIL**Strategic Policy and Resources Committee
Scrutiny Committee****15 June 2016****Corporate and Democratic Services
Annual Performance Report 2015/16****Report by the Depute Chief Executive – HCC (Corporate & Community
Development Services) and Chief Operating Officer****PURPOSE OF REPORT**

This report presents the Annual Performance Report 2015/16 for Corporate and Democratic Services.

1. BACKGROUND/MAIN ISSUES

- 1.1 Service Joint Business Management and Improvement Plans (BMIP) and Annual Performance Reports are a core element of the Council's Service Planning Framework. In keeping with this approach, the former Chief Executive's Service produced a BMIP for 2015/16 together with an Annual Performance Report for 2014/15.
- 1.2 With effect from 1 October 2015, the former Chief Executive's Service became part of the newly formed Corporate and Democratic Services. Corporate and Democratic Services retained responsibility for ongoing delivery of the former Chief Executive's Service BMIP 2015/16 and consequently, for production of the corresponding Annual Performance Report.

2. PROPOSALS

- 2.1 In common with other Council Services, Corporate and Democratic Services would normally be required to submit its new BMIP report (2016/17) to the relevant Committee for approval, together with its Annual Performance Report for 2015/16. The Council will, however, be asked to agree a new approach to augment its strategic planning arrangements and this will take the form of a Business Plan. It is recognised that there remains a role for a BMIP style approach not only for Corporate and Democratic Services but also for other corporate functions such as Strategic Commissioning and Organisational Development and Cultural and Community Development - it is envisaged, therefore, that the new Business Plan will double as a BMIP for these corporate functions and will demonstrate how these functions contribute to supporting the corporate priorities of the Council.

- 2.2 The Service's Annual Performance Report for 2015/16 is attached as an appendix. The purpose of the Annual Performance Report is to review Service progress over the past year in meeting the targets and commitments set out in the Service's Business Management and Improvement Plan – in addition to this, the report also includes some Service highlights and achievements over the past year.

3. CONCLUSION AND RECOMMENDATION

- 3.1 The Annual Performance Report details progress against the Service's targets and improvement actions over the last year.
- 3.2 It is recommended that:-
- (a) the Strategic Policy and Resources Committee approves the Corporate and Democratic Services Annual Performance Report 2015/16;
 - (b) the Scrutiny Committee scrutinises and comments as appropriate on the Corporate and Democratic Services Annual Performance Report 2015/16.

Author(s)

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Approved

Name	Designation	Date
John Fyffe	Senior Depute Chief Executive (Equality, Community Planning & Public Service Reform)	24 May 2016

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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	None
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	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

This report supports the delivery of the Community Plan, Single Outcome Agreement and Corporate Plan objectives.

Consultation

The Executive Officer Team has been consulted in the development of this report

2. BACKGROUND PAPERS

The background papers referred to within the report are:

The Former Chief Executive's Service Joint Business Management and Improvement Plan 2015/16 and Annual Performance Report 2014/15 (Report No. 15/249).

3. APPENDICES

Appendix: The Corporate and Democratic Services Annual Performance Report 2015/16.

CORPORATE AND DEMOCRATIC SERVICES
ANNUAL PERFORMANCE REPORT 2015/16

(a) Achievements and Highlights

Service Objective 1:-

Provide strategic leadership to the Council and partners to deliver the shared vision and outcomes for Perth and Kinross

The Service has provided strategic leadership to the Council and partners as we navigate our way through the many challenges and opportunities facing us, through far-reaching public service reform such as health and social care integration, supported by several significant pieces of new legislation such as the Children & Young People Act, the Education (Scotland) Act, Community Justice (Scotland) Act, Community Empowerment Act.

The Council operates in an increasingly complex environment with new service delivery models. The Service has been influential in developing the arrangements for and supporting the transition to the new Health & Social Care Partnership and Culture Perth & Kinross. The Cities Alliance and the Tay City Deal are new collaborative arrangements for delivering our strategic objectives.

The Council reviewed its senior management arrangements in our “Building Ambition – a Blueprint for a 21st Century Council” report (15/258). The review reinforced our strategic leadership capacity to help prepare the organisation for the future, develop the transformation programme and support the integration of health and social care services. The changes have resulted in a more streamlined structure which consolidates the experience of skilled staff to support transformation and effective succession planning for the future workforce.

The Council's preparation for public service reform and other challenges resulted in our second transformation programme. The details are set out in the “Building Ambition: The Council's Transformation Strategy 2015-20 and Organisational Development (OD) Framework” report (15/292). The OD Framework ensures we continue to harness the talent of our people based around the *Learn, Innovate, Grow* principles. These principles act as enablers for transforming the organisation and reinforces the commitment to developing our organisational culture. A wide range of initiatives and opportunities are underway to reinforce and promote the *Learn, Innovate, Grow* ethos. Examples include – Angel's Share, Securing The Future Awards, Illuminate 2015 Conference, Service Recognition Awards, David White Award, and the Modern Apprentice Graduation.

Leadership development is vital to give employees space and time to think and learn together. Our core mechanisms which support dialogue and sharing of information have continued with Chief Executive's Business Breakfasts, Senior Manager Briefing

Sessions and Joint Executive Officer team/Corporate Management Group sessions. We have invested in developing coaching skills across all service areas to support staff through change and to nurture talent. We have also worked collaboratively with Angus and Dundee City Councils which will see a shared Leadership Development Programme for Senior Managers in 2016.

Young people are our future leaders. Four years ago, we started to address the age imbalance within our workforce by increasing the range and number of opportunities for young people to train and work with the Council. These efforts have been rewarded with us offering 250 modern apprenticeships by March 2016, one year ahead of target. 91% of young people leaving the MA programme had a positive outcome of qualification, employment or move to further education in 2015/16. We have seen a 65% increase in young people aged 16-24 within our workforce between 2012 and 2016. This is achieved in part through our intake of probationer teachers, professional traineeships and graduate work experience placements. The Council's excellent track record of supporting young people through employment and training was recognised through the Gold Award from Investors In Young People.

Service Objective 2:-

Ensure the Council's resources are efficiently utilised and support Services and partners to transform and deliver value for money services

We are an organisation which is reliant on its people to deliver services and to deliver change as the Council transforms. Our workforce management strategy is inherently linked to the Council's Transformation Programme and our Medium Term Financial Plan. Workforce planning is an ongoing process. Our approach reinforces our place as a learning and agile council with a workforce which is ready, able and willing to deliver the ambition of the Council as it transforms. As well as continuing to contribute to savings, our workforce management approach helps prepare our people for change, engages them directly in what needs to change and how this will impact on ways of working.

A voluntary severance scheme which ran towards the end of 2015/16 saw the approval of the early release of 131 employees over the period to 31 March 2018. With a total cost of £3.5 million, these departures will generate recurring annual savings of approximately £3.5 million, with a cumulative saving of £13.85 million by 2020/21.

A range of measures was introduced over 2015/16 to aid the recruitment of teachers in response to a national shortage. This saw an uplift in the removal and relocation package and provision for travel expenses for supply staff in rural schools. A Learn To Teach initiative was developed to increase the supply of teachers within Perth and Kinross. In January 2016, 14 council staff commenced a post graduate qualification course to train to become teachers over an 18 month period. These employees will become probationer teachers in Perth & Kinross Council schools, with a view to them taking on hard to fill roles on completion of their induction year.

The Council maintains a proactive and positive approach to health, wellbeing and resilience which is particularly important during this sustained period of change. Our positive people practices for wellbeing have been recognised through the award of the Healthy Working Lives – Bronze Award, Carer Positive Kitemark and becoming an Accredited Living Wage Employer. A highly successful resilience programme has been scaled up and rolled out to other service areas because of the benefits to wellbeing, resilience and preventing ill health. Supporting employee resilience builds organisational resilience too. A workplace chaplaincy service has also been set up with chaplains starting to visit workplaces across Perth and Kinross. Staff across the organisation organise and take part in a wide range of health promotion activities emphasising the importance of diet, exercise, physical and mental wellbeing.

Over 2015/16, we have moved to a fully integrated occupational health service which includes an early intervention mental health service, counselling and physiotherapy provided through our partner, People Asset Management.

Service Objective 3:-

Provide high quality professional services which promote continuous improvement and innovation through our people, positive organisational development and effective communications

Legal and Governance Services was heavily involved throughout the year in the A9/A85 compulsory purchase order, a key element of the Transport Futures project. Although external legal support was commissioned, the legal work was undertaken together with an in-house solicitor. The Service has been supporting TES on the Mill Street CPO and for this case the legal work has been undertaken entirely in-house.

Legal & Governance Services have also worked extensively in drafting the Integration Scheme for the Health & Social Care Partnership between Perth & Kinross Council and NHS Tayside and developing the associated governance framework to enable the Board to operate legally.

Underpinning our workforce planning is our employer brand which articulates a compelling employee value proposition – “Enhancing every life we touch”. The employer branding project focuses on how we engage with and retain existing employees, and how we attract new ones. The project delivered the revised InductionJourney which includes a quarterly “Welcome to PKC” event. This project also oversaw the development of the new Employee Review and Development process which has been piloted in teams across all Services. Based on coaching conversations, the new format has been welcomed by employees and their managers. It reinforces the connection between reflection, learning and improvement. The new scheme will be rolled out across the Council in 2016.

We recognise that learning is fundamental to innovation and growth, and organised sharing of knowledge, skills and expertise continues as a priority. The growth of our learning culture is evident in the increasing numbers accessing and contributing to our dynamic range of learning opportunities, including Learning Lunches, Digital Learning and Transformation support. Since the beginning of 2016 alone, 53

learning sessions have been delivered on 20 different topics with over 1500 employees participating. The impact of the focus on learning was evident in the 2015 employee Engagement Survey which indicated that almost 70% of employees across the Council felt that their development is encouraged and supported.

Over 90% of our learning opportunities are facilitated by our own and community planning partner staff. Average rating for learning sessions achieve an average rating of 4.6 out of a possible 5.

A number of inter-related and enabling projects have been designed to support a learning and agile Council. These include:-

- organisation design principles to guide the redesign of organisational arrangements and facilitate the cultural shifts we require;
- job families project which is simplifying the job structure and leading to more flexible role profiles which benefit employees and employer;
- a “recruit within” approach to developing our internal jobs market is in development to facilitate the efficient movement of staff and maximise workforce flexibility. This will benefit employees with increased opportunities for learning and progression and enhanced job security. Employer benefits include building talent pools for future roles, retention of knowledge and skills, reduced cost and shorter time to fill period for vacancies. Already opportunities to support transformation projects have been prioritised for existing staff.

The IT Division has delivered upgrades and new capabilities that ensure the organisation has fit for purpose ICT. This includes rollout of new Windows phones; upgrades to our core network and server infrastructure; improved performance of the Thin Client environment; and completion of the annual schools’ PC replacement programme.

The operational service has performed well with more than 60% of support calls being resolved while the customer is on the phone. Feedback from benchmarking shows that the IT service is well respected and valued by customers. In an externally-managed survey open to all Perth and Kinross staff, our ICT was rated above national and UK averages, with 45% of staff stating that they thought our ICT had improved in the year to November 2015.

Service Objective 4:-

Provide an enabling governance framework to support and deliver the Council’s legal, financial and democratic responsibilities

Legal and Governance Services has supported ECS in the transfer of assets to Perth & Kinross Cultural Trust. This has involved the creation of a new legal entity in the form of a charitable trust and involved the transfer of a significant number of properties from Council ownership to the new Trust by way of lease and property maintenance agreements and the transfer of a large number of staff. The legal work

was completed by 31 March 2016 to allow the transfer to take effect immediately thereafter.

Legal & Governance Services are leading the review of the the Council's governance framework to ensure that our arrangements are effective, in alignment with the achievement of our objectives and provide adequate assurance reflective of the current complex public sector service delivery landscape.

All Divisions with Corporate & Democratic Services have worked closely with Housing & Community Care and NHS Tayside to establish appropriate governance arrangements for the Integration of Health and Social Care, support key staff and to address a range of challenges which were identified during the year.

The new Finance & Resources Executive Officer Group took on the remit for maintaining oversight of workforce trends and governance. There is now an annual programme of review activity in this forum which informs workforce strategies in relation to reshaping our workforce in terms of cost and numbers, skills, employment policies and practices, terms and conditions.

Reviews of HR policies have been carried out to ensure they remain relevant and fit for purpose. Specifically, the new appendices to the Fairness At Work Policy and Framework for Workforce Change have been reviewed to ensure they address employee issues within the Health & Social Care Partnership, are streamlined and ensure consistency and fairness for employees. Reviews have also taken place for the Recruitment Policy for Headteachers and Depute Headteachers and development of the Safer Recruitment Toolkit.

The creation of a cross-Service ICT Transformation Board has put in place effective governance to ensure decisions around prioritisation and resourcing of the Council's complex, inter-dependent ICT workload are made on a transparent organisational basis, that is informed and accountable, and provides effective opportunity for business participation, scrutiny and challenge.

(b) Performance Indicators (grey shading denotes LGBF PI)

Indicator (Source)	Performance			Comments on performance during 2015/16	Target 15/16
	13/14	14/15	15/16		
% of elected members satisfied that ongoing development sessions provide them with the skills they require	93	93	93	93% of elected members are satisfied that ongoing development sessions provide them with the skills they require.	100
% of Modern Apprentices (MAs) with a positive outcome when they left the programme	Updated indicator	86	90	The continual increase in MAs achieving a positive outcome demonstrates that both the introduction of an initial assessment period and the fact that Human Resources is now taking the lead on MA recruitment activity has had a positive impact.	88
% of communications plans developed by Corporate Communications which achieve their stated objectives within their assigned budget	100	90	100	All completed communications plans achieved their stated objectives within the assigned budget	95
The average number of working days lost per employee through sickness absence for Corporate and Democratic Services	6.8	6.5	6.2	Corporate & Democratic Services includes the former Chief Executive's Service staff plus IT following changes in the senior management arrangements during 2015/16.	6.2
The Council's consolidated loans fund (CLF) rate (%)	3.4	3.383	3.303		3.29
% of invoices paid within 30 days (SPI) (LGBF PI)	94.3	93.8	93.3	Contact is made with any location which returns a performance of less than 90% in order to ascertain the reason(s) for this. A new Property Management System for invoices became live in December 2015 and this should improve performance in 2016/17.	94

Indicator (Source)	Performance			Comments on performance during 2015/16	Target
Sickness absence days per employee (<i>Teacher</i>) (LGBF PI)	7.2	6.9	8.7	The recording of Teachers sickness absence is now based on actual work patterns which means that the PI value for part time staff moves from an average to an actual record. There is no change to the method of calculation for full time staff. This change in methodology has contributed to an increase in the PI; however, it provides greater accuracy on the impact on working time. The increase is also explained by more medium and long term sickness absences. Proactive wellbeing measures and support for employees who have sickness absence will be reviewed. Benchmarking information is not yet available across Scottish Local Authorities although it is known that most do not use actual work patterns and many have been describing increasing trends in sickness absence levels prior to the year end.	<i>These PIs were formerly combined</i> 8.1
Sickness absence days per employee (<i>Non-Teacher</i>) (LGBF PI)	9.6	9.1	9.6	The recording of HCC, CES/CDS & TES sickness absence is based on actual work patterns which means that the PI value for part time staff moves from an average to an actual record. There is no change to the method of calculation for full time staff. ECS sickness absence values will move from average to actual in Jan 2017. This change in methodology has contributed to an increase in the PI; however, it provides greater accuracy on the impact on working time. The increase is also explained by more medium and long term sickness absences. Proactive wellbeing measures and support for employees who have sickness absence will be reviewed. Benchmarking information is not yet available across Scottish Local Authorities although it is known that most do not use actual work patterns and many have been describing increasing trends in sickness absence levels prior to the year end.	
% of registration of births, deaths, marriages and civil partnerships with no errors	98.2	97.6	99.15	This figure is a provisional figure for the calendar year 2015.	99
% of customers satisfied with civil marriages/partnership ceremonies outwith the Registrars' premises.	100	100	100	This service scores consistently highly for satisfaction year on year	100
% Employee Review and Development completion within the Service	72	79	69.9	ERDs are carried out annually as part of a rolling programme. The performance figure of 69.9% for 2015/16 is for the rolling 12 months to 31 March 2016. A more up to date figure for the rolling 12 months to 31 May 2016 is 80.5%.	90

Indicator (Source)	Performance			Comments on performance during 2015/16	Target
% of all actions raised within 28 days of receipt of full instructions	100	100	100		100
% of payroll payments made on time and free of notified errors	99.7	99.7	99.7	Internal processes provide sufficient controls and monitoring	99.7
Democratic Core Cost per 1,000 population (£) (LGBF PI)	25,110	24,066	-	This figure will not be available until October 2016	25,000
Time to hire (days) from approval of vacancy to formal job offer made	46	43	43	The Service continues to support and encourage managers to progress the recruitment process within reasonable timescales.	43
Central Support services as a % of Total Gross expenditure (LGBF PI)	5.9	4.9	-	This figure will not be available until October 2016	5.7
% of audits undertaken in accordance with the approved plan	92	100	100		100
% Compliance with the Council's approved Treasury Policy Statement	100	100	100		100
% of Civic Licences issued within 6 weeks of the application	82.5	62.7	86.8	This year's target has been met despite a reduced staffing level and staff changes	85
Number of weeks taken to deal with licensing board applications for variation	13.4	23	14	This year's performance is slightly below target but is much improved on performance for the previous year	11
Achieve performance standards set by Electoral Commission	-	100	100		100
% of FOI requests responded to within 20 days of receipt	94.5	96.4	96.9	43 of the 1,331 requests processed in the period Jan-Dec 2015 were issued outwith the statutory timescale.	95
% of Complaints resolved within the policy timescales	Updated Indicator		63	672 complaints out of 1067 were completed within the policy timescales. The initial target setting was unduly optimistic and subsequent years' targets will be revised accordingly.	85
Percentage of the highest paid 5% of employees who are women (LGBF PI)	46.8	47.8	48.4	The number of employees who are in the top 5% has risen from 205 to 215 and the number of females within that list from 98 to 104 within the last year. The Council continues to provide mandatory fair selection training to ensure that appointments are made purely on merit.	48

(c) Improvement Actions

IMPROVEMENT PLAN 2013-2018			
Improvement Area	Improvement Action (Lead responsibility)	Delivery Timescales	Comments on Progress
Chief Executive's Service Objective 1			
Provide strategic leadership to the Council and partners to deliver the shared vision and outcomes for Perth and Kinross	❖ Create work experience placements for graduates throughout the Council to help reduce youth unemployment	March 2016	Complete: A total of 7 new graduate work experience placements which directly support the Council's Transformation Programme were offered in 2015/16. This brings the total to 19 placements over the last two years. With additional funding made available through the budget process this successful programme will continue over the next two years and will enhance the employability of young graduates.
	❖ Implement new committee management system	August 2016	In progress The website view of the committee management system was launched on 18 April 2016. The back office functionality will be introduced over the coming months.
	❖ Gain approval for the Council Records Management Plan from the Keeper of the Records of Scotland to comply with the Public Records (Scotland) Act 2011	December 2019	Complete
	❖ Review the Council's organisation and management arrangements to ensure we have appropriate leadership and management capacity to deliver the transformation programme and support our workforce through cultural change	July 2015	Complete
	❖ Expand the Modern Apprenticeship Programme to create higher level apprenticeships which form part of the Council's response to Developing Scotland's Young Workforce	July 2016	In progress. There has been an increase (16 in 2015/16 compared to 2 in 2014/15) of Level 3 Modern Apprentices starting the programme where Skills Development Scotland funding is available. Still waiting for confirmation of further higher level apprentice funding.

IMPROVEMENT PLAN 2013-2018			
Improvement Area	Improvement Action (Lead responsibility)	Delivery Timescales	Comments on Progress
Chief Executive's Service Objective 2			
Ensure the Council's resources are efficiently utilised and support Services and partners to transform and deliver value for money services	❖ Implement electronic document management across the Council	December 2016	Revised Timescale. Pilot implementation due for completion March 2017.
	❖ Review the delivery of internal support services across the Council and explore opportunities for collaboration and partnership with external partners	March 2018	In progress. Initial meetings between EOT and Tayside Partners have taken place.
	❖ Develop benchmarking by participating in the new Local Government Benchmarking Family Groups for Absence and Equalities	Ongoing	In Progress. Both benchmarking groups currently meet on a quarterly basis. The initial focus of the Equalities Group is to establish and share best practice on EQIAs. The Absence Group is focussing on SPI definition/calculation and on sharing practice on health and wellbeing initiatives such as building resilience and mental health.
Chief Executive's Service Objective 3			
Provide high quality professional services which promote continuous improvement and innovation through our people, positive organisational development and effective communications	❖ Implement new corporate induction arrangements for new employees and new managers, including highlighting the role of elected members in the democratic process	August 2015	Complete. In October 2015, we launched a new Induction Journey which includes updated website pages, a digital induction guide, refreshed intranet pages and lunchtime learning opportunities for new employees and managers. A quarterly Welcome to PKC Conference has been introduced to share key messages, which includes the role of Elected Members and the democratic process.
	❖ Implement new appraisal arrangements which encourage conversations about employees' contribution and their learning and development	March 2016	In progress. The ERD process has been redesigned to promote our shared cultural direction and embed the principles of Learn Innovate Grow in everyday practice. The new approach has been piloted in all Services during February to April 2016 with extremely positive feedback. The new approach will be renamed to reflect the change in focus and will be launched for wider use in May 2016.

IMPROVEMENT PLAN 2013-2018				
Improvement Area	Improvement Action (Lead responsibility)	Delivery Timescales	Comments on Progress	
Chief Executive's Service Objective 4				
Provide an enabling governance framework to support and deliver the Council's legal, financial and democratic responsibilities	❖ Review the Council's governance framework in the context of public service reform legislation	March 2016	Ongoing. A comprehensive review of the Council's corporate governance framework is underway. With Phase 1 (of 3) completed.	
	❖ Review the Council's Corporate Charging Policy	December 2015	Complete	

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee 15 June 2016

**SECURING THE FUTURE FOR CULTURE AND SPORT
IMPLEMENTATION UPDATE****Report by Senior Depute Chief Executive, ECS
(Equality, Community Planning and Public Service Reform)**

To update the Committee on the implementation of new contract arrangements for Culture and Sport services, as approved by Full Council in July 2015 (paper [15/295](#) refers) and asks the Committee to:-

1. Note the progress to date and
2. Approve the financial commitment to agree a service contract with Live Active Leisure for delivery over the period 2016/2017 - 2018/2019, contingent on Live Active Leisure meeting the continuous improvement requirements of the Council.

1 BACKGROUND / MAIN ISSUES

- 1.1 Report [15/295](#), approved by Council on 1 July 2015, set out the future commissioning and delivery arrangements for Culture and Sport Services from 1 April 2016.
- 1.2 Council approved the re-specification of contract arrangements with Live Active Leisure (LAL) and Horsecross Arts (HXA), and to establish new contractual arrangements with a new Culture Trust, now named Culture Perth and Kinross (CPK). These three Trusts are responsible for service delivery as follows:
 - All sport and leisure services commissioned by the Council, including Active Schools and Sports Development, to be delivered by LAL. Active Schools and some aspects of Sports Development (i.e. the Community Sports Hubs initiative) are ring-fenced within the contract as they are funded by sportscotland and the Council remains accountable to sportscotland for investment in these services.
 - Performing arts commissioned by the Council including management of Perth Concert Hall and Perth Theatre and some Creative Learning will continue to be delivered by HXA.
 - Museums and Galleries, Libraries, Archives/Local Studies, Arts Development and some Creative Learning will be delivered by CPK.

2 PROPOSALS

2.1 This presents an opportunity to refresh and update the contractual arrangements to ensure Best Value and to examine the Key Performance Indicators for the provision of services by all three Trusts.

2.2 Work in this area has resulted in :-

- LAL and HXA being asked to complete a 'soft tender' exercise where they presented a fully costed service proposal in response to the Council's revised service specification. These proposals were reviewed in detail by officers to ensure a clear understanding of the cost base for each Trust and scope for future efficiencies;
- In the context of the Council's accredited status as a Living Wage employer LAL have committed to meet the requirements of the Living Wage Foundation by 2017/2018, and HXA have committed to implement the National Living Wage in 2016/17 and move towards meeting the Living Wage Foundation Level from 2017/18. (Culture Perth and Kinross already meets Living Wage requirements as staff who transferred to the Trust from the Council were above the Living Wage threshold).
- Key performance indicators for all three Trusts that are clearly aligned to the Council's strategic targets for Culture and Sport, approved by Lifelong Learning Committee in January 2016;
- A revised robust governance assurance framework has been formalised with all three Trusts;
- All three Trusts are committed to continuous improvement plans. These include the existing requirement to achieve £160,000 through shared service arrangements between all Trusts, plus further efficiency initiatives which each Trust is responsible for delivering; and
- Scope for the Council to achieve further non domestic rates (NDR) savings from a number of sports facilities (for example Perth High School Community Sports Hub; Perth Academy Sports Hall and Auchterarder Sports Hall) for which management responsibility could formally transfer to LAL. This work is being progressed jointly with LAL.

2.3 The most detailed contract negotiation has taken place with LAL in view of the size of the contract award and the wide range of activities and locations that LAL operates.

2.4 The process for agreeing a contract with CPK was slightly different to that of LAL and HX with a baseline specification prepared from the previous Culture Services service level. A one year Services Agreement is in place from 1 April 2016 - 31 March 2017.

- 2.5 A one year Service Level Agreement is also in place with HXA, with some additional conditions in place requiring HXA to achieve continuous improvements in relation to efficiency savings and demonstrating a well planned approach to business change in advance of Perth Theatre re-opening in late 2017.
- 2.6 One year Service Level Agreements are in place with both culture Trusts because the Council has agreed that a further review of these Trust arrangements will commence in 2017. This has been discussed and agreed with both organisations.
- 2.7 LAL has proposed a Financial and Service Forecast Plan as part of its service proposal. The plan sets out how LAL proposes to deliver savings and income generation over the three year period, to:
- Absorb additional inflationary, contract and other expenditure pressures over 3 years, without requesting an increase to the Council's financial contribution.
 - Cover the costs of implementing the Living Wage by 2017/18, to support the Council's Living wage accreditation status – without additional cost to the Council.
 - In recognition of the pressures on the Council's budget – deliver an average 2% per annum reduction in the Councils contract fee in years 2 and 3 (i.e 2017/18 and 2018/19)
- 2.8 These proposals from LAL are relevant on the Council committing to a further two year contract following 2016/17, therefore creating a 3 year contract with LAL. A three year contract confers several benefits:
- It will enable more strategic business and financial planning by LAL, to the benefit of both parties, and importantly to customers.
 - LAL has committed to participate in strategic transformation review over the 3 year period. These are outlined in para 2.10.
 - Reduces management capacity from both parties currently being committed to the Council's annual budget process, because longer-term strategic priorities are jointly agreed.
- 2.9 It is recommended that two safeguards are included in the contractual agreement if approval is given for a 3 year contract:
- (a) As the Council's budget for 2017/18 and 2018/19 is indicative, and in view of the uncertain future financial climate, it would be inappropriate to unconditionally "ring fence" contract funding to LAL for 3 years. The commitment by the Council to funding LAL over the next 3 years is a statement of intent. However it is prudent to insert an annual break provision into the contract, should significant future changes in the

financial climate necessitate a review of Council funding to external organisations (including LAL), as part of the wider budget review measures.

- (b) Continuation beyond year 1 of the contract will be contingent upon LAL demonstrating both its commitment to, and progress with, meeting cost savings/income generation and performance targets in year 1 and continued full participation in the ongoing review of shared services with HX and CPK, and support for the Council in seeking further savings through Non Domestic Rates, and Transformation Reviews.
- 2.10 To help achieve savings targets, (both for the Council and LAL) LAL will be involved in the Council's Property Assets Transformation Review as it is a key partner in operating local facilities owned by the Council or LAL itself. Additionally, LAL will be involved in the Council's Transformation reviews of Campus facilities and asset management of the school estate.
- 2.11 LAL has identified what it regards as a key need to review the contract amounts awarded for the 'core' contract for operation of sports facilities and delivery of sports programmes and the separate contract between the Council and LAL for services at the Investment in Learning (IIL) Campuses. LAL highlight that some facilities and socially prioritised programmes which historically operate at a deficit are therefore 'cross-subsidised' by LAL's ability to generate revenue from other activities and venues, including the Campuses. Previous operational reviews have realised efficiencies across both IIL and the core contract with LAL. Officers have agreed to consider this point further in the course of 2016/2017.

3 CONCLUSION AND RECOMMENDATIONS

- 3.1 Having reviewed the contract proposal and continuous improvement plan in detail, and following extensive dialogue with LAL, officers are satisfied that this arrangement will secure value for money over the current financial year and the ensuing two years, and will enable a partnership with LAL that can deliver longer term solutions to meet both the demand for improving services and savings pressures. A three year contract, will allow officers and LAL to focus on the critical service delivery issues and challenges, without the distraction of negotiating a new contract each year.
- 3.2 It is recommended that the Committee:
- (i) Notes work to date to revise contract arrangements with all three Trusts from which the Council commissions culture and sport services, to secure Best Value; and
 - (ii) Approves the award of a further two year contract to Live Active Leisure for the period 2017/2018 - 2018/2019, subject to the commitment to continuous improvement being met (as detailed in section 2.9 (b) in 2016/17.

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Name	Designation	Date
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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	
Asset Management (land, property, IST)	YES
Assessments	
Equality Impact Assessment	YES
Strategic Environmental Assessment	YES
Sustainability (community, economic, environmental)	
Legal and Governance	YES
Risk	
Consultation	
Internal	YES
External	
Communication	
Communications Plan	

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 The proposals support the delivery of the Perth and Kinross Community Plan aim for a vibrant and successful area by supporting a local Community group seeking to retain a surplus Council asset as a community facility.

Corporate Plan

- 1.2 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:
- i) Giving every child the best start in life
 - ii) Developing educated, responsible and informed citizens
 - iii) Promoting a prosperous, inclusive and sustainable economy
 - iv) Supporting people to lead independent, healthy and active lives
 - v) Creating a safe and sustainable place for future generations.
- 1.3 This report relates to ii), and iii) above.

2. Resource Implications

Financial

- 2.1 By entering into a contract with LAL now for the financial years 2017/2018 and 2018/2019, the Council is giving a statement of intent for funding LAL for the 2017/2018 and 2018/2019 financial years. This reports sets out in section 2.9(a) the safeguards, should significant changes in the financial landscape require a review of these arrangements and where this commitment represents best value for the Council.
- 2.2 The proposals indicate a reduction of 2% in the contract sum awarded to LAL each year, in 2017/18 and 2018/19.

Asset Management (land, property, IT)

- 2.2 None.

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 This section should reflect that the proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- (i) 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 This section should reflect that the proposals have been considered under 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.

Legal and Governance

- 3.5 The Head of Legal and Governance Services, The Head of Strategic Commissioning and Organisational Development, and the Head of Finance have been consulted in the preparation of this Report. Officers from Legal Services have participated in officer working groups.
- 3.6 Legal Services have advised throughout on the legal implications of the proposal, including the requirements of the duty to achieve Best Value.

4. Consultation

Internal

- 4.1 The Director (Education & Children's Services), the Director (Environment), the Head of Finance and the Head of Legal and Governance Services have been consulted in the preparation of this report.

5. APPENDICES

- 5.1 None.

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee

15 June 2016

**TRANSFORMATION PROGRAMME 2015-2020
PROGRESS UPDATE AND CORPORATE DIGITAL PLATFORM BUSINESS
CASE**

**Report by the Depute Chief Executive, (Sustainability, Strategic and
Entrepreneurial Development)**

This report provides an update on the Transformation Programme and requests permission to draw down up to £231,000 from the Earmarked Reserve for Transformation, to provide the capacity and support to secure the effective delivery of the Corporate Digital Platform transformation review.

1. BACKGROUND/MAIN ISSUESOverview

- 1.1 The Council's Transformation Strategy 2015-2020 'Building Ambition' and Organisational Development Framework was approved by Council on 1 July 2015. Together they detail how we will deliver transformation across the Council over the next five years. Accompanying the strategy is a programme of major reviews, which are considered to be key drivers and enablers of transformation across the organisation.
- 1.2 The transformation programme is focused on continuing our proactive approach to public service reform, and embracing change that keeps Perth and Kinross Council in a position of strength, to meet the significant challenges ahead. This report gives an update on the progress with the programme.
- 1.3 On 10 February 2016, the Strategic Policy and Resources Committee considered requests for funding from the earmarked transformation reserve, for nine phase 2 transformation reviews. This report introduces one additional Phase 2 review (Corporate Digital Platform), which was approved as part of the original Building Ambition Strategy, and now has a completed Outline Business Case.

2. PROPOSALSTransformation Programme

- 2.1 Progress on Phase 1 reviews was initially reported to the Strategic Policy and Resources Committee on 2 December 2015 (Report Number [15/155](#)) and updates were provided on 10 February 2016 (Report Number [16/50](#)) and 20 April (report Number [16/186](#)). Appendix 1 to this report details further progress to date on those Phase 1 projects and includes an initial update on Phase 2 projects which commenced earlier in this financial year.

Corporate Digital Platform

- 2.2 The Corporate Digital Platform review proposes to implement a cost-efficient solution for the management of the significant quantity of unstructured and unquantified records and data currently held, in both electronic and paper form, across the organisation. This large volume of unmanaged information presents risks in terms of compliance under the Public Records (Scotland) Act 2011, and achieving corporate objectives. This proposal will also provide an electronic solution for the 1,500 to 4,000 pieces of mail received by the Council each day.
- 2.3 The proposed solution will enable the Council to transfer existing paper files and incoming mail to a systematic and structured digital form. A prime outcome from this piece of work will be improvements in accessibility and accuracy of data, which will support the implementation of other key transformation reviews:
- ☐ Mobile Working
 - ☐ Review of Administration and Support
 - ☐ Smart Perth - Open Data
 - ☐ Corporate Digital Services & My Account
 - ☐ Modernising Performance Reporting
 - ☐ Modernising Licences, Permissions & Approvals
- 2.4 The heightened quality and accessibility of information will also underpin the Council's contribution to the Scottish Government's digital transformation agenda, Scotland's Digital Future. It will make the organisation's data more open and accessible to the public, and better meet the needs of our communities. The proposed solution will also help enable the Council to better align itself with the opportunities arising from emergent collaborative programme of work with neighbouring councils, contributing directly to a key theme of digital services.
- 2.5 The proposal will capitalise on work already done in optimising use of SharePoint, which is already established as a corporate business tool within the organisation. The Perth Office Programme (POP) Board has acknowledged that the Councils document scanning project and the corporate digital platform solution are intrinsically linked. This will allow both projects to be combined to maximise efficiency, avoid duplication of work and make best use of resources in terms of staff, skills and expertise.
- 2.6 The solution comprises:
- A system for scanning existing paper files and incoming mail.
 - A means of storing and efficiently accessing the resulting and existing digital information, as well as new digital content, in a systematic, structured and accessible way which incorporates automated retention.

- 2.7 The introduction of any electronic document management and scanning solution requires investment. Resultant efficiencies can be realised in the main through the ability to: streamline transactional processes; reduce administrative time in terms of manual filing, access and retrieval of information; improve compliance capability mitigating the risk of legal challenge and financial penalties; and provide better quality data to inform effective decision making.
- 2.8 To provide sufficient capacity and support to secure the effective delivery of this review, a request is made to release a further £231,000 from the earmarked transformation reserve. This will fund both the project staffing and the technology support required to introduce this new system across the Council.

3. CONCLUSIONS AND RECOMMENDATIONS

- 3.1 Progress with the Council's Transformation Programme is well underway. This report seeks approval for funding to support additional transformation activity. By creating a corporate digital platform for existing and incoming documentation and data we can better support our evolving operational and transactional processes, ensuring that they are fit for purpose in the 21st Century digital business environment.
- 3.2 It is recommended that the Committee:
- (a) Notes the progress with the Transformation Programme, as detailed in Appendix 1.
 - (b) Agree to the release of £231,000 funding from the Earmarked Transformation Reserve, to provide capacity and support to secure the effective delivery of the review.

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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive, Environment (Sustainability, Strategic & Entrepreneurial Development)	2 June 2016

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)	Yes
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	Yes

1 Strategic Implications

Community Plan/Single Outcome Agreement

- 1.1 The proposals relate to the delivery of the Perth and Kinross Community Plan/Single Outcome Agreement in terms of the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, health and active lives
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

- 1.2 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.3 The report relates to all of these objectives.

2. Resource Implications

Financial

- 2.1 The financial implications are detailed in the report, including a request to utilise £231,000 from the Transformation Reserve.

Workforce

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

Asset Management (land, property, IT)

- 2.3 The Corporate Digital Platform proposal will enhance the electronic data storage abilities, which will in turn reduce the need for physical storage accommodation.

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. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 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.

4. Consultation

Internal

- 4.1 The Head of Finance, Head of Legal and Governance Services, and the Corporate Human Resources Manager were consulted in the preparation of this report. This report was submitted to Executive Officer Team on 10 May 2016.

External

- 4.2 Not applicable.

5. Communication

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

2. BACKGROUND PAPERS

- 2.1 The background papers referred to within the report are:

- Report to SP&R Committee on 23 September 2015, Report No (15/397)
- Report to SP&R Committee on 2 December 2015, Report No (15/555)
- Report to SP&R Committee on 10 February 2016, Report No (16/50)
- Report to SP&R Committee on 20 April 2016, Report No (16/186)

3. APPENDICES

- Appendix 1 – Progress Report on Phase 1 and Phase 2 Transformation Reviews

Transformation 2015/20 Projects by Service

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Projected Saving 2015/16 (£000s)	Projected Saving 2016/17 (£000s)	Projected Saving 2017/18 (£000s)	Projected Saving 2018/19 (£000s)	Projected Saving 2019/20 (£000s)	Projected Saving Total (£000s)
Corporate Projects											
Business Transformation Programme											
BT000403	Corporate - Council Assets for Commercial Sponsorship Review	Steve Homer	01/03/16	30/12/16	On Target	0	30	50	20	50	150
Brief Description :		This review aims to take an innovative approach by using the Councils existing assets as a means for producing a revenue stream by offering sponsorship and advertising opportunities to commercial organisations. The revenue generated from this project can be offset against the Costs of providing valuable public services.									
Key Milestones :		Progress to Date :									
	Develop scoping report				15/03/16						
	Scoping report submitted and approved by EOT				15/03/16						
	Establish project team membership				03/05/16						
	Project team established				03/05/16						
	Recruit for temporary post				15/05/16						
	Project Support Appointed				31/05/16						
	Initial analysis of assets				30/06/16						
	Asset analysis				30/06/16						
	Benchmarking and consultation				29/07/16						
	Benchmarking and consultation completed				29/07/16						
	Phase 1 implementation				31/08/16						
	Phase 1 completion				31/08/16						
	Final analysis of asset usage				30/09/16						
	Asset analysis produced				30/09/16						
	Report to Council				30/11/16						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Projected Saving 2015/16 (£000s)	Projected Saving 2016/17 (£000s)	Projected Saving 2017/18 (£000s)	Projected Saving 2018/19 (£000s)	Projected Saving 2019/20 (£000s)	Projected Saving Total (£000s)
BT000406	Review of Administrative Support	Steve Homer	01/02/16	31/10/16	On Target	0	186	109	279	0	574
Brief Description : The Administrative and Support Functions Transformation Review will analyse how we deliver these functions now and consider how we may deliver these services in the future.											
Key Milestones : <ul style="list-style-type: none"> Scoping report approved by EOT Initial Project Board Define posts in scope Assign work packages Produce communications plan Define key business processes for review Engage staff and unions Project and work packages plan produced, with responsibilities assigned 											
BT000407	Review of Finance	Euan Sturgeon	08/01/16	29/09/17	On Target	0	81	82	255	0	418
Brief Description : This review could deliver efficiencies beyond the £418k provided within the executive summaries for the 2016/17 budget. These efficiencies can be achieved by: Improving processes; Expanding the use of technology; Merging common operations and achieving economies of scale; and, Adopting new service delivery models.											
Key Milestones : <ul style="list-style-type: none"> First FTR Board Meeting Scoping Report approved by EOT Allocation of Phase 1 workstream leads Submission of Phase 1 Final Reports Allocation of Phase 2 workstream leads Submission of Phase 2 final reports 											
Brief Description : A workstream approach has been adopted with five work streams in phase one. Each has had a lead officer appointed and scoping workshops have taken place with the exception of Financial Administration. This workstream will be led by a combination of shared resource drawn from this review and the Transformation Review of Administration and Support Services. Next FTR Board meeting is 27.05.16 to which lead officers will present their findings on scope.											

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BT000377	Corporate - Modernising Performance Reporting Review	Chris Jolly	01/11/15	30/06/17	On Target	0	34	0	0	0	34
Brief Description : Using technology better 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.											
Key Milestones : <ul style="list-style-type: none"> Consultation with performance management software companies Re-draft project plan to better serve the desired outcomes of the review Complete review of existing systems Consultation with stakeholders Review of current reporting processes Specification developed Complete options appraisal End of review, start of project implementation stage 											
						Progress to Date : 29/04/2016 New project plan drafted at Project Board meeting 11 March. New milestones, tasks and actions inserted into Verto. Questionnaire to software providers sent for consultation to inform project team on capabilities of market place. 9 full responses received are due to be analysed w/c 2 May 2016 Guiding principles approved by Scrutiny Committee on 20 April. Elected member engagement session undertaken. The review was well received and elected members in attendance supported the ambitions of the review. Ongoing review of current performance reporting being undertaken. This work is progressing well and highlights key areas for improvement. The detail from the above research and consultation will be used to inform the specification of future recommendations in relation to our performance framework: processes, procedures, form/content/frequency of reports, access to data, software requirements.					

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BT000379	Corporate - Modernising Licences, Permissions and Approvals Processes Review	Gordon Dawson	05/10/15	01/04/18	On Target	0	0	40	0	0	40
Brief Description :		Streamlining and digitalizing the process for licences, approvals and permissions, to allow online applications, automated information checking and consultations, and issue of approvals/authorisations electronically, saving officer/administrative time and delivering a better, cheaper, quicker service to the applicant.									
Key Milestones :		<p>Progress to Date :</p> <p>29/04/2016</p> <p>30/04/16 31/05/16 30/06/16</p> <p>A loss of staff within the Licensing section has resulted in a need for a short term solution to maintain performance. The review of CaDS Licensing is complete with a recommendation for a technical solution approved by the ICT Board on 8th March which will allow for the project within CaDS to be implemented transforming process, developing staff and making savings in 2016/17 of £51,440 and annual savings of £69,566 thereafter.</p> <p>All milestones up to this point have been completed.</p> <p>The review of Licenses is intrinsically linked to the Myaccount project and will progress in tandem with this moving forward.</p>									

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BT000367	Corporate - Procurement Reform Review	Mary Mitchell	01/10/15	31/03/20	On Target	0	500	1000	1000	0	2500
Brief Description : Achieving 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.											
Key Milestones : <ul style="list-style-type: none"> Options appraisal Refinement of options for each theme Amendments to draft implementation plan 											
Progress to Date : 30/04/2016 There are three themes to the review and work carried out in April for each theme is set out below: Savings: Following on from the approval by EOT on 29 March 2016 of the method for establishing, verifying and approving procurement savings the first contract awards have been made. Information on each of the contracts is to be passed to Financial Controllers to verify the savings potential per contract. A protocol for monitoring issues which may require to be escalated is now in place. This method has been successful in both recording variations from approved route to market and reducing "leakage" of savings opportunities but also for identifying areas for improvement. Systems: Mapping of all information systems linking to procurement and the data requirements they feed has been started. A full review of Purchase to Pay process including the systems used was carried out by Scottish Government Oct-Dec 2015. The findings of this review will be included in options to take forward. Further work has been done on how we will use tools bringing visual technology to present data about our spend. Options for solutions will be brought to the Transformation board. Sustainability: More has been done to develop our approach to delivery of the living wage and incorporation of a Fair Work practice clause into relevant service contracts. Use of systems to report on the benefits from each contract has been explored and a change request submitted to the software provider for the electronic contract management portal. This request is for additional fields which will support analysis of the impact our contracts are having for our communities.											

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BT000368	Corporate - Corporate Digital Services and myAccount Review	Lynne Harris	01/10/15	28/09/18	Some Issues	0	105	44	-53	26	122
Brief Description : Developing 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.											

Key Milestones :

	Engagement/ Comms plan created- New target date 31/03/16	31/03/16	Progress to Date :								
	Create master list of services in scope	30/04/16	Everything is now proceeding to the revised plan as detailed below. The amber status relates solely to the initial delays at the outset, which has put back the timescale for realising programme savings until late 16/17								
	Create corporate data management roadmap	31/05/16									
	Completion of Revised Business Case	31/05/16									
	System requirements gathered	30/06/16	29/04/2016								
	Design online services technical blueprint incorporating MyAccount	30/06/16	Work to complete the start-up / baseline assessment stage of the project has gone well. The project is now moving into the next phase which is focusing on Design and Procurement.								
	Procure technical components and services	30/06/16	The Online Services / Mobile Working Project Board has been set up to manage and govern project deliverables. A suite of project support documents have been produced to describe each stage of the programme, including the Delivery Plan, Project Scope and Prioritisation.								
	Review Council website design	30/06/16	<ul style="list-style-type: none"> Project Board with responsibility for managing delivery of the OSM project has been created and first meeting held Supporting project documentation taken to the OSM Board for approval Inside News Bulletin published within Corporate Spring Inside News Cross-Council Data Management consultation exercises underway to inform roadmap Draft master service list created Service briefings held 25, 26, 27 April to discuss master service list and service prioritisation OSM progress report taken to the ICT Transformation Board Website steering group discussion paper taken to the ICT Transformation Board 								
	Develop technical guidelines to support incorporation of third party solutions into PKC online services environment	30/06/16									
	Develop Customer portal (online service) identity and branding	30/06/16									

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BT000369	Corporate - Mobile Working Review	Lynne Harris	01/10/15	28/09/18	Some Issues	0	54	186	200	-12	428
Brief Description : Implementing 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.											
Key Milestones : <ul style="list-style-type: none"> Engagement/ Comms plan agreed- New target date 31/03/16 System requirements gathered Create master list of services in scope- New target date 31/05/16 Invitation to Tender Issued Mobile working technical blueprint incorporating system integration model Completion of Revised Business Case Produce technical components and services 											
Progress to Date : Everything is now proceeding to the revised plan as detailed below. The amber status relates solely to the initial delays at the outset, which has put back the timescale for realising programme savings until late 16/17.											
			31/03/16								
			31/03/16								
			30/04/16								
			30/04/16								
			31/05/16								
			31/05/16								
			30/06/16								
Definition of requirements for the corporate mobile working toolkit has been a focus during the period March-April 2016. Tender documents have been prepared with input from Service representatives, IT team leaders, Information Security, Corporate Procurement, other local authorities and external consultancy. Visits to other Local Authorities with mature mobile working solutions in place have provided further insight into the benefits, issues and challenges of a Corporate Mobile Working programme.											
The Online Services / Mobile Working Project Board has been set up to manage and govern project deliverables. A draft communications plan was taken to the ICT Transformation board for discussion.											
The Invitation to Tender document has been prepared, however timescales for the completion of the tender process have been pushed out by approximately 4 – 6 weeks. The extended time line is a result of a number of factors including a decision to adopt a multi-stage “competitive dialogue” route and time taken to familiarise ourselves with revised procurement legislation which came into effect on 18 April 2016.											
<ul style="list-style-type: none"> Project Board with responsibility for managing delivery of the MobW project has been created and first meeting held Tender documentation has been prepared and is being issued w/e 29 April 2016 Inside News Bulletin published within Corporate Spring Inside News MobW progress report taken to the ICT Transformation Board 											

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BT000363	Corporate - Smart Perth and Kinross: Perth and Kinross Open Data	Paul Davison	01/10/15	31/03/20	Some Issues	0	0	0	0	0	0
Brief Description : Reviewing 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.											
Key Milestones : <ul style="list-style-type: none"> ERDF Funding (New date 30/06/16) Stage 1 Options Report Create new page for PKC website with sample datasets and interactive maps/ visualisations Open Data Portal Beta Launch (Dependent on ERDF Funding) 											
Progress to Date : 29/04/2016 Publication plan has been taken to MTs over April 2016 and feedback sought on datasets included and named individuals for data sets. The draft policy, retitled the Open Data Strategy is being updated to reflect recent work and a covering report prepared for it to go to SMT and then EOT. Options appraisal for the community information system is complete and an externally-hosted WordPress-based website has been set up for those involved in the Stories of Place workstream. Initial work is being carried out to populate the site. There have been some delays with approval of the application for ERDF funding by the Managing Authority (Scottish Government) but a decision is expected in June . In the meantime four distinct work packages (Data Standards; Data Platform; Data Analytics; Data Community/Capacity) have been agreed by the cities for developing the project. We will aim to make contributions to direction/ planning of these work packages. Guidance on the next steps of the ERDF Data Hub project has now been provided by the PMO and this will involve the development of PIDs by each city for each of the ERDF projects. In light of the delays on the ERDF funding we postponed the Open Data Portal beta launch from 29/02/16 to 01/09/16 however it seems that we can begin to publish open data sets on the existing PKC website on 'Open Data' pages in advance of this starting in May . In addition to this we will be populating the webpages with sample datasets released under the Open Government Licence, as well as interactive mapping demonstrations.											
Total						0	990	1511	1701	64	4266

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Education and Children's Services											
Business Transformation Programme											
BT000392	ECS - Expansion of Family Based Care		01/01/16	31/03/20	On Target	0	0	78	156	164	398
Brief Description :						To meet the increasing demand for foster carers and family-based carers for children and young people looked after by Perth and Kinross Council					
Key Milestones :						Progress to Date :					
					07/01/16						
					19/01/16	29/04/2016					
					10/02/16	<ul style="list-style-type: none"> Meeting 22/4 to discuss portfolio of project and recruitment solutions 					
					15/03/16	<ul style="list-style-type: none"> Report for EOT 10/05/16 					
					24/05/16						
					01/07/16						
					31/07/16						
BT000394	ECS - Review the Delivery of Class Contact Time		01/01/16	31/03/19	On Target	0	0	325	195	0	520
Brief Description :						This proposal is to review and redesign Reducing Class Contact Time					
Key Milestones :						Progress to Date :					
					07/01/16						
					19/01/16	29/04/2016					
					10/02/16	<ul style="list-style-type: none"> Recruitment process now underway. 					
					15/03/16						
					01/07/16						

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BT000358	ECS - Review of Catering Services	Greg Boland	01/09/15	31/03/20	On Target	0	0	0	200	0	200
Brief Description : Examining optimum production, menu and service arrangements and looking at options for area based kitchens and partnership working with other organisations to ensure the most efficient and effective service.											
Key Milestones : <ul style="list-style-type: none"> Project team meeting to devise action plan Develop action plan for project teams Draft Outline Business Case received Final report and implementation plan (Date subject to change) Complete benchmarking and consultation Final Business Case 											
Progress to Date : Being reported through Tayside Governance and Strategy Group 29/04/2016 <ul style="list-style-type: none"> This project is being taken forward on a Tayside wide basis. Tayside Governance and Strategy Group acting as Project Board (With PKC Representation) PKC's interest represented on the Project Team. Waiting on Final Business Case September 2016 						0	0	0	600	500	1100
BT000360	ECS - Securing the Future of the School Estate	Carol Taylor	01/09/15	31/03/20	On Target	0	0	0	600	500	1100
Brief Description : Reviewing the school estate to make the most effective and efficient use of buildings, and staff across the estate.											
Key Milestones : <ul style="list-style-type: none"> Options Appraisal and Proposal Papers for Struan and Straloch to LLC Principles Paper to SMT Statutory Consultation Struan / Straloch commences Principles Paper for wider Transformation Programme to LLC Obtain political approval of principles/criteria Committee approval of options to be developed in detail Final decision by LLC on Struan / Straloch at a special LLC committee being convened (indicative date) Pre-consultation/Informal consultation and Rural aspect / Community impacts Proposal papers/Options appraisals Statutory consultation 											
Progress to Date : 29/04/2016 <ul style="list-style-type: none"> Approval to review Options Appraisals for Struan and Straloch Primary Schools. Milestones are indicative and predicated on political approval being received. A principles paper will be considered by LLC in August 2016 for the wider transformation programme. 						25/05/16	30/06/16	17/08/16	24/08/16	24/08/16	02/11/16
						13/12/16					
						30/06/17					
						30/06/17					
						31/03/18					

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BT000361	ECS - Review of Community Campuses Contract and Charging Arrangements	Fiona Easton	01/09/15	31/03/20	On Target	0	0	180	0	0	180
Brief Description : Reviewing Community Campus contracts and charging to identify efficiency savings and commercial opportunities.											
Key Milestones : <ul style="list-style-type: none"> Completion of baseline assessment Conduct benchmarking exercise Communications Plan developed and implemented Final report to ECS SMT for approval Identification and engagement with consultees Interim analysis of findings and recommendations Conduct Equalities Impact Assessment Report to Transformation Board Submission of final report to EOT Preparation of final report - key recommendations & savings Final Report to LLC Business Case developed from Final Report Implementation of Review Charging Arrangements Paper to Full Council 											
Progress to Date : 29/04/2016 <ul style="list-style-type: none"> Baseline on track for completion 30/04/16 Options currently being explored. Benchmarking with LA's been identified and visits to be conducted by end May 2016. Meeting with LAL re. contract scheduled for early May 2016. 						0	0	180	0	0	180
BT000362	ECS - Review of Facility Management (FM) Service arrangements (including Tayside Contracts)	Simon Farrer	01/09/15	31/03/20	On Target	0	50	100	50	0	200
Brief Description : Reviewing janitorial and cleaning arrangements, building security/access, maintenance functions and enhanced partnerships between the Council, Tayside Contracts and the community, by redefining the service, management arrangements and job profiling, to deliver savings.											
Key Milestones : <ul style="list-style-type: none"> Actions and timetable to be agreed, costing proposal only Project team and plan agreed Project Implementation Plan Recommendation to EOT on preferred option Project outcome/implementation 											
Progress to Date : 29/04/2016 <ul style="list-style-type: none"> Outline Business Case shared with Head of Property Services and Depute Chief Executive (JV). Tayside Contracts proposal received. A report will be submitted to EOT by 31/08/16 						0	50	100	50	0	200

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BT000364	ECS - Early Years Strategy Phase 3 Review	Fiona Easton	01/09/15	31/03/18	On Target	0	65	142	0	0	207
Brief Description : Developing the third phase of the early years strategy, to ensure we provide efficient and effective services at a more local level.											
Key Milestones :											
	• Implementation Plan				31/05/16	Progress to Date :					
	• Options Appraisal reviewed and conducted				16/06/16	29/04/2016					
	• OBC updated to reflect changes following options appraisal				30/06/16	• Meeting on 30/05/16 to discuss Implementation Plan.					
	• Communications Plan developed				01/07/16	• Options Appraisal and Implementation Plan under development.					
BT000365	ECS - Strategic Commissioning with the 3rd Sector	Jacqueline Pepper	01/09/15	31/03/19	On Target	0	45	41	37	0	123
Brief Description : Developing a strategic commissioning approach to services for children, young people and families, to ensure that Council funds are more efficiently targeted to meet strategic objectives, and support 3rd sector groups to explore new ways to deliver services, diversify their funding base, and draw upon new and alternative funding streams.											
Key Milestones :											
	• Initial engagement with 3rd sector				29/01/16	Progress to Date :					
	• Strategic Commissioning learning event for third sector organisations				17/06/16	29/04/2016					
	• Communications plan developed and implemented				30/06/16	• Meeting on 26th April 2016 to discuss progress within HCC.					
	• Project Team Established				30/06/16	• All organisations in receipt of 3rd party payments from ECS have been notified of intention of project.					
	• Develop Project Plan in respect of Strategic Commissioning Review and revision of ICSP				30/06/16	• Meeting with PKAVs 3rd sector interface manager					
	• Create master list of all current third sector commissioning arrangements				30/06/16						
	• Identify 17/18 savings				31/10/16						
	• Commissioning Strategy to be developed				31/03/17						
	• Publish commissioning strategy				30/06/17						
	• Identify 18/19 savings				31/10/17						
BT000390	ECS - Review of Inclusion Services		01/01/16	31/03/18	On Target	0	0	0	0	0	0
Brief Description : Redesigning 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.											
Key Milestones :											
	• Approval by ECS SMT				07/01/16	Progress to Date :					
	• Approval by EOT				19/01/16	29/04/2016					
	• Approval by SP&R				10/02/16	• Meeting 29th April 2016 to discuss review approach and recruitment.					
	• Scoping Report approved by EOT				15/03/16	• Agreed Inclusion Board to act as project board for this review.					
	• Recruitment process concluded				30/06/16	• Agreed 5 areas for review					
	• Project Plan agreed				01/07/16	• Review from Aug - Nov 2016					
	• First draft report on Review findings				08/12/16	• First draft report Dec 2016 on findings of review					

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BT000391	ECS - Review and remodelling of Residential Care Services (Children and Young People)		01/01/16	31/03/20	On Target	0	0	0	0	0	0
Brief Description : To avoid escalating costs of residential care for children and to better meet increasing and changing demands of children and young people who need to be looked after in residential care provision.											
Key Milestones : <div> <div></div> <ul style="list-style-type: none"> Approval by ECS SMT Approval by EOT Approval by SP&R Scoping Report approved by EOT Project Team established and Project Plan agreed </div>											
BT000395	ECS - Review of Working Week Arrangements in Schools		01/01/16	31/03/19	On Target	0	0	0	0	0	0
Brief Description : Review the current working week arrangements in schools with an aim to assist schools to plan and deliver teaching and learning in an efficient way											
Key Milestones : <div> <div></div> <ul style="list-style-type: none"> Approval by SMT Approval by EOT Approval by SP&R Scoping Report approved by EOT Project Lead / Team established and Project Plan agreed </div>											
Progress to Date : 07/01/16 19/01/16 10/02/16 15/03/16 01/08/16 This project is a preventative measure to mitigate pressures in overspend (cost avoidance £250k) 29/04/2016 • Project lead to be appointed - Recruitment underway											
Progress to Date : 07/01/16 19/01/16 10/02/16 15/03/16 01/08/16 29/04/2016 • Meeting to discuss project requirements 26/04/16											
Total						0	160	866	1238	664	2928

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Housing and Community Care											
Business Transformation Programme											
BT000370	HCC - Communities First Review	Bill Atkinson	30/11/15	31/03/19	On Target	0	72	522	0	0	594
Brief Description :		Reviewing options around reshaping current commissioning arrangements, co-production opportunities with communities, innovative mobile technologies and developing a wider market provision, which will support people to live as independently as they can, with greater choice and control, and accessing Council services only when they need them.									
Key Milestones :		<div> <div>Progress to Date :</div> <div>28/04/2016</div> <ul style="list-style-type: none"> Local Management Structure now complete including consultation and engagement process Localities formal consultation with affected staff now complete Engagement with Voluntary Sector commenced through initial meeting with PKAVS to explore proposal for demonstrator site Developing proposal for communities to access 'seed the path' funding Identified inter-project dependencies with Daycare Interview dates arranged for Team Leader and Assistant Team Leader roles </div>									
BT000371	HCC - Review of Residential Care	Colin Johnston, Diane Fraser	10/11/15	31/03/19	On Target	0	0	0	696	0	696
Brief Description :		Reviewing residential care provision to ensure that people are supported to live in the community for longer, and that available care home provision across the full area is fully utilised.									
Key Milestones :		<div> <div>Progress to Date :</div> <div>28/04/2016</div> <ul style="list-style-type: none"> Staff engagement has been commenced following sign off of Scoping Report from February Committee. Discussion with staff started regarding best approach for resident and family consultation Discussion started regarding best approach for staff consultation Meetings commenced with HR regarding project plan EQIA completed </div>									

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BT000372	HCC - Home First	Lorna Cameron	10/11/15	31/03/17	On Target	0	0	676	0	0	676
Brief Description : Providing options for direct access to settled accommodation for homeless people missing out the temporary stage where possible.											
Key Milestones :											
					29/04/16	Progress to Date :					
					01/05/16	28/04/2016					
						Final draft completed of Risk Profile approved at Steering Group on 13/04/16					
					30/06/16	A profile of current tenants in dispersed units to see how many can be transferred to mainstream in situ completed on 18/04/16 . However, transfer of dispersed units is reliant on review financial position both on pressures & savings and monitoring position of potential transfer of properties during 16/17.					
					31/07/16						
					31/08/16						
					30/12/16						
					30/12/16						
					30/12/16						
					31/01/17						
					31/01/17						
					31/03/17						
					31/03/17						
					31/03/17						
BT000381	HCC - Review of Day Care Services	Colin Johnston, Diane Fraser	10/11/15	31/03/18	On Target	0	0	239	463	0	702
Brief Description : Reviewing and redesigning existing Day Services and Day Opportunities across community care client groups, in line with the ethos of 'supporting people at home' in a more personalised manner.											
Key Milestones :											
					29/02/16	Progress to Date :					
					31/03/16	28/04/2016					
					30/04/16	<ul style="list-style-type: none"> Project Plan/Timeline created and awaiting approval for progression Staff engagement has been commenced at management level Engagement with Voluntary Sector commenced through initial meeting with PKAVS 					
					30/04/16						
					30/06/16						
					31/03/17						
					30/11/17						
					31/03/18						

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Projected Saving 2015/16 (£000s)	Projected Saving 2016/17 (£000s)	Projected Saving 2017/18 (£000s)	Projected Saving 2018/19 (£000s)	Projected Saving 2019/20 (£000s)	Projected Saving Total (£000s)
BT000373	HCC - Review of HCC Repairs Service	Lorna Cameron	22/10/15	31/03/16	On Target	0	100	200	200	0	500
Brief Description :											
Key Milestones :											
	Develop option appraisal and cost benefit analysis in relation to electronic ordering and invoicing				31/05/16	Progress to Date : 28/04/2016 The review has been broken down into four main areas. The Review of Stores Systems and Processes and The Supply Chain Solution have been completed and some quick wins have been identified and are currently being progressed. The next two areas being examined are Trades and Productivity and the Review of the Fleet. Due to the potential overlaps/dependencies in all four of these workstreams a full option appraisal will take place once all the reports are finalised. As a result the milestones have been updated to reflect this change.					
	Produce option appraisal and cost benefit analysis in relation to managed stores and supply chain solutions				31/05/16						
	Research and consider options in relation to trade productivity				31/05/16						
	Research and consider options in relation to costs and future use of fleet vehicles				31/05/16						
	Submit report to SMT on future options for the Repairs Service				01/07/16						
BT000374	HCC - Review of Community Care Packages for Adults	Colin Johnston, Diane Fraser	23/09/15	31/03/19	On Target	0	0	0	560	0	560
Brief Description :											
Key Milestones :											
	Consultation with clients and families				30/06/16	Progress to Date : 28/04/16 Awaiting guidance from transformation board re consultation and timescales for progressing.					
	Staff consultation and engagement				30/06/16						
	Engagement and Communication with Providers/Service Level Agreements				30/06/16						
	Recruitment of Temporary Social Workers				31/07/16						
	Approval of policy change regarding resource allocation of community care packages by Housing and Health Committee/ IJB				31/08/16						
	Begin individual reviews of care packages				31/08/16	Progress to Date : 28/04/16 Awaiting guidance from transformation board re consultation and timescales for progressing.					
	Begin implementing alternative support packages				31/08/16						
	Completion of review of all care packages				30/03/18						
Total						0	172	1637	1919	0	3728

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Projected Saving 2015/16 (£000s)	Projected Saving 2016/17 (£000s)	Projected Saving 2017/18 (£000s)	Projected Saving 2018/19 (£000s)	Projected Saving 2019/20 (£000s)	Projected Saving Total (£000s)
The Environment Service											
Business Transformation Programme											
BT000398	TES - Council Vehicle Fleet Utilisation and Optimisation Review		01/04/16		On Target	0	0	25	75	50	150
Brief Description :		The Council Vehicle Fleet Utilisation and Optimisation 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.									
Key Milestones :		<div>Progress to Date :</div> <div> <div>15/03/16</div> <div>29/04/16</div> </div> <div> <div>10/05/16</div> <div>OBC and funding for project has been approved. Scoping report will be submitted to EOT for approval on 10 May.</div> <div>Further milestones and timescales will be reported pending approval of the scoping report.</div> </div>									
BT000402	TES - Inverlmond Reuse Shop Review	Bruce Reekie	01/12/15	31/03/17	On Target	0	0	16	0	0	16
Brief Description :		Building the first purpose-built Reuse Shop in Scotland on a recently-cleared piece of land at the front of the Inverlmond Recycling Centre.									
Key Milestones :		<div>Progress to Date :</div> <div> <div>31/12/15</div> <div>29/04/16</div> </div> <div> <div>31/01/16</div> <div>Perth and Kinross Council has secured £150,000 for the construction of the building form Zero Waste Scotland.</div> <div>31/01/16</div> <div>Following a selection process the Council has selected PUSH to run the reuse shop including collection, repair, refurbishment and PAT testing of items for reuse.</div> <div>29/02/16</div> <div>Heads of Terms have been drafted. The lease and Service Level Agreement are currently being finalised with colleagues in Estates and Legal Services.</div> <div>31/03/16</div> <div>Currently working with colleagues in Property Services on the design and construction of the reuse shop.</div> <div>31/05/16</div> <div></div> <div>31/05/16</div> <div></div> <div>31/12/16</div> <div></div> <div>31/03/17</div> <div></div> </div>									

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Projected Saving 2015/16 (£000s)	Projected Saving 2016/17 (£000s)	Projected Saving 2017/18 (£000s)	Projected Saving 2018/19 (£000s)	Projected Saving 2019/20 (£000s)	Projected Saving Total (£000s)
BT000375	TES - Review of Roads Activities	Willie Young	01/11/15	31/12/17	On Target	0	0	0	200	0	200
Brief Description : Examining potential efficiencies, including collaborative working with other Councils and working arrangements with current and potential future contractors.											
Key Milestones :											
	Engage specialist consultant for short term review work				30/06/16	Progress to Date : 29/04/16					
	Engage with partners to seek their support for participating in the review				31/07/16	Progress of this review has been delayed due to consideration of a Tayside/ Forth collaborative working programme and the continuing uncertainty over the national direction. Following completion of the scope for the Tayside collaborative working programme, a consultant will be engaged to progress this transformation review.					
	Review of existing documentation- S. G. policy/ CoSLA/ Improvement Service work; previous/current PKC reviews				31/08/16	This review will form part of the Collaborative Working approach across Tayside. As a result the timescales for the milestones have been reworked to reflect this following further discussions.					
	Engagement with stakeholders- Elected members, other Council partners, Tayside contracts				30/09/16						
	Map existing service provision, performance data, budgets				31/12/16						
	Benchmark/ compare current collaborative activities by other councils/ agencies				31/03/17						
	Develop options				30/09/17						
	Finalise full business case				31/10/17						
	Develop implementation plan				30/11/17						
	Agreement of partners				31/12/17						
BT000366	Corporate - Corporate Property Asset Management Review	Keith Colville	01/11/15	30/06/20	On Target	0	0	190	605	1000	1795
Brief Description : Reviewing the Council's property assets to; provide a property estate which is appropriately sized for requirements, well used, properly maintained, integrated with partner organisations' asset management plans, maximising collaborative opportunities, and is in appropriate geographical locations.											
Key Milestones :											
	Connection to the Government's ePIMS Property System				31/03/16	Progress to Date : 28/04/16					
	Data gathering and development of programme plan for "Place based/ Area Asset Management Review"				31/12/16	A draft corporate asset management strategy was put to the board on 8 February 2016. The board agreed to revise the aims and objectives in the strategy with a view to finalising them at the next board meeting in April 2016.					
						Work to map out all community planning partner properties in the community planning partnership area is ongoing. The first tranche of mapping data is now available.					
						A Program Collaboration Group consisting of PKC, NHS Tayside, Angus Council and Dundee City Council to meet every 2 months from January 2016 to discuss possible opportunities for property collaboration.					

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Projected Saving 2015/16 (£000s)	Projected Saving 2016/17 (£000s)	Projected Saving 2017/18 (£000s)	Projected Saving 2018/19 (£000s)	Projected Saving 2019/20 (£000s)	Projected Saving Total (£000s)
BT000380	TES - Grounds Maintenance - Continental Shift Working Review	Nigel Taylor	01/11/15	30/04/16	On Target	0	0	90	0	0	90
Increasing efficiency and achieving consistency of work arrangements across operations by introducing 7 day working, with savings achieved through reducing the number of equipment/vehicles required.											
Key Milestones :											
	• Advise staff formally in writing	Progress to Date : 28/04/16 There has been a change in the implementation date from 1 April 2016 to 1 April 2017.									
	• First staff consultative meeting	This change was made as a consequence of the budget process, with savings targets being pushed back for realisation in 2017/18.									
	• Second consultative meeting	05/04/16									
	• Implementation	01/04/17 Consultation with unions and staff are currently ongoing.									
BT000359	TES - Review of Community Development & Engagement functions	David Stokoe	01/10/15	31/03/20	On Target	0	0	0	100	100	200
This review will examine how PKC community development and engagement (CE&D) functions are currently deployed. It will examine how more resources can be unlocked for communities, and propose new delivery models which support community empowerment and achieve Best Value. Options appraisal will include examination of social enterprise delivery models.											
Key Milestones :											
	• Project Officer appointed	Progress to Date : 29/04/2016									
	• Project Team Established	06/05/16									
	• Options appraisal commences	16/05/16 • Recruitment taking place with closing date of 29/04/16									
	• Options appraisal complete	31/08/16 • Project team identified									
	• Approval by relevant SMT's	30/09/16 • Communities staff team briefed and sub group currently being established to support options appraisal work									
	• Approval by EOT	31/10/16									
	• Approval by SP&R	31/10/16									
	• Implementation	01/11/16									
BT000376	TES - Review of Recycling Service	Donna Rigby	30/06/15	30/09/17	On Target	0	0	110	212	207	529
Reviewing the range of recyclables accepted through the kerbside lidded bin, while reducing households' general waste capacity, thereby creating an incentive to recycle more, with savings achieved through reduced costs for landfilling waste.											
Key Milestones :											
	• Bin tenders awarded	Progress to Date : 28/04/16									
	• Phase 1	30/11/15									
	• Phase 8	29/02/16 The roll out of the replacement 140 litre bins is now into Phase 2, with 6923 x 240 litre general waste bins replaced by 140 litre bins. Phase 2 commenced 18 April 2016.									
		30/06/17 Initial results from areas in Phase 1 show a reduction in general waste of between 15%-30%.									

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Projected Saving 2015/16 (£000s)	Projected Saving 2016/17 (£000s)	Projected Saving 2017/18 (£000s)	Projected Saving 2018/19 (£000s)	Projected Saving 2019/20 (£000s)	Projected Saving Total (£000s)
BT000401	TES - Community Greenspace Review	Bruce Reekie	01/04/16	30/06/18	On Target	0	0	0	0	0	0
Brief Description : Exploring the best way to work with our communities to take on smaller community greenspace sites for community benefit, reduce maintenance activities and explore potential alternative delivery mechanisms.											
Key Milestones : <div> <div></div> Approval of Funding <div></div> Appointment of Officer <div></div> Project Implementation </div>											
						Progress to Date : 31/03/16 29/04/16 30/06/16 30/06/18 Funding secured in relation to the appointment of the Officer. Implementation would commence on appointment of the Officer, with the project development and implementation being undertaken over a 24 month period.					
Total						0	0	431	1192	1357	2980
Overall Total						0	1322	4445	6050	2085	13902

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee – 15 June 2016

Scrutiny Committee – 15 June 2016

GOVERNANCE AND SUPPORT OF THE COUNCIL'S TRANSFORMATION PROGRAMME

**Report by Depute Chief Executive, Environment
(Sustainability, Strategic and Entrepreneurial Development)**

This report proposes a new governance arrangement to meet the evolving requirements of the Council's Transformation Programme (2015-2020).

This model will deliver oversight of the Programme, ensuring that the Programme and individual projects are managed in a consistent, transparent and robust manner resulting in optimal outcomes and benefits.

1. BACKGROUND/MAIN ISSUES

Introduction

- 1.1 The Council's "Building Ambition" Transformation 2015-2020 Strategy highlights the need for good governance to be at the heart of our transformation programme. It states that good governance needs to allow our people the freedom and confidence to be innovative and creative in the pursuit of successful transformation. We also need to ensure that our governance arrangements are sufficiently robust to give assurance to senior management and Elected Members that progress is being made with the Transformation Programme, and that issues are raised and resolved as early as possible, at the appropriate level.
- 1.2 The Transformation 2015-2020 Programme is underway with an evolving series of reviews:
 - Phase 1 reviews (those initiated in 2015/16) have moved through from initial approval of outline business case (OBC), to scoping and full business case (BC) preparation.
 - Phase 2 reviews (those initiating in 2016/17) were considered by the Strategic Policy and Resources Committee on 10th February, with 9 reviews being approved to proceed.
 - Phase 3 submissions will be considered in early 2017.
 - There is emerging activity with collaborative transformation projects, in partnership with Angus and Dundee City Councils, and this was reported to the Strategic Policy and Resources Committee on 20 April 2016 (report number: [16/187](#)).

- 1.3 With the substantial resource investment in Transformation, the evolving Transformation Programme, the review of Corporate Governance currently underway, and the recommendations from the Audit Commission regarding the need for strong governance during this period of reform, the current governance arrangements for Transformation have been reviewed.
- 1.4 There is an opportunity for the Transformation Programme to learn from the success of the work which has gone before in terms of the implementation of sound project management governance across the organisation. In particular, Capital Programming uses a tailored project management approach to maximise the potential for success through standardisation of methodologies, particularly in areas of project and programme documentation; authorising and reporting lines; exception reporting; risk management; issue logging; and financial scrutiny. The approach taken in this report has incorporated lessons learned from development of the Council's Capital Programme activity.

Current Arrangements

- 1.5 The Transformation Programme is currently managed using well-established arrangements with senior management teams sitting as Programme Transformation Boards for the projects within their respective Service remits. The Executive Officer Team (EOT) acts as the Corporate Transformation Programme Board to promote cultural change and direct, support, challenge and scrutinise Senior Management Team (SMT) Transformation Boards. The EOT ensures reviews and projects achieve their objectives and the Council achieves its outcomes, with update reports from project boards and related groups being considered on an eight-weekly basis.
- 1.6 Progress updates are provided to the Modernising Governance Member Officer Working Group (MOWG) at each of its meetings. The MOWG provides challenge and scrutiny for the Transformation programme and makes recommendations accordingly. Reports are submitted to the Strategic Policy & Resources (SP&R) Committee where there are requests for funding, and to provide progress updates on spend and savings targets. A report is submitted to full Council on an annual basis.
- 1.7 The progress updates are provided largely by way of a report taken from the Verto project management system, (see Appendix 1 for an extract from the system). Ongoing management of the Transformation Programme has been led through a cross service Transformation Team. The team was set up as a transformation 'start up' group chaired by the Head of Strategic Commissioning and Organisational Development and consisting of senior manager participants from Finance, Organisational Development, Human Resources, Communications, Legal & Governance and ICT.

2. PROPOSALS

2.1 Proposed Structure

(a) Programme Governance Model

2.1.1 The Programme governance model is based on the widely used Prince2 structured model and methodology of programme and project management, reporting and escalation. The proposed governance model is represented in chart form within Appendix 2a of this report. The key features are:

- SMTs as Boards for Service based projects (continuing as per current arrangements)
- The continuation of an ICT Board as a corporate Board for technological Transformation projects; the creation of the Board was agreed by EOT in November 2015
- The current Transformation Team will become the Board for corporate projects unattached to other Boards, (e.g. Reviews of Support Services, Finance, Performance Management, Sponsorship of Council Assets) – see section 2.3 for more details
- The Corporate Board will also act as a Board for Cluster reviews on a rota basis; this is detailed further in section 2.3
- With the establishment of the Integration Joint Board for Health and Social Care (IJB) acting as a strategic partner with the Council, its Chief Officers Group will act as a Transformation Board for joint Health and Social Care Transformation projects and reviews that come under the IJB's remit
- Formal reporting arrangements to Elected Members remain unchanged with updates and reports being provided, as identified in 1.6 above.

(b) Project Level Governance Model

2.1.2 Similarly to the Programme governance, the Project governance is based on a structured model of project management, reporting and escalation, and is laid out in chart form within Appendix 2b of this report. This consists of a Project Board incorporating the Executive Sponsor and Senior Responsible Owner (SRO) for the project. This reflects the arrangements articulated in the Outline Business Cases and Scoping reports for Transformation Reviews.

2.1.3 The responsibilities for all concerned are described in detail within Appendix 3 of this report. The key issues are:

- At the most senior level there is an Executive Sponsor, who takes corporate responsibility for the project and would normally be a Depute Chief Executive, or the Director of the Service in which the project sits.
- Each project has a Senior Responsible Owner (SRO) and a Project Manager.

- The Project Support team has responsibility for providing specialist advice for subject matters such as finance and other technical aspects. The depth of detailed involvement from support functions such as finance will depend on the level of complexity and risk with the project.
- The extended project team members are responsible for work activities appropriate to their role and area of expertise, under the direct leadership of the Project Manager. The project team may extend beyond the confines of the service in which the project sits, including other parts of the Council, and may also extend outwith the Council to Community partners for example.

2.1.4 It is essential that each project employs and adheres to a consistent model of governance to ensure constancy in working practice, and fulfilment of respective responsibilities and tasks, in order to achieve the objectives of the projects.

2.1.5 In addition to the formal governance process, there are a range of groups and individuals that serve as enablers for the promotion of the transformation agenda and achievement of transformational outcomes. These are detailed in section 2.5 and Appendix 4.

2.2 Roles and Responsibilities

2.2.1 At all levels there should be clarity, agreement, ownership and transparency of the roles and responsibilities required to implement the Transformation Programme, across the full scope and all levels of the governance framework and the project management structure. The full range of roles and responsibilities of all parties directly involved in delivery of the Transformation Programme is set out in Appendix 3 to this report.

2.3 Corporate Project Board

2.3.1 The roles and responsibilities of the original Transformation team have been adapted to fit with the proposed governance model. It is proposed that this group now takes on the role of a Corporate Project Board, sitting within the governance structure alongside Service SMT Project Boards and reporting to the EOT. The proposed responsibilities of this Board are:

- (i) It will sit as the Corporate Project Board, with responsibility to oversee the Transformation projects that do not have a natural fit in terms of oversight at specific Service SMT Project Board level
- (ii) Many transformation projects have the potential to cross cut each other, creating mutual dependencies and a risk of conflict in actions and/or outcomes. It is proposed that projects are grouped into clusters (as set out in Appendix 5) so that they can be considered together in broad themes by the Corporate Project Board. It is proposed therefore that on a rota basis this Board considers projects in clusters of grouped themes.

- (iii) The Corporate Project Board will also fulfil a corporate enabling approach across transformation projects in overseeing the organisational elements of transformation, for activities such as Organisational Development, Communications, Finance, Legal, Strategic Planning & Improvement, and Human Resources, in order to ensure full support is provided across all projects.

2.4 Governance Reporting Themes

- 2.4.1 It is proposed that Transformation Governance arrangements are standardised at programme and project level to ensure that the following key themes are closely scrutinised:

Financial stewardship

- Transformation funding approvals
- Spend to date on transformation funding
- Savings targets
- Projected and actual realisation of savings

- 2.4.2 Financial monitoring will be part of each project on a routine basis, to provide appropriate support and scrutiny at Project Board level, similar to that given to business-as-usual financial performance monitoring within services. Monthly financial performance monitoring across the Transformation Programme is taking place, which will help inform EOT and Elected Members on financial progress across the Programme.

Milestones and progress to date

- 2.4.3 This is already a feature of Transformation performance monitoring, reported to senior managers and Elected Members, through the Verto system, and will be continued, with progress tracked through a Red, Amber, Green (RAG) Status report.
- 2.4.4 The Verto system has the technical capacity to detail and support the management of project risks which is not currently included in the management reports on transformation.
- 2.4.5 Embedding risk management at the core of transformation governance will help to promote a risk positive ethos and reinforce the need for risk management to be treated as a “business as usual topic” within services.

2.5 Enabling and Supporting Transformation

- 2.5.1 It is recognised that one of the major causes of projects and programmes to not fully realise their projected outcomes is a lack of buy-in and engagement from staff, from any level within the organisation. It is proposed therefore that a joined up approach to programme support in its widest context is approved, in order to help enhance staff engagement and identify and remove any blockages.

2.5.2 Support for projects is multi-faceted but can be split into two main areas:

- Support for the changing organisation: this is to ensure the cultural readiness of the organisation, addressing the enabling elements necessary for success and the capability of staff to adopt new ways of working. It is recognised that when systems, processes, procedures, protocols and services change, the largest single element to secure success is in enabling the workforce to deliver the 'new way of doing things'. This is being addressed through the Councils' 'Learn Innovate Grow' philosophy.
- Support for project and programme delivery including: the technical support to solve issues; financial support covering budget, spend to date and savings realisation; human resources support in terms of the personnel needed to deliver the projects and programme; organisational development support in terms of ensuring the skills are in place that are necessary to deliver the project and programme.

2.5.3 There are a range of Programme and project support roles, and these are identified in Appendix 4. Oversight of enabling and support activities will be undertaken by the Corporate Project Board/Transformation Team, as detailed in section 2.3 of the report.

2.5.4 Two further support features have been included in the arrangements:

- (a) The Depute Chief Executive (Sustainability, Strategic and Entrepreneurial Development) is meeting monthly with each Service Director and the Head of Strategic Commissioning and Organisational Development, to discuss progress, issues and challenges with Service reviews.
- (b) The recently appointed Transformation Manager has programmed to attend each SMT Transformation Board, and also meet with Project Managers as part of the reporting and monitoring cycle. These meetings should provide a forum to raise issues and identify the need for further support.

3. CONCLUSIONS AND RECOMMENDATIONS

3.1 The Transformation Programme is well underway and is making good progress.

3.2 It is recognised that with such a large and complex programme, sound governance is key. Governance is achieved by providing a fit for purpose, enabling structure which results in decisions being taken that secure the best chance of success and maximise benefits.

3.3. The programme requires a robust but flexible approach to governance, with a common understanding, and appropriate decisions being made by the right people at the right level within the organisation, at the right time, to ensure success.

3.4 The Strategic Policy and Resources Committee and Scrutiny Committee are asked to:

- (a) Note the governance proposals for the Transformation Programme and supporting roles and responsibilities as detailed in this report.
- (b) Agree to a review of these governance arrangements after 6 months, to assess their fitness for purpose.

Author(s)

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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive, Environment (Sustainability, Strategic & Entrepreneurial Development)	2 June 2016

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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	No
Sustainability (community, economic, environmental)	No
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 The award of contracts to facilitate approved expenditure contributes to the delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

- 1.2 The awarding of contracts to facilitate approved expenditure contributes to the achievement of the Council's Corporate Plan Priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

2. Resource Implications

Financial

- 2.1 There are no financial 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 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.

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. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 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.

4. Consultation

Internal

- 4.1 The following officers were consulted in the preparation of this report – Head of Finance, Chief Accountant, Finance and Resource Manager (TES), Head of Legal and Governance, Corporate Human Resources Manager, Enterprise and Engagement Manager, Head of Finance and Support Services (HCC), Capital Programme Manager, Corporate Communications Manager and Employee Innovation and Engagement Manager. The governance model was also subject to consultation at the Corporate Management Group, and approved by the Executive Officer Team.
- 4.2 The Chief Finance Officer for the Integration Joint Board was also consulted in the preparation of this report.

5. Communication

- 5.1 The paper has been discussed and tabled at Service Transformation Boards, on an informal basis.

2. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

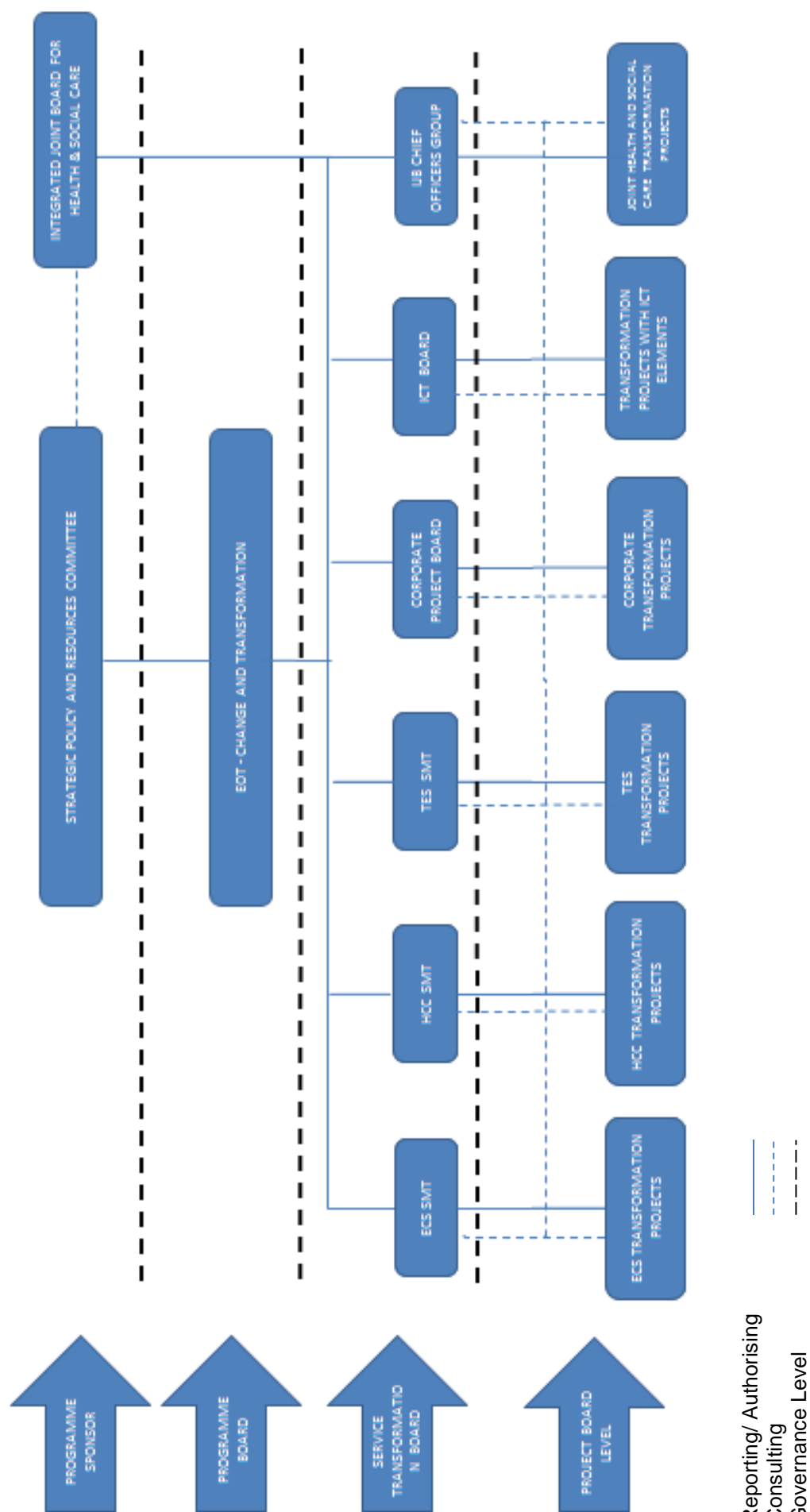
3. APPENDICES

- Appendix 1 – Extract from Verto
- Appendix 2a – Transformation Governance Structure
- Appendix 2b – Project Level Governance Structure
- Appendix 3 – Transformation Programme Roles
- Appendix 4 – Additional Support for Transformation
- Appendix 5 – Transformation Projects by Cluster

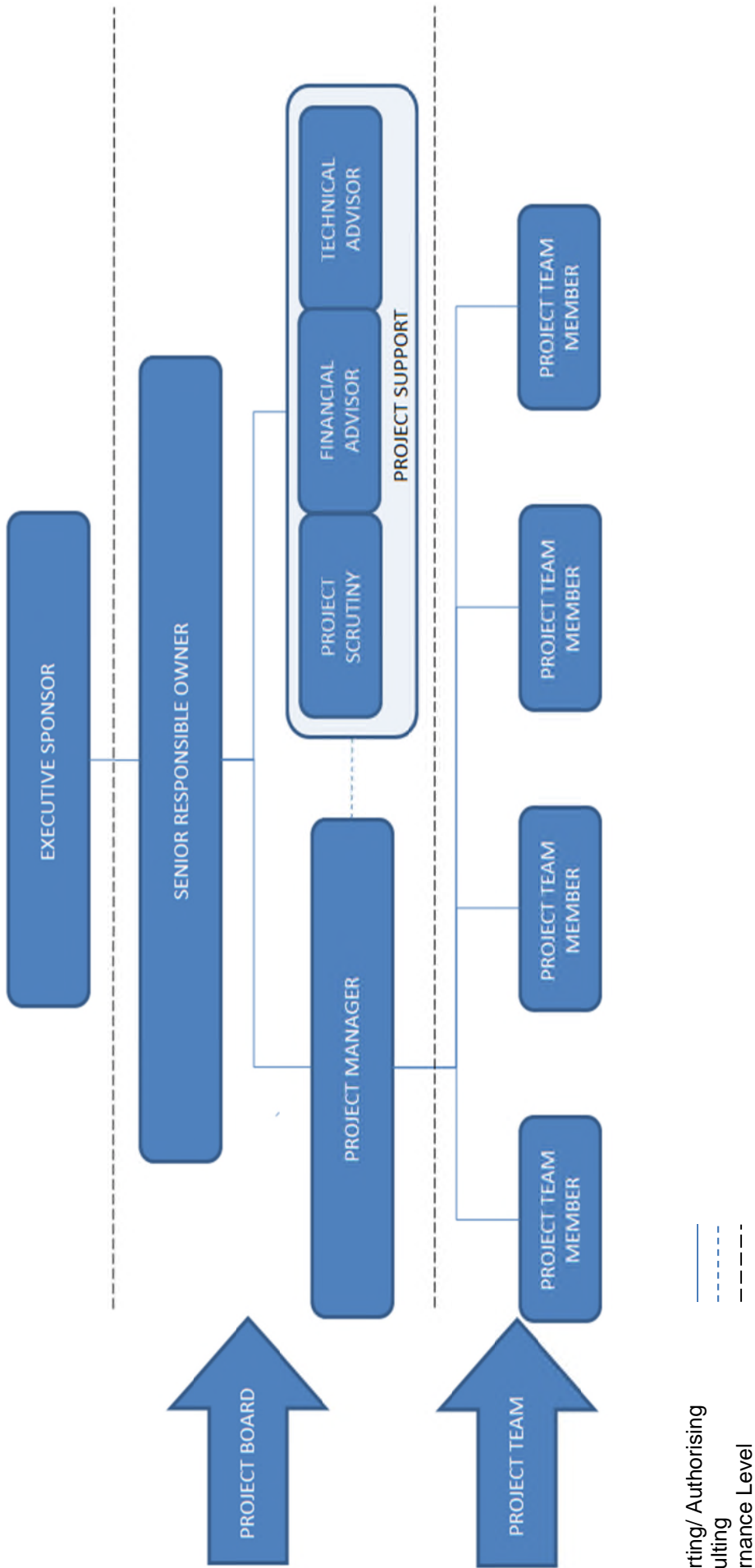
Transformation 2015/20 Projects by Service

Project Code	Project Title	Project Manager	Start Date	End Date	Project Status	Projected Saving 2015/16 (£000s)	Projected Saving 2016/17 (£000s)	Projected Saving 2017/18 (£000s)	Projected Saving 2018/19 (£000s)	Projected Saving 2019/20 (£000s)	Projected Saving Total (£000s)
Corporate Projects											
Business Transformation Programme											
BT000377	Corporate- Modernising Performance Reporting Review	Chris Jolly	01/11/15	30/06/17	On Target	0	34	0	0	0	34
Brief Description :						Using technology better 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.					
Key Milestones :						Progress to Date : 15/03/16					
<ul style="list-style-type: none"> Completion of baseline assessment Consultation with stakeholders Consultation with performance management software companies Re-draft project plan to better serve the desired outcomes of the review Complete options appraisal End of review, start of project implementation stage 						31/01/16	29/02/16	29/02/16	31/03/16	31/05/16	30/06/16
						Stakeholder engagement exercise has been largely complete. A questionnaire has been circulated and completed by a broad range of stakeholders. Analysis of the results is ongoing. Additional stakeholder engagement (focus group format) is scheduled to take place in April.					
						An advert has gone out to attract software providers to attend market research events to help inform the project team as to the benefits and features of prospective software solutions. Due to the overwhelming response to the advert we are assigning time throughout March to complete this exercise, making best use of available resources. As such the deadline for this exercise has slipped.					
						Best practice visits to other local authorities have taken place.					
						All of the above research will be used to inform the specification of any system which may be procured as an outcome of the review.					
						Guiding principles, used to drive the changes in performance management submitted to EOT for approval on 15 March.					

TRANSFORMATION GOVERNANCE STRUCTURE



PROJECT LEVEL GOVERNANCE STRUCTURE



TRANSFORMATION PROGRAMME ROLES AND RESPONSIBILITIES

Elected Members Group/Individual	Role	Responsibility
Full Council	<ul style="list-style-type: none"> Approval of the Council's Transformation Programme and review progress Annual monitoring of performance 	<ul style="list-style-type: none"> To approve and monitor the overall Transformation Programme and approve the Council's projected spend and savings attributed to the programme
Scrutiny Committee	<ul style="list-style-type: none"> Scrutiny oversight of the Transformation Programme 	<ul style="list-style-type: none"> To review performance To consider the effectiveness of policy and review its implementation
Strategic Policy and Resources Committee	<ul style="list-style-type: none"> The approval of amendments to the approved Council's Transformation Programme budget Ongoing oversight and monitoring of the Programme's progress 	<ul style="list-style-type: none"> To monitor the programme and where appropriate approve amendments to the Council's Transformation Programme Budget arising from in-year expenditure/savings monitoring.
Themed Committees	<ul style="list-style-type: none"> The approval of Service Programme business cases 	<ul style="list-style-type: none"> To scrutinise and approve Full Business Cases for changes to service delivery in their respective themed areas
MOWG	<ul style="list-style-type: none"> Challenge and scrutinise Transformation programme progress 	<ul style="list-style-type: none"> Provision of guidance on future transformation proposals Scrutinise progress to date (expenditure, savings, milestones) on Projects which have been approved Make recommendations arising from scrutiny and challenge

CORPORATE GOVERNANCE		
Group/ Individual	Role	Responsibility
EOT Transformation, Change and Organisational Development Group (Transformation Board)	<ul style="list-style-type: none"> To provide support and strategic direction to the Transformation Programme, taking collective responsibility and professional leadership in order to deliver excellence and identified savings 	<ul style="list-style-type: none"> To promote the cultural change and governance arrangements required to facilitate the Transformation Programme To direct, support, challenge and scrutinise SMT/Transformation Boards to provide surety regarding Transformation Programme progress. To formulate recommendations to Council on additions to the Transformation Programme.
Corporate Transformation Board	<ul style="list-style-type: none"> To oversee corporate projects and reviews, and also act as oversight on cluster groups (see Appendix 5) 	<ul style="list-style-type: none"> To provide oversight on the progress of Corporate Transformation projects (see Appendix 5) Escalation of key issues/challenges/risks to the Transformation Board To ensure broad understanding of key cross cutting and potentially conflicting projects to consider projects in their designated broad themes. Programme support and communications across clusters and corporate activities.
ICT Transformation Board	<ul style="list-style-type: none"> To deliver oversight of specific IT Service transformational projects and ICT aspects of Service owned transformation projects 	<ul style="list-style-type: none"> Delivery of the benefits identified in the digital and mobile programmes and in all ICT elements of Service-owned projects within the Council's Transformation Programme Prioritisation of ICT transformational activities Ownership and monitoring of risk associated with ICT transformational change Provision of a collaborative forum for decision making around best fit/value for transformational ICT change activities

Group/ Individual	Role	Responsibility
Depute Chief Executives or Directors (Executive Sponsorship)	<ul style="list-style-type: none"> Senior Responsible Business Owners 	<ul style="list-style-type: none"> To ensure that the Service Transformation Boards achieve objectives and deliver expected benefits, which in turn contribute to the achievement of the programme objectives and benefits. To provide strategic guidance, direction and scrutiny on Transformation Programme progress and to support the Transformation Cluster Programme Board in overseeing conflicting and crosscutting projects. To devolve responsibility and authority to the Programme Board (EOT) for the direction, direct scrutiny and programme decisionmaking within agreed parameters. To provide guidance on the viability of programme objectives and outcomes
Perth and Kinross Integration Joint Board for Health and Social Care	<ul style="list-style-type: none"> Strategic Partner 	<ul style="list-style-type: none"> To support the cultural change and governance arrangements required to facilitate the Transformation Programme To support Transformation Programme progress To contribute towards added value for the Transformation Programme.

Group/ Individual	Role	Responsibility
Perth and Kinross Integration Joint Board for Health and Social Care Chief Officers Group	<ul style="list-style-type: none"> To oversee jointly integrated Health and Social Care projects and reviews 	<ul style="list-style-type: none"> Delivery of the benefits identified in the jointly integrated Health and Social Care projects and reviews Prioritisation of joint transformational activities Ownership and monitoring of risk associated with joint transformational change Provision of a collaborative forum for decision making around best fit/value for transformational Health and Social Care change activities

PROGRAMME/PROJECT MANAGEMENT ROLES		
Group/ Individual	Role	Responsibility
Service Transformation Project Boards (Chair: Director)	Project sponsor and EOT Board Membership	<ul style="list-style-type: none"> To challenge, scrutinise and support Service Transformation projects and thereby facilitate the ongoing effective delivery of Transformation Projects within the overall programme To ensure the Service Transformation Projects are delivered on time and on budget To commission Transformation Programme Projects and produce the associated project mandates which should include identification of Senior Responsible Officer and definition and documentation of project-level tolerances. To develop strategies to address and manage out of tolerance changes to Transformation Programme projects.
Project Senior Responsible Owner (SRO)	To deliver the project within the approved budget and time constraints in accordance with the project's mandate and business case.	<ul style="list-style-type: none"> To establish the project team including the Project Manager and Project Board membership. To ensure the project's business case is adhered to and maintained with inclusion of any approved updates. To lead the Project Board and ultimately to have responsibility for ensuring the project delivers its forecasted objectives in line with its business case.

Project Board (Chair: SRO)	To ensure effective overall direction and management of the project within the constraints set out by the Project Sponsor	<ul style="list-style-type: none"> • To have accountability for the success of the project. • To approve all major plans and resources required by the project – within the constraints set out by the Project Sponsor.
Group/	Role	Responsibility
Project Manager	Delegated authority to run the project on behalf of the Project Board, within the constraints laid down by the Project Board.	<ul style="list-style-type: none"> • To manage all aspects of the project including, cost management, communications, quality and change management
Project Support Team	Specialist advice to project	<ul style="list-style-type: none"> • Responsible to Project Board and also SRO • Provide specialist advice for subject matters such as finance and other technical aspects. The depth of detailed involvement from support functions such as finance will depend on the level of complexity and risk with the project
Extended Project Team	Contribution to the project	<ul style="list-style-type: none"> • Responsible for work activities appropriate to their role and area of expertise, under the direct leadership of the Project Manager. The project team may extend beyond the confines of the service in which the project sits, including other parts of the Council, and may also extend outwith the Council to Community partners for example

ADDITIONAL SUPPORT FOR TRANSFORMATION PROGRAMME/PROJECTS

Group Title	Role	Responsibility	Contact
Transformation Team (now part of Corporate Project Board (see section 2.3))	The group provides strategic support to transformation by overseeing programme governance, stakeholder management, and enabling requirements	<ul style="list-style-type: none"> The group has responsibility for ensuring that support for transformation is delivered to those that need it. 	Keith McNamara
Leadership and Learning Group	The group provides an opportunity where all things learning and development can be discussed, by those with responsibility for promoting learning and development within their Service. The aim is to develop a greater understanding of each Service's learning priorities, and to create opportunities to work collaboratively, maximise resources and streamline all activities related to learning and development.	<ul style="list-style-type: none"> To provide support to the Transformation Programme by promoting learning and development opportunities across the organisation with the aim of sharing knowledge and best practice. 	Sandra Flanigan
Performance Planning and Risk Group	Provide network for key corporate activities	<ul style="list-style-type: none"> Liaise with Services and the Corporate team to assist in ensuring that there is a robust and consistent approach taken to manage performance planning and risk. 	Chris Jolly
Research and Information Group	To identify, assess and adapt innovation, and information requirements	<ul style="list-style-type: none"> Undertake research as prompted by strategy and specific opportunity and provide information and recommendations to project officials as appropriate. 	Paul Davidson

Group Title	Role	Responsibility	Contact
Strategic Planning and Improvement Team	To co-ordinate, and report on the delivery of the Council's Transformation Programme.	<ul style="list-style-type: none"> To support effective project and programme management for the Transformation Programme. To develop and implement effective challenge, scrutiny, support and reporting methodologies for the Transformation Programme Project assurance 	Sandra Flanigan
Corporate/Service Finance	To co-ordinate and report on the corporate financial monitoring of the Council's Transformation Budget	<ul style="list-style-type: none"> To undertake regular monitoring of the Transformation Programme budget in liaison with Financial Controllers To propose amendments and additions to the Transformation Programme budget (for approval by EOT and SP&R Committee) 	Fraser Crofts
Transformation Manager	Programme Manager	<ul style="list-style-type: none"> To support the leadership, co-ordination and monitoring the delivery of the Council's Transformation Programme. To work with Project and Programme Boards to facilitate the delivery of their 	Steve Homer

Group Title		Role		Responsibility	Contact
				<p>Transformation Projects</p> <ul style="list-style-type: none"> To lead on the delivery of identified transformation reviews, including administrative functions; performance management; and sponsorship. 	

TRANSFORMATION PROJECTS BY CLUSTER

Cluster 1- Communities/ People/ Tackling Inequality	Cluster 2- Property/ Assets/ Procurement	Cluster 3- Technological	Cluster 4 – Corporate
Strategic Commissioning with the Third Sector	Corporate Property Asset Management Review	Smart Perth and Kinross: Open Data Review	Modernising Performance Reporting Review
Communities First Review	Ground maintenance- Continental Shift Working Review	Corporate Digital Services and MyAccount Review	Procurement Reform Review
Review of Residential Care	Securing the Future of the School Estate	Mobile Working Review	Service Improvement and Efficiencies in Finance Activity
Home First: Review of Homeless Service	Review of Community Campuses Contracts	Modernising Licenses Permissions and Approvals	Review of Admin Support Services
Early Years Strategy Phase 3 Review	Review of Facility Management Arrangements (including Tayside Contracts)	<div><div></div><div></div><div></div></div> <div>Phase 1 Phase 2 Phase 3</div>	Review of Council Assets for Commercial Sponsorship
Review of Community Care Packages for Adults	Review of HCC Repairs Service		
Review of Day Care Services	Review of Catering Service		
Review of Community Capacity and Empowerment	Review of Roads Activities		
Residential Care Services (Children and Young People)	Review of Recycling Service		
Review of Inclusion Services	Council Vehicle Fleet Utilisation and Optimisation Review		
Review of Delivery of Class Contact Time	Inverlorn Reuse Shop		
Expansion of Family Based Care Review			
Review of Working Week Arrangements in Schools			
Community Greenspace Review			
Review of School Staffing Standards			

PERTH AND KINROSS COUNCIL**Strategic Policy & Resources Committee****15 June 2016****Following the Public Pound****Head of Legal & Governance Services****PURPOSE OF REPORT**

The purpose of the report is to seek Committee approval for the revised Code of Guidance for Funding External Organisations & “Following the Public Pound”

1. INTRODUCTION

- 1.1 The purpose of the report is to seek approval for the revised Code of Guidance for Funding External Organisations & “Following the Public Pound” (The FPP Code).
- 1.2 The Committee recently received the annual report on the Council’s activity under “Following the Public Pound” [Report 16/47 refers]. The Committee was advised that a comprehensive review of the local Code and other relevant documentation was being carried out to ensure that they are fit for purpose and relevant to the current operational requirements. The timeline for producing the revised Code required to be slightly extended in order to incorporate the requirements of the new procurement legislation which only recently came into force.

2. BACKGROUND

- 2.1 The purpose of the FPP Code is to ensure that there is consistency and transparency in respect of the funding of external organisations who are providing services which might otherwise have been provided by the Council.
- 2.2 The Accounts Commission/CoSLA published a Code of Guidance on Funding External Organisations & Following the Public Pound in 1996 (the original Code) in response to the increasing use by Councils of arm’s length bodies, trusts and companies to deliver services. The basic premise of the Code is that where there is expenditure of public funds, there must be a high degree of control and accountability.
- 2.3 The original Code relies on self-regulation and monitoring through the external audit process. It also recognises the need for Councils to develop their own rules to address their own particular circumstances. This FPP Code is therefore designed to meet the assurance and accountability requirements of this Council.

- 2.4 As part of the Review of Procurement under the Corporate Transformation Programme, officers have undertaken a comprehensive assessment of the governance framework surrounding FPP classification. As a result of this and legislative change with the introduction of the Public Contracts (Scotland) Regulations 2015, officers have identified a number of changes that are required to the FPP classification in order to ensure that the Council not only complies with the relevant regulations, but ensures that the Council achieves best value in discharging its functions.
- 2.5 The Audit Scotland report *“Arm’s Length External Organisations (ALEOs): are you getting it right?”* [2011] sets out 3 delivery vehicles for Council services, which can be broadly categorised as follows:
- 2.5.1 Delivery by local authority using its own resources; or
 - 2.5.2 Delivery by local authority using a special purpose vehicle (ALEO); or
 - 2.5.3 Delivery by means of commercial contract.

3 PROPOSALS

- 3.1 Having carried out a review of the annual FPP arrangements (which fall into categories 2.5.2 and 2.5.3 above), it has become evident that a number of these arrangements do not meet the test of an arm’s length external organisation, due to the Council not having sufficient control or influence over the organisation delivering the service. As a result, at present only Live Active Leisure, Horsecross Arts and the new trust, Culture Perth & Kinross, should be treated as ALEO’s under FPP as per 2.5.2 above.
- 3.2 All other funding arrangements to external organisations will therefore fall into one of two further categories, being grant funding or commercial contracts as set out in paragraph 2.5.3 above.
- 3.3 As regards grant funding arrangements, depending upon the level of spend, there is likely to be little impact as a consequence of the FPP Code beyond more robust risk assessment, approval and monitoring measures.
- 3.4 There is however likely to be a significant impact on those organisations receiving funding in exchange for services to be delivered on behalf of the Council. As these arrangements meet the definition of public services contracts under the Procurement legislation, these will require to be subject to either competition under the 2015 regulations, unless the Head of Legal & Governance Services approves an exception under the Contract Rules.
- 3.5 To ensure a consistent approach to demonstrating best value in respect of our funding of external organisations, where the Contract Rules allow for exceptions to the formal public procurement process (on the basis of level of spend or other prescribed grounds) we are now requiring that in these circumstances, rather than leaving the assurance requirements to the discretion of Services, that we adopt the FPP principles and apply the requirements of the FPP Code in respect of risk assessment, contractual requirements, approval, monitoring and recording. This will embed the

assurance framework more effectively and provide better transparency and accountability.

- 3.6 The FPP Code has also been designed to dovetail with the Council's revised Contract Rules (which are also presently under review) to ensure that there is consistency across the whole spectrum of purchasing and to support more effective supply chain management within the organisation.
- 3.7 It is important that Services recognise and understand that applying the FPP Code is not an alternative to public procurement. There are limited circumstances where the FPP Code can be applied.
- 3.8 It is proposed that where current FPP arrangements have been identified as inappropriate or inadequate in accordance with the new legislation and FPP Code, that support will be given to those services that are affected by the changes from the Council's Corporate Procurement Team and Legal and Governance Services in order to ensure that the Council complies with its duties under the applicable legislation. Any changes will be brought in using a risk-based approach to minimise the impact of transition.
- 3.9 A practitioner Toolkit is also being developed to assist officers in determining whether or not FPP applies and if so, the steps required to assess risk and establish the necessary governance arrangements to provide assurance as regards best value and accountability as regards spend.

4. CONCLUSION AND RECOMMENDATION(S)

- 4.1 The revised FPP Code will ensure that a robust governance model exists for those contractual arrangement which fall within the scope of the FPP Code.
- 4.2 By aligning the FPP Code and the Council's Contract Rules, we will develop a consistent approach to the risk assessment, management and monitoring of the spectrum of contractual arrangements, giving greater transparency across the supply chain.
- 4.3 It is therefore recommended that Committee :
 - i. approve the revised FPP Code;
 - ii. note that the Head of Legal & Governance Services and the Corporate Procurement Manager will work with Service Management Teams to review and where applicable amend current FPP arrangements to ensure that these are compliant with current procurement legislation and the new FPP Code;
 - iii. notes that the outcome of the review of these arrangements will be reported back to Committee in the FPP Annual Report 2016/17.

Authors

Name	Designation	Contact Details
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Approved

Name	Designation	Date
John Fyffe	Senior Depute Chief Executive	23 May 2016

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	Yes

1. Strategic Implications

Community Plan / Single Outcome Agreement

1.1 None

Corporate Plan

1.2 This report supports all of the Objectives in the Council's Corporate Plan 2013/2018.

2. Resource Implications

Financial

2.1 None

Workforce

2.2 None

Asset Management (land, property, IT)

2.3 None

3. Assessments

Equality Impact Assessment

- 3.1 This report was considered under the Corporate Equalities Assessment Framework and assessed in relation to the Race/Disability/Gender Equalities Assessment. Consequently the following points and actions were identified and are in progress: –

- Direct consultation with Voluntary organisations required
- Further Equality monitoring exercise to be carried out.

Strategic Environmental Assessment

- 3.2 None

Sustainability

- 3.3 None

Legal and Governance

- 3.4 All legal and governance issues are addressed in the main body of the Report.

Risk

- 3.6 None

4. Consultation

Internal

- 4.1 The Policy and Governance Group and staff in Services responsible for Following the Public Pound work have been consulted on the content of this report.

External

- 4.2 None

5. Communication

- 5.1 None

2. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. APPENDICES

- 1 Code of Guidance for Funding External Organisations & “Following the Public Pound”.



PERTH & KINROSS COUNCIL

CODE OF GUIDANCE

FOR

FUNDING EXTERNAL ORGANISATIONS

&

“FOLLOWING THE PUBLIC POUND”

MAY 2016

1 INTRODUCTION & BACKGROUND

- 1.1 Councils as public bodies are accountable for how they spend public money in the delivery of their services. They are also under a statutory duty to achieve Best Value in terms of the discharge of their functions and as such are being encouraged to consider innovative and alternative service delivery models. Irrespective of how Councils may design or deliver services, it is important that there is proper accountability and transparency as to how funds are being spent. This concept is known as “Following the Public Pound”.
- 1.2 Councils have the power to deliver services to discharge their functions in a variety of ways:
- **Direct provision** - where the services are delivered in-house through the Council’s own departments and employees
 - **Contracted provision** – where the services are contracted from other public, private, third sector or voluntary suppliers
 - **Arm’s Length External provision** – where a separate organisation is created to deliver the services on behalf of the Council and over which the Council has a degree of control or influence (e.g. ALEOs / Trusts)
- 1.3 In terms of:
- **Direct provision** - the Council accounts for their spend through the normal budget setting, monitoring and public reporting processes
 - **Contracted provision** - Procurement legislation and the Council’s internal Contract Rules set out the basis for engaging and contracting with other bodies. That procurement and commissioning process provides the transparency and accountability as to how the funds are being spent.
- 1.4 Historically there has been less clarity and transparency around spend where services have been delivered on behalf of Council through Arm’s Length External Organisations (ALEOs). The use of ALEOs has become increasingly popular as a service delivery model as external organisations may be able to provide a better range or quality of service, or provide services that would otherwise not be provided. External organisations may also be able to attract funding from sources not so readily accessible to the Council, such as the private or voluntary sectors. Concerns as regards the lack of transparency and proper accountability for funds around the use of ALEOs prompted the Accounts Commission and COSLA to publish the “Code of Guidance on Funding External Bodies and Following the Public Pound” (“the original Code”) in 1996. This sets out the principles of best practice when establishing significant funding arrangements with companies, trusts and other bodies other than on a contractual basis
- 1.5 Since then the original Code has been given more formal status under the Local Government in Scotland Act 2003, in establishing the statutory duty on councils to ensure that they secure Best Value in the discharge of their functions. Further work has been undertaken by the Accounts Commission and Audit Scotland to supplement the original Code as regards the governance of ALEOs.

- 1.6 The original Code reflects a self-regulatory approach and it is for Councils to interpret the Code and make their own arrangements as to how the general principles will be implemented locally.
- 1.7 This document constitutes the Perth & Kinross Council Code of Guidance for Funding External Organisations and “Following the Public Pound” (“the FPP Code”). It is based on the original Code as supplemented by the Controller of Audit’s report and Accounts Commission’s findings from March 2004 (“Following the Public Pound”) and the supplementary report by Audit Scotland entitled “Arm’s-length external organisations (ALEOs): are you getting it right?” from June 2011 (together the “FPP Framework”).
- 1.8 The FPP Framework cannot however be applied in isolation. As a public body, the Council is subject to a number of external rules and regulations governing how and with whom it spends its funds. In preparing this Code therefore, the following must be taken into account and adhered to:
- Procurement Reform (Scotland) Act 2014 and supplementary guidance
 - Public Contract (Scotland) Regulations 2015
 - State Aid rules set out in the Treaty on the Functioning of the European Union.
- 1.9 The FPP Code sets out the principles of best practice to ensure that the Council’s funding to external organisations is carried out in a way which is consistent across all services and proportionate to any risk to the Council associated with the funding.

2 SCOPE OF THIS CODE OF GUIDANCE

2.1 In this Code:

“**Assistance-in-kind**” includes all staff time and all associated costs involved in enabling the outside organisation to carry out its core activities which are essential to its continued existence e.g. administrative support, professional services, advice, accommodation, rates remission, use of equipment, training, preparation of material for reporting to Council etc.

But does not include:

- staff time and associated costs involved in supporting and developing groups as part of Council’s duty to promote and support community action;
- staff time and associated costs in providing advice on setting up the funding and applications to Council
- staff time and associated costs incurred in the formal monitoring and review of funding arrangements by Council;

“**Best Value**” means balancing quality and cost considerations in improving performance. Achieving Best Value requires the Council to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost) and in doing so to have regard to economy, efficiency, effectiveness, equal opportunities requirements and to the achievement of sustainable development;

“Contract Rules” means the rules and regulations put in place by the Council for advertising and awarding contracts as more particularly set out in section 81 of the Local Government (Scotland) Act 1973;

“External organisation” includes Arm’s Length External Organisations, companies, trusts, voluntary organisations and grant aided bodies;

“Funding” means money, grants, capital grants, guarantees, loans, common good fund, shares, assets and assistance-in-kind;

“Public Services Contract” has the meaning ascribed to it in the Public Contracts (Scotland) Regulations 2015;

“Value for Money (VFM)” is defined as the optimum combination of whole life costs and quality (or fitness for purpose) to meet the customer's requirements, and can be taken to be largely analogous with "most economically advantageous".

2.2 The FPP Code applies in any situation where the Council decides to fund external organisations other than by means of a transparent procurement process in accordance with the Council’s Contract Rules and Guidance.

2.3 The Council’s Contract Rules provide that contracts with a value of less than £5,000 in total, whilst not requiring to be publicly procured, do need to demonstrate value for money. Similarly there are specific exceptions for larger contracts contained within the Contract Rules. As the FPP Code reflects general principles designed to provide transparency in respect of public spending, the FPP Code is applied in these situations also to provide assurance as to Best Value and VFM considerations.

2.4 Therefore the FPP Code will apply:-

- (i) where the Council provides funding to an external organisation which is a separate legal entity from Council but over which the Council exerts a degree of control or influence by virtue of its constitution or the terms of its funding agreement (such as an ALEO/ Trust arrangement); or
- (ii) where the Council intends to directly award a contract for the supply of education or social care services to an independent supplier because no competition exists in the market; or
- (iii) where the estimated costs of the services are below the EU threshold (all of which are set out in the Contract & Procurement Guidance) and a review has been carried out which has determined that Best Value can be obtained without going to tender; or

[In determining whether the amount is below the EU threshold specific regards must be had to the rules regarding aggregation. Please see [Guidance re Aggregated Values](#)]

- (iv) where the total value of the spend is less than £5,000 (or such other minimum level as prescribed in the Council’s Contract Rules); or

(v) where the Council provides some form of grant or assistance-in-kind (subject to compliance with any state aid rules).

2.5 This Code does not apply where the Council's Contract Rules or other rule of law requires a public procurement process to be followed.

2.6 Subject to 2.4(ii)-(iv) above, under no circumstances should this FPP Code be applied to a situation where the Council is procuring:-

- works or services pursuant to a public works contract;
- any form of professional or consultancy services; or
- the purchase of goods.

In these circumstances, the appropriate procurement route must be followed as set out in the Council's Contract Rules.

(more detailed guidance is contained within the FPP Practitioner Toolkit)

2.7 In reality therefore most spend will be subject to the Council's Contract Rules and these should always be checked in the first instance to see if they apply before considering the application of the FPP Code. If you are unsure you should always seek advice from the Council's Corporate Procurement Team.

2.8 The obligations as regards the governance of public funds do not end with the transfer of funding to the external body. All Council staff who are responsible for the award or payment of public funds to external organisations outside the Council's Contract Rules must follow the processes set out in this FPP Code.

2.9 Attached to this FPP Code is a toolkit to assist those individuals in identifying whether or not the FPP Code applies and how to put the appropriate checking, monitoring and reporting arrangements in place. It also details the specific roles and duties of staff in dealing with FPP arrangements.

2.10 Should Services require any further guidance in relation to funding external organisations, they should contact the Head of Legal and Governance Services.

3 PRINCIPLES OF "FOLLOWING THE PUBLIC POUND"

3.1 As stated above, the original Code sets out basic principles governing FPP arrangements to ensure openness, transparency and adequate accountability. These can be summarised as follows:-

- **PURPOSE:** the Council must be clear about the reasons for their involvement in any external funding arrangement;
- **FINANCIAL REGIME:** the Council must specify clearly the extent of its financial commitment to the external body, including the nature of the financial relationship and the criteria for making and receiving payment;

- **MONITORING**: the Council ensure that there are appropriate and robust financial and performance monitoring and reporting arrangements are in place from the start of the relationship;
- **REPRESENTATION**: the Council should carefully consider its representation on the Board of any external organisation and ensure that Members and Officers understand their roles and responsibilities;
- **LIMITATIONS**: the Council must lay down a timetable for the achievement of its objectives, clearly specify any limits to funding and provisions for terminating the arrangement;
- **ACCOUNTABILITY**: provisions must be made for the Council and its external auditors to have access to the records of the funded body.

(more detailed guidance is contained within the FPP Practitioner Toolkit.)

4 APPLYING THE PRINCIPLES

4.1 In practice therefore it is essential that before any FPP arrangement is entered into:-

- you can clearly link what the external organisation will be providing to an objective, strategy or policy of the Council;
- a risk-based assessment is carried out of the external organisation prior to agreeing funding to ensure the organisation is able to achieve the Council's objectives and that there are no state aid implications arising out the decision to fund the external organisation;
- that an adequate level of checks is carried out on the external organisation before and during any funding, based on the amount of money they are receiving in total from the Council;
- a funding agreement will be reached between the Council and the external organisation prior to any funding being made available, setting out the terms and conditions of the payment;
- a Monitoring Officer from the Council will be appointed to oversee the funding provided to each external organisation;
- the position as regards Elected Member or officer representation on any board or governing body of any external organisation is identified and that roles and responsibilities are fully understood .

(More detailed guidance is contained within the FPP Practitioner Toolkit)

4.2 It is the responsibility of each Director to ensure that expenditure is being correctly categorised under this Code (and is not subject to any procurement rules) and where such expenditure meets the test under this Code, then there is clear accountability for all funds which are provided from their Service budgets.

5 ASSURANCE FRAMEWORK

5.1 The requirement to provide assurance in respect of funding to external organisations does not end at the point of payment being made. Whilst a number of risks will have been identified and addressed prior to funding, a number of different risks will continue or emerge in the course of performance (e.g. non delivery or poor performance of the service, misuse of funds, reputational risk etc. Assurance will therefore be required in respect of the

external organisation's ability to deliver high quality services. The level of assurance required must be reflective of the risks/potential risks that exist.

5.2 The purpose of a financial and operational risk assessment is to determine how any changes in income and expenditure will impact upon the external organisation's future viability and operational ability to deliver the necessary outcomes.

5.3 This FPP Code applies the principle of proportionality to the assessment of risk and assurance, recognising that different levels of scrutiny will be required depending on;

- the degree, nature and impact of the risks/potential risks identified
- the level of control/influence which the Council has over the external organisation
- the level of funding given.

5.4 The following matrix will be used to determine the level of risk assessment and assurance required.

FINANCIAL RISK LEVEL	SCORE
Less than £5,000	1
Greater than £5,000 but less than £50,000	2
Greater than £50,000	3
Substantially greater than £50,000 and included in Group Accounts for the Council	4

NON- FINANCIAL RISK LEVEL (OPERATIONAL / REPUTATIONAL)	SCORE
One off grant / subsidy to body for community benefit	1
External organisation - Council has no interest or control	2
External organisation - Council has substantial interest and control	3
External organisation - Council has substantial interest and control and the results of organisation are included in the Council's Group Accounts	4

5.5 To assess the level of assurance required select the relevant criteria from both the financial and non-financial risks and add the scores together.

SCORE	ASSURANCE ASSESSMENT LEVEL
1-2	LEVEL 1
3-4	LEVEL 2
5-6	LEVEL 3
7-8	LEVEL 4

(more detailed guidance as to the content of each level of risk assessment is contained within the FPP Practitioner Toolkit.)

5.6 Once the financial/ non-financial risks have been assessed and a decision to fund has been made the next stages of the assurance process are:

- to agree clear and transparent contractual arrangements
- to agree a schedule of payments
- to establish regular and robust approval, monitoring and reporting arrangements
- where appropriate, to determine the degree of the Council's representation and participation in the external organisation.

(more detailed guidance is contained within the FPP Practitioner Toolkit.)

6 CENTRAL REGISTER

6.1 It is important that the Council is publicly accountable for how it is spending public funds.

6.2 Under the Council's Contract Rules, details of all contracts entered into as a result of regulated procurement must be entered into a Contract Register. Those arrangements which fall out with the scope of regulated procurement shall be recorded on a central FPP Register. Accordingly the following arrangements will require to be recorded on the FPP Register :

- where the total value of the spend in respect of the services is less than £5,000 (or such other minimum level as prescribed in the Council's Contract Rules); or
- where the Council provides some form of grant or assistance-in-kind (subject to compliance with any state aid rules); or
- where the Council intends to directly award a contract for the supply of education or social care services to an independent supplier because no competition exists in the market, the value of which is less than £50,000; or
- where the estimated costs of the services are below £50,000 and a review has been carried out which has determined that Best Value can be obtained without going to tender; or
- where the Council provides funding to an external organisation which is a separate legal entity from Council but over which the Council exerts a degree of control or influence by virtue of its constitution or the terms of its funding agreement (such as an ALEO/ Trust arrangement).

6.3 Where the FPP Code has been applied because :

- (i) the Council intends to directly award a contract for the supply of education or social care services to an independent supplier because no competition exists in the market; or
- (ii) where the estimated costs of the services are below the EU or other relevant threshold and a review has been carried out which has determined that Best Value can be obtained without going to tender; and
- (iii) the **value is greater than £50,000**

The arrangement shall be recorded on the CONTRACT REGISTER as opposed to the FPP Register.

- 6.4 The FPP Register will be maintained by the Head of Legal & Governance Services. Service Management Teams are required to ensure that the Register is kept up to date with all relevant information.

Version	Summary of Changes	Approved	
V.1	Initial draft 30/04/14	DH	ITI
V1.2	Second draft issued 1/10/14	DH	ITI
V2	Third draft issued 21/11/14	DH	ITI
V3	Fourth draft issued 12/12/14	DH	ITI
V4	Fifth draft issued 17/12/14	DH	ITI
V5	Sixth draft issued 10/04/15		
V6	Seventh draft issued 29/05/15		
V7	Eighth draft issued 24/07/15		
V8	Ninth Draft issued 20/11/2015		
V9	Revisals made following comments from JC and MM. Issued to LS for comment 04/02/2016.		
V10	Further revisals made to reflect changes in Procurement legislation. Issued to MM and LS for comment 30/03/2016		
V11	Revisal made by LS		

PERTH AND KINROSS COUNCIL**Strategic Policy & Resources Committee****15 June 2016****HR Policies – Workforce Change and Fairness at Work****Report by Corporate Human Resources Manager****Purpose of Report**

This report seeks approval of an updated Framework for Managing Workforce Changes. The Framework was reviewed to ensure the Council has a modern and effective tool to support the implementation of the Council's Transformation Strategy. It also ensures that we continue to promote fair, consistent and equitable treatment of employees. The proposed changes incorporate employment legislation updates and feedback on experience of applying the framework. In addition approval is sought to incorporate the Fairness at Work in Integration Protocol as an appendix to the Council's existing Fairness at Work Policy. The protocol will apply to all employees engaging in work in the Perth & Kinross Health & Social Care Partnership.

1 BACKGROUND**The Framework**

- 1.1 The Framework for Managing Workforce Changes (the Framework) was approved by the Strategic Policy & Resources Executive Sub-Committee on 8 December 2010 (Report No. 10/625) and implemented on 1 March 2011. The Framework applies to all staff groups, although Teachers are excluded from some aspects.
- 1.2 The Framework brought various policies relating to organisational change together into one framework document which could be applied in any workforce change scenarios. It is one of a number of tools that is used to support transformation and other service redesign projects.
- 1.3 The main driver for the review is to ensure that the Framework remains relevant and fit for purpose to support the Council's Transformation agenda in enabling workforce change reviews to take place smoothly and timeously.
- 1.4 The review applied lean management principles to adopt a more streamlined approach to the processes currently applied and reflects changes in legislation which have come into effect since March 2011. In addition, experience of operating the current Framework and feedback from managers involved in recent reviews has highlighted the requirement for workforce change to occur with the least disruption to employees and service delivery.

- 1.5 The pace and extent of transformation and change within the organisation will increase over the next five years and the Framework continues to promote fair, consistent and equitable treatment of our employees. It also supports a culture of innovation, learning and our ongoing commitment to employability and positive approaches to managing our employees. The Council remains committed to continue to provide support and learning opportunities for all employees leading or affected by change and transformation.

Perth & Kinross Health & Social Care Partnership

- 1.6 We have held discussions with HR Colleagues in Angus Council, Dundee City Council and NHS Tayside to consider frameworks that support an HR environment which enables the Health & Social Care Partnership (the Partnership) to flourish. This HR Group has met with the staff side of NHS and trade unions in each Council to consider frameworks and principles which support effective joint working. We have common aims of promoting consistency, fairness and equity to partnership employees, as far as reasonably practical, given that employees will continue to be managed in accordance with the existing management policies and procedures of their employing organisation. The HR Group is not a decision-making body but have made recommendations for each respective employer to consider.
- 1.7 The arrangements for Organisation Change Principles and the Fairness at Work in Integration Protocol have been prepared for inclusion with existing Council policies.

2 PROPOSALS

- 2.1 The revised Framework, attached at Appendix 1, will complement other policies and procedures in supporting improved flexibility and adaptability.
- 2.2 It is proposed that the Framework is adapted to incorporate key changes which managers will apply as appropriate when undertaking a transformational review, any re-design to the structure or composition of teams, or other initiative which results in the movement of staff within the organisation.
- 2.3 The proposed key changes are listed and explained below:

Greater focus on 'principles'

- 2.4 Processes which limit flexibility will be kept to a minimum to ensure that the focus when undertaking a review is on solutions in that particular area. The focus will be to protect people as far as reasonably practical to maximise their continued employment with the Council.

Review consultation – incorporate the existing consultation arrangement'

- 2.5 When undertaking workforce change reviews, the Council follows an arrangement for trade union consultation agreed with the unions and applied since 1996. However this is not contained in the existing Framework. It is proposed to incorporate the existing practice to inform the unions at the commencement of a review into the revised Framework.

Options for implementing change/filling posts

- 2.6 This part of the Framework deals with the mechanics of populating a structure and the movement of staff from one post to a revised or new post. The wording has been revised to provide clarity and increase flexibility as far as reasonably practical.

Redundancy Policy

- 2.7 The consultation periods in the current Framework reflect the prevailing legislative requirements at the time of approval in 2010. This legislation subsequently changed in 2013. It reduced the statutory consultation period for redundancy where 100 or more dismissals are proposed, from 90 days to 45 days. This is the first review of the Framework since implementation in 2011 and it is proposed that our Framework is brought in line with current legislation.
- 2.8 It is also proposed to incorporate other legal changes since 2011, which have been applied in practice by the Council but will now be stated in the revised framework, relating to fixed term and agency workers.
- 2.9 In certain circumstances, when an employee applies for voluntary redundancy, an award of added years to their pension may apply. The revised Framework specifies that there should be no circumstances where an employee will receive both an award of added years **and** a redundancy payment.

Transitional payments

- 2.10 It is proposed the provision for making 'transitional payments' in exceptional circumstances, as agreed in the 'Workforce Management' report submitted to the Executive Sub-Committee of the SP&R Committee on the 17 July 2013 (Report No. 13/359) is incorporated into the Framework. This section applies where employee(s) have accepted a reduction in earnings as a result of a change to their working pattern/arrangements circumstances where the provisions of salary preservation do not apply. The Executive Officer Team have delegated authority in exceptional circumstances to make a transitional payment of up to one year.

Appeals – proposed new section

- 2.11 The current Framework for Managing Workforce Change includes reference to Appeals throughout. It is proposed to add an additional section which will bring together and summarise all appeals in relation to this policy.

New – Statement on Re-employment in the Council and Voluntary Severance

- 2.12 A formal statement has been incorporated in the Framework regarding the re-employment of someone who has left the Council under Voluntary Severance (VS).

New – Appendix on Organisation Change Principles for the Perth & Kinross Health & Social Care Partnership

- 2.13 The principles of how organisational change will be managed in the Health & Social Care Partnership are set out in an Appendix to the Framework. These principles recognise the additional complexity arising from organisational change when the proposed change affects employees from both employing organisations in the Partnership i.e. Council and NHS. These principles are recommended for incorporation into the Framework as an appendix to ensure that it has the appropriate status to be applied effectively in the Council. Similar arrangements are being applied in NHS.

New - Fairness at Work in Integration Protocol

- 2.14 This protocol has been developed by the HR Group for Angus Council, Dundee City Council and NHS Tayside in conjunction with the staff side/trade unions. It outlines the arrangements that will be put in place in the Health & Social Care Partnership where a group of employees from either/or both NHS and Council raise a fairness at work/grievance complaint where it has not been resolved at the lowest possible level. It excludes grievances which relate to an employee's own employer as these will be addressed using their existing procedure. The protocol is recommended for incorporation into the existing Fairness at Work procedure as an appendix to ensure that it has the appropriate status to be applied effectively. Similar arrangements are being applied in NHS.

3 CONSULTATION

- 3.1 There have been a number of meetings with the Trade Unions to consult them on the application of the Framework and the proposed changes. They are keen to ensure fair and equitable treatment of all employees. They welcomed the streamlining of processes and minimising the impact on those directly impacted by change. They understood that by having improved flexibility that each review will be different and that the quality of the consultation will be key to the success of the application of the Framework in each area. They did not, however, agree with the proposed reduction in the consultation period to the statutory minimum. They considered this would send out the wrong message

to staff that we were reducing the consultation period when we were commencing a period of significant change. The Council values our relationship with the trades unions and best practice is to consult as early as practicable so the statutory timescales would be viewed as a minimum and our existing practices to consult will continue. As such introducing the statutory minimum consultation period will not affect existing practice and it is not expected that any subsequent employee relations issues will arise. They asked that the Transitional Payments of up to one year be extended to up to 18 months, noting that as it was discretionary that the time could be less than one year at present.

- 3.2 The Trade Unions have been consulted on the Organisational Change Principles and the Fairness at Work in Integration Protocol at joint trade union/staff side meetings with NHS and Council's Employees Joint Consultative Committee. No issues have been identified. The Executive Officer Team has also been consulted.
- 3.3 Feedback from managers who have led recent reviews has also been incorporated into the revised Framework.
- 3.4 The Corporate Management Group and Executive Officer Team Finance & Resources Group have been consulted on the revised Framework and have agreed with the proposed changes. In relation to the Transition Payments they wished to retain the existing discretion to pay up to 12 months.

4 CONCLUSION AND RECOMMENDATIONS

- 4.1 The Framework for Managing Workforce Change is a key policy framework for enabling workforce change.
- 4.2 The revised Framework will reflect current legal compliance whilst providing greater flexibility when developing and implementing redesigned and new structures.
- 4.3 The revised Framework will protect people, as far as reasonably practical, to remain in Council employment.
- 4.4 The incorporation of the Organisation Change Principles in the revised Framework will ensure successful organisation changes are applied in the Health & Social Care Partnership (the Partnership) where the change affects employees from both employing organisations in the Partnership.
- 4.5 The incorporation of the Fairness at Work in Integration Protocol will enable a structured process to be applied for any joint Grievance/Fairness at Work complaints in the Partnership where employees from both employing organisations are involved.
- 4.6 In order to ensure that these arrangements have the appropriate status to be applied effectively it is important they are incorporated into the Council's existing procedures.

4.7 It is recommended that the Strategic Policy & Resources Committee:-

- Approve the revised Framework for Managing Workforce Change, including the Organisation Change Principles; and
- Approve the incorporation of the Fairness at Work in Integration Protocol in the Council's Fairness at Work Policy.

Author

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Approved

Name	Designation	Date
Karen Donaldson	Corporate Human Resources Manager	18 May 2015

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All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	None
Workforce	Yes
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	Yes

2. Strategic Implications

Community Plan / Single Outcome Agreement

- 2.1 The report supports the overall delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of ensuring staff support the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

- 2.2 It is considered that the proposals contained within this report contribute to all five objectives.

3. Resource Implications

Financial

- 3.1 There are no financial implications arising directly from this report.

Workforce

- 3.2 The implications to the Council workforce of the revisions to the Framework are that there will be greater flexibility in relation to the movement of employees from one role to another, thereby preparing and enabling employees to adopt new roles and new ways of working. This helps protect people to remain in Council employment. The revision allows for a more streamlined approach to populating new organisational structures, one which will focus on the right solutions for the particular staff group and reduce the time taken and consequent anxiety. In a review or restructure situation the recognised Trade Unions will be consulted about the approach and solutions proposed.

Asset Management (land, property, IT)

- 3.3 There are no land, IT or property implications arising from this report.

4. Assessments

Equality Impact Assessment

- 4.1 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. The proposals have been considered under the Corporate Equality Impact Assessment Process (EqIA) and assessed as **relevant** for the purposes of EqIA. A range of measures have been incorporated to ensure our arrangements make appropriate provision for the protected characteristics, and in particular for disability, pregnancy, maternity, paternity leave, race, sex and age. The Equality Impact Assessment undertaken in relation to this report can be viewed clicking [here](#).

Strategic Environmental Assessment

- 4.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 4.3 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. The proposals contained in this report are assessed to have no sustainability related impacts.

Legal and Governance

- 4.4 The Head of Legal and Governance Services has been consulted in the preparation of this report.

Risk

- 4.5 The practices set out within this report are designed to ensure that the Council is resourced with a skilled workforce to enable it to modernise, transform and deliver its strategic objectives. It will provide opportunities to maximise and sustain employability of our people. Updating the redundancy collective consultation periods to reflect current legal requirements of 45 days (as opposed to 90 days), reduces the risk to the Council of individual employees claiming a protective award for failure to consult or failing to consult within the required timescale. A protective award can be up to 90 days' pay per employee affected.

5. Consultation

Internal

- 5.1 The Head of Legal and Governance Services, the Corporate Management Group and Executive Officer Team Finance & Resources Group have been consulted on the content of this report. Several meetings and formal consultation has been undertaken with the Trade Unions on the revised Framework. The Fairness at Work in Integration Protocol and Organisational Change Principles were consulted on via the Employees Joint Consultative Committee.

External

- 5.2 NHS Tayside and the Staff Side/Trade Unions have been consulted on both the Organisation Change Principles incorporated into the revised Framework and on the Fairness at Work in Integration Protocol.

6. Communication

- 6.1 If approval is given for these proposals a communication plan will be developed to ensure that all employees are aware of and understand the approved changes. An implementation date of the next available month following the Committee decision will be set to enable the communication of the changes to be undertaken. This will be through Inside News Bulletins, Service Newsletters and face to face opportunities, such as briefings or team meetings.

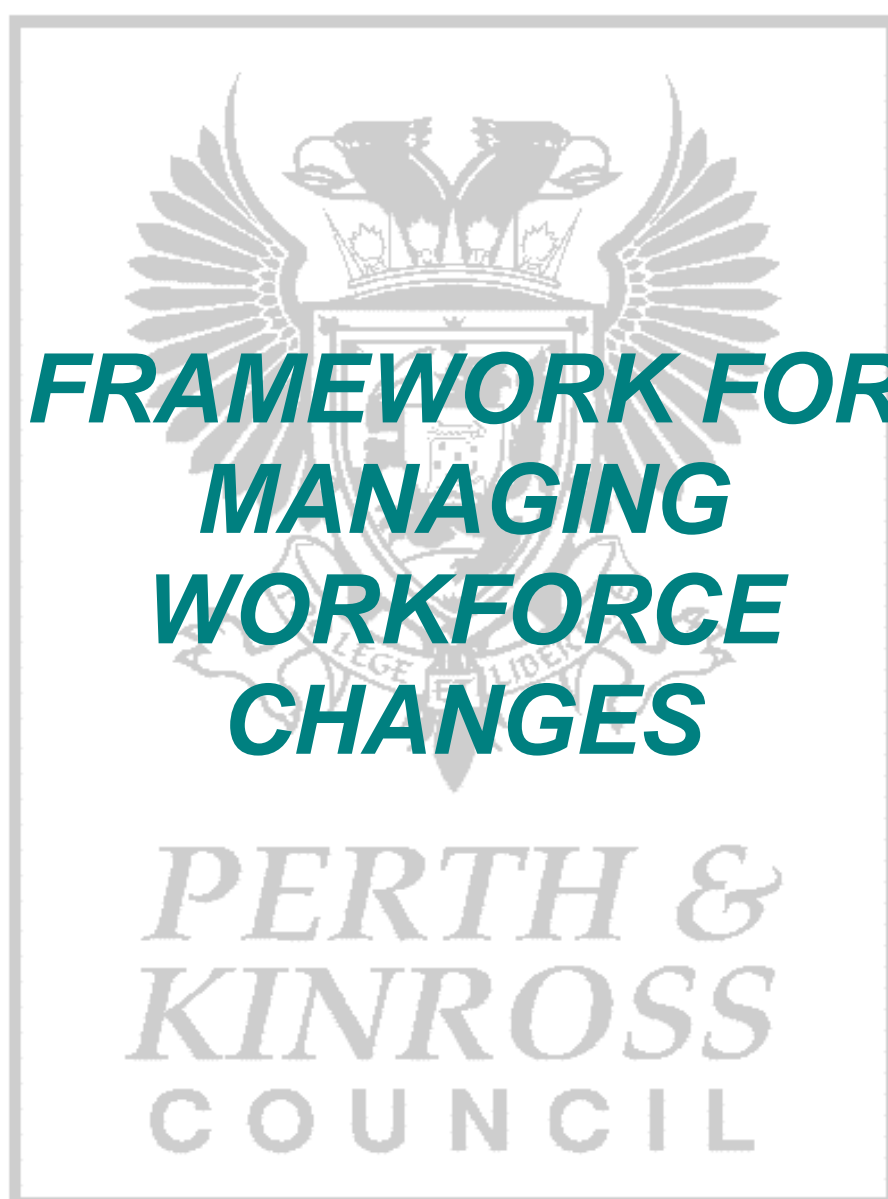
7. BACKGROUND PAPERS

There were no background papers relied upon in the preparation of this report.

8. APPENDICES

Appendix 1: Framework for Managing Workforce Changes

Appendix 2: Fairness at Work in Integration Protocol



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1 INTRODUCTION

- 1.1 Perth & Kinross Council has developed strategies for workforce planning and management which aim to develop and retain an agile, flexible and high-performing workforce which is ready to adopt new ways of working and deliver Council services and priorities.
- 1.2 This Framework will apply as appropriate when undertaking a transformational review, any re-design to the structure or composition of teams, or other initiative which results in the movement of staff within the organisation.
- 1.3 This framework applies to all employees of Perth & Kinross Council, unless indicated otherwise.

2 PRINCIPLES

2.1 This framework is based on the following key principles:

- The Council is committed to developing a positive culture through employee engagement and involvement as we transform the organisation, implement change and improve efficiency.
- A culture of innovation, learning and fair work will underpin the Council approach to workforce change, thereby preparing employees for new and flexible ways of working.
- Employees will be supported during the change process and will be encouraged to develop and contribute to their chosen career pathway.
- The Council must be able to vary its structure and its workforce composition, in response to changing service needs and priorities, and in order to demonstrate best value.
- The Council is committed to working with its trade unions and employees in managing change and will promote constructive and open dialogue.
- All policies and procedures will be based on openness, fairness and equality and be consistent with current employment legislation and the Corporate Equalities Policy.
- Employee illness, maternity or parental leave, career breaks, grievances etc. will not normally impede implementing change or resourcing new organisational structures; nor will any redundancy situation or voluntary severance, which has been approved by the Council, impede the progression or completion of action under any HR or other Council policy.

3 CONSULTATION AND COMMUNICATION

- 3.1 The specific arrangements for each review or restructure will be developed in relation to the extent of the planned changes and will be agreed through consultation with the relevant trade unions or directly with each affected employee (and their representative where applicable). This will incorporate the individual circumstances of each review while also recognising the need for a structured and consistent approach.
- 3.2 Preliminary consultation with the trade unions will include the scope of the review, the workgroup affected, and projected timescales. Progress meetings will be agreed as appropriate throughout the review. Once proposals have been prepared for formal consultation trade unions will be given 21 days to respond, unless agreed otherwise.
- 3.3 Consultation with the trade unions will be with a view to reaching agreement. Where there is a failure to agree the circumstances will be referred to the Corporate Human Resources Manager for review.
- 3.4 Consultation about the workgroup affected will include, if applicable, the proposed approach to filling posts and implementing the review or restructure. Where applicable this will also include the proposed approach to fixed term employees and those seconded to the work group.
- 3.5 Consultation and communication will also take place as appropriate with all affected employees, with a view to receiving feedback and ensuring that affected employees are prepared for change by understanding the rationale and detail of the proposed changes.
- 3.6 Consultation in relation to redundancy situations can be found in the relevant section within this Framework.

4 OPTIONS FOR FILLING POSTS MINOR/NO CHANGE, REGRADING, MATCHING AND RING-FENCED RECRUITMENT

- 4.1 A mix of options may be appropriate in any review, restructure or redesign of posts. The main options for implementing changes in posts are:

MINOR/NO CHANGE

- 4.2 Applies where the changes required are minor in relation to the grade, and the job profile is essentially the same as the current post.

RE-GRADING

- 4.3 The outcome of a review or restructure may involve the redesign of an existing post. Where the demands have changed significantly, the post should be re-evaluated to determine if there is any impact on grade. The provisions of the relevant job evaluation process will apply (i.e. Single Status Job Evaluation Scheme or Job Sizing for Teaching employees).

MATCHING

- 4.4 Where the new structure has posts which are wholly or predominantly the same as a current post, a job matching process will apply. Matching can be at a higher or lower grade than the existing grade.
- 4.5 A fair and equitable process for filling posts by matching will be agreed in advance with the recognised trade unions. The matching process will include a comparison of the duties and responsibilities of the current role against those within the job profile for the new post. It may also include the skills, abilities, knowledge and experience of the current post holder(s).
- 4.6 Where there are sufficient posts for those who are confirmed as a match, these employees will be matched without the need for an interview process.
- 4.7 Where the number of people confirmed as a match exceeds the available number of posts, then priority interviews will be carried out to determine the best candidate (s). In cases where a match is confirmed and the current post(s) is/are being deleted, the provisions of ring fenced recruitment will apply.
- 4.8 Where an employee refuses to be matched and the manager with advice from Human Resources considers the employee does not have reasonable grounds for their refusal, the employee will be regarded as having resigned.

RING-FENCED RECRUITMENT

- 4.9 A ring-fenced recruitment process will be applied to posts in the structure if:
- there is a need to work within existing or less resources; and
 - employees in the work group affected by the review or restructure are likely to have the skills, abilities, knowledge, experience and potential to fulfil the demands of the post.
- 4.10 Pools of employees within the work group affected by the review or restructure will be established in order to determine who can apply for which posts at each level of the new structure. This will be the subject of consultation with the relevant trade union/s.
- 4.11 Employees in the ring-fenced pool will include eligible employees awaiting redeployment whether within or outwith the affected workgroup. Employees awaiting redeployment will be identified as eligible where the grade of their substantive post is greater than or equivalent to the grade of post(s) to be filled. This priority will be given to those employees who are within the timeframe of the defined redeployment period.
- 4.12 The normal application and interview processes will apply but other forms of assessment and selection techniques may be applied as appropriate. Applicants will be appointed to posts where they demonstrate they fully meet the requirements of the job profile or would be likely to do so after a reasonable period of training. There will be no obligation to appoint where there are no suitable applicants.
- 4.13 Offers of appointment will initially be subject to a 5 working day standstill period during which unsuccessful interviewees have the opportunity to consider whether they have reasonable grounds to submit a Recruitment & Selection complaint. Recruitment & Selection complaints will be heard as an independent review by the Corporate Human Resources Manager or nominated officer. Independent reviews will be concluded within 10 working days of receipt of the employee's letter. The decision of the independent review is final although the employee has the right to appeal the decision to dismiss on grounds of redundancy. Offers of appointment will only be confirmed following expiry of the standstill period or confirmation of the outcome of any Recruitment & Selection complaint, whichever is applicable.

GENERAL RECRUITMENT

- 4.14 The recruitment process and approach will be relevant to the occupational group.
- 4.15 Remaining vacancies after a ring-fenced recruitment process will be advertised in the normal manner – internally within the Council and possibly also externally in accordance with the Recruitment and Selection Policy.

CHANGES IN WORKING ARRANGEMENTS OTHER THAN GRADE

- 4.16 Where the provisions of salary preservation do not apply but employee(s) accept a reduction in earnings as a result of a change to working arrangements (such as no longer being eligible to receive existing allowances for night working and shift allowance) the Chief Executive and Directors have delegated authority in exceptional circumstances to make a transitional payment of up to one year. This would apply where the change is significant and the Council would wish to retain the skills and experience of the affected employees. The cost will be met from existing revenue budgets with a maximum payback period of two years. The amount will be agreed in consultation with relevant trade unions or individually affected employees, in line with the particular circumstances.

INTRODUCTION

- 5.1 A variety of factors such as organisational requirements, the economic climate, service redesign or review, may require changes in the composition of our workforce including a reduction in the numbers of posts. In such circumstances, the Council will endeavour to avoid redundancies at the earliest possible stage through proactive measures such as re-skilling, vacancy management and a flexible approach to moving employees to alternative roles or service areas within the Council. Where this is not possible, the Council will seek voluntary redundancy and suitable alternative employment in consultation with relevant trade unions and affected employees.
- 5.2 Employees whose post falls within an area of reduction can expect to be offered support, advice and training to develop appropriate skills and identify a career pathway which would enable them to move within or outwith the Council.
- 5.3 This policy applies to all employees of the Council.
- 5.4 All references to length of continuous service with Perth and Kinross Council in this section are as defined within the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999.

DEFINITION

- 5.5 Redundancy is defined in law as a dismissal which arises when:
- The employer has ceased, or intends to cease, to carry on the business for the purposes of which the employees were employed; or
 - The employer has ceased, or intends to cease, to carry on the business in the place where the employee was so employed; or
 - The requirements for the business for employees to carry out work of a particular kind has ceased or diminished, or are expected to cease or diminish; or
 - The requirements of the business for employees to carry out work of a particular kind in the place where they are so employed has ceased or diminished, or are expected to cease or diminish.

5.6 The usual ways of identifying posts which are potentially at risk of redundancy include:

- Implementing a new structure through a matching or recruitment process, as outlined in this Framework – Options for Filling Posts;
- A cessation or reduction in activity or business closure; or
- Application of redundancy selection criteria where an overall reduction in the number of posts carrying out work of a particular kind is required.

REDUNDANCY CONSULTATION

5.7 At the outset, it is important to identify the posts and employees who are affected by the business decision, review or restructure. Not all posts affected will be at risk of redundancy. The posts which are potentially at risk may be known at the outset, or this may be established during the review process.

5.8 It is essential that the relevant trade unions are advised in writing of a business decision, review or restructure prior to formal meetings with employees whose posts may be at risk of redundancy.

5.9 It may be appropriate to meet with groups of employees to advise them of business decisions, reviews or restructures and involve them in the process. Normally these meetings would take place after advising the relevant trade unions that such a review is taking place.

Collective Consultation

5.10 A collective redundancy situation arises when it is proposed to make 20 or more employees redundant at one establishment within a 90 day period. The consultation process will begin as soon as practicable and be completed before any redundancy notices are issued. Consultation will comply with legal requirements relating to the inclusion of fixed term contracts when calculating the number of dismissals. Consultation will begin at least:

- 30 days before the first of the dismissals take effect where between 20 and 99 redundancy dismissals are proposed at one establishment within a period of 90 days or less; or
- 45 days before the first of the dismissals takes effect where 100 or more redundancy dismissals are proposed at one establishment within a period of 90 days or less.

5.11 The Department of Business Innovation and Skills will be notified.

5.12 The following information will be provided, in writing, to the appropriate trade union representatives:

- Reasons for the proposed redundancies.
- Numbers and descriptions of employees it is proposed to dismiss as redundant.
- Total number of employees affected at the establishment in question
- Proposed method of selection.
- Proposed method of carrying out the dismissals, with due regard to any agreed procedure and over which period the dismissals are to take effect
- Proposed method of calculating redundancy payments.
- Numbers of agency workers undertaking activities carried out by the affected work group: location and type of work undertaken.

Individual Consultation

5.13 Employees who are at risk have a right to be consulted on an individual basis if their jobs are being considered for redundancy, including employees on long term leave associated with sickness, maternity, paternity, parental or adoption leave. This requirement occurs regardless of the proposed numbers of employees who may be made redundant.

Formal Meetings with Employees

5.14 Individual employees who are at risk of redundancy will be invited to a formal meeting with their manager, with HR support, to discuss the nature and impact of the changes, including an explanation of the arrangements for any search for suitable alternative employment or other measures and timescales.

5.15 Employees will be given 5 working days' notice of formal consultation meetings and have the right to be accompanied by a trade union representative or work colleague.

5.16 Further formal meetings will take place at key stages of the consultation period and/or implementation of a business decision, restructure or review, including as a minimum when an employee is given notice of dismissal on grounds of redundancy. The outcome of all formal meetings will be confirmed in writing to the employee.

EMPLOYEE SUPPORT AND ADVICE

5.17 Employees will be encouraged to seek confidential advice from the counselling service. Support and advice will be offered by the Council and will be aimed at helping individuals come to terms with the loss of employment as well as practical support in finding alternative employment either within or outwith the Council.

5.18 Employees at risk of redundancy will be granted reasonable paid time off to seek other work, irrespective of length of service.

REDUNDANCY SELECTION

- 5.19 In situations where an overall reduction in numbers of posts carrying out work of a particular kind is required, selection for redundancy may be via interview (e.g. ring fenced recruitment exercise or matching), the deletion of a unique post or selection criteria.
- 5.20 Where selection criteria is applied the matrix set out in Appendix 1 will be utilised in the first instance. Consultation will take place with the trade unions on the final selection criteria, how it will be applied and the weighting according to the specific circumstances of the review. Where agreement is not possible, the Council will make the final decision.
- 5.21 Where an employee in the selection pool is disabled, or is covered by the Equality Act (2010) in relation to any other protected characteristic, the Council will make reasonable adjustments to the selection procedure as appropriate to provide equality of opportunity for that employee.
- 5.22 A weighting will be applied to each employee's score in order to calculate a total score. Redundancy selection will be based on those with the lowest score.
- 5.23 Employees will be advised in writing of the outcome of the application of the selection criteria, including their own detailed scores, and have the right of appeal against the application of selection criteria.
- 5.24 An employee who wishes to challenge the application of selection criteria (or other selection for redundancy) in his/her own situation must submit their request in writing within 5 working days of receipt of the letter confirming this outcome. An independent review will be carried out by an appropriate Head of Service who has had no prior involvement in the application of selection criteria and be advised by the Corporate Human Resources Manager or nominated officer. Independent reviews will be concluded within 10 working days of receipt of the employee's letter. The decision of the independent review is final although the employee has the right to appeal the decision to dismiss on grounds of redundancy. An employee will not be entitled to submit a recruitment complaint in addition to requesting an independent review of selection for redundancy.

ARRANGEMENTS FOR IDENTIFYING SUITABLE ALTERNATIVE EMPLOYMENT

- 5.25 This part of the policy and procedure applies to all employee groups within the Council except teachers, subject to the qualifying service criteria defined below.
- 5.26 Employees who are selected for redundancy after the application of selection criteria or other selection process will be invited to a formal meeting to advise them of this outcome. The purpose of this meeting is to confirm the arrangements for searching for suitable alternative employment, trial periods, notice period, redundancy payment and pension implications, if appropriate, and to offer support, training and development.
- 5.27 The search for suitable alternative employment may be initiated at any stage in order to maximise opportunities for redeployment, subject to no eligible employees being within the defined redeployment period. Priority will be given in the first instance to those within the defined redeployment period.
- 5.28 If an employee unreasonably refuses an offer of alternative employment which the employer believes to be suitable, there is no entitlement to redundancy pay.
- 5.29 The search for suitable alternative employment will take place where the employee has two years' continuous local government service (as defined in 5.4 above) The search will take place over a defined redeployment period, which will comprise of double an employee's notice period (and is the greater of the employee's contractual or statutory notice period). The defined redeployment period will run up to a maximum of 26 weeks.
- 5.30 The defined redeployment period applies to redundancy situations resulting from workforce change and not to the ending of a fixed term contract. For the latter, the search for suitable alternative employment will take place during the contractual notice period.
- 5.31 The employee will retain their contractual terms throughout the defined redeployment period (and trial period) – i.e. no change to salary, grade and other benefits, unless any change is mutually agreed. They will remain an employee of their original employing Service during this time. The original employing Service will also continue to pay the employee's salary costs until such time as the employee moves to another funded post or leaves the Council.
- 5.32 Where a suitable alternative post is found a trial period will be undertaken and will normally last for a period of 4 weeks.
- 5.33 Employees with at least two years continuous service (as defined in 5.4 above) with Perth & Kinross Council who are redeployed to a lower graded post will be eligible for salary preservation at the higher salary placing of their substantive post.
- 5.34 The salary preservation period will run concurrently with the defined redeployment period. A maximum of 26 weeks salary preservation is available. An employee who is redeployed to a lower graded post within the

defined redeployment period will have the balance of time, up to a maximum of 26 weeks, on salary preservation. For example, an employee entitled to 24 weeks of defined redeployment period is redeployed to a lower grade of post after 10 weeks, will receive 16 weeks of salary preservation.

- 5.35 Where an employee is redeployed the employee will receive the salary for that post (with any remaining salary preservation) at the confirmed start date.
- 5.36 No salary preservation is available for employees with less than 2 years continuous service (as defined in 5.4 above) with Perth & Kinross Council who are redeployed to a lower graded post.
- 5.37 If action is taken, or required, under other Council policies and procedures, during the search for suitable alternative employment, this will not suspend the employee's notice period nor the search for suitable alternative employment.
- 5.38 Employee illness, whether short or long term, complaints, etc. will not normally suspend the additional redeployment or employee's notice period, nor prevent the search for suitable alternative employment.
- 5.39 There is a legal obligation for priority to be given to finding suitable alternative employment for employees on maternity leave, adoption leave or additional paternity leave when at risk of redundancy.
- 5.40 Employees with a disability will be considered for all posts where they are able to demonstrate they meet the essential criteria, as part of the Guaranteed Job Interview Scheme. In addition, for any employee covered by the Equality Act (2010) reasonable adjustments will be considered, as appropriate to provide equality of opportunity and enable the employee to fulfil the demands of the post.
- 5.41 If no suitable alternative employment is found within the defined redeployment period, the employee will be dismissed on grounds of redundancy.

REDUNDANCY NOTICE

- 5.42 An employee who is dismissed on the grounds of redundancy is entitled to receive contractual or statutory notice, whichever is the greater. Therefore, notice periods will be between one month and 12 weeks during which time efforts will continue to find suitable alternative employment.
- 5.43 The redundancy dismissal takes effect at the end of the notice period.

- 5.44 Normally an employee will be required to work out their notice period. However, an employee under notice of redundancy may request to leave early e.g. to take up employment elsewhere. This may be acceptable to the Council, resulting in the employee leaving at an earlier date and retaining their entitlement to a redundancy payment. Each request will be assessed on its individual merits.

REDUNDANCY PAYMENTS

- 5.45 Employees need to have at least 2 years continuous local government service (as defined in 5.4 above) to be entitled to a redundancy payment. Employees volunteering for redundancy or at risk of redundancy will be given written details of their redundancy pay entitlement and pension implications, if appropriate.
- 5.46 The Council has exercised its discretion to calculate any redundancy payment on the employee's actual weeks' pay rather than the statutory maximum. The maximum number of years of continuous local government (as defined in 5.4 above) service that can be counted for redundancy payment purposes is 20. The formula, which takes into account age and length of continuous service, is set out in the Statutory Redundancy Payment Scheme, as is shown in Appendix 2. Local government service is defined within the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999, as amended.
- 5.47 The Council will not use its power to exceed the statutory 30 weeks limit as set out in the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Amendment 2009, as amended.
- 5.48 Employees who are members of the relevant occupational pension scheme may have access to their pension, subject to the detailed rules of that scheme.
- 5.49 Any other payments relating to voluntary severance or voluntary redundancy will be in accordance with the provisions of the relevant Council policy or procedure.
- 5.50 If an employee who leaves due to redundancy is re-engaged by Perth & Kinross Council it may result in restrictions being applied to their re-engagement.

APPEALS AGAINST DISMISSAL ON GROUNDS OF REDUNDANCY

- 5.51 An employee has the right of appeal against the decision to dismiss on grounds of redundancy.
- 5.52 All appeals must be submitted in writing to the Executive Director within 10 working days of the effective termination date and should state the reasons for the appeal.

- 5.53 Appeals against dismissal on grounds of redundancy will be considered by an Appeals Sub-Committee comprising elected members. Appeals will take place after the effective termination date, without unreasonable delay.
- 5.54 There is no separate right of appeal under the Arrangements for Identifying Suitable Alternative Employment.

6 VOLUNTARY SEVERANCE

- 6.1 One of the measures for avoiding compulsory redundancy is to seek volunteers for voluntary severance. This measure may be applied within the affected work group or across other parts of the Council. In certain circumstances, an employee identified as being at risk of redundancy and who has transferable skills, could be redeployed into a post vacated through voluntary severance, thus avoiding a compulsory redundancy. It is also recognised that at times of organisational change, an employee may decide they wish to apply for voluntary severance and leave the organisation.
- 6.2 Voluntary severance includes early retirement, where the employee is a member of the relevant pension scheme for their occupational group. The provisions relating to retirement will be as set out in the relevant policy and in accordance with the provisions of the relevant pension scheme.
- 6.3 At all times the Council will consider whether it is able to release employees through a voluntary severance package based on a business case analysis. This will include affordability, retaining a balanced workforce with the necessary skills, competencies and experience, impact on service delivery, whether it is in the Council's interests to release the employee and individual employee circumstances. Voluntary severance will only be approved where there is demonstrable benefit to the Council.
- 6.4 Severance terms will be determined by whether the employee is in the relevant occupational pension scheme and whether they are eligible to access their pension through early retirement.
- 6.5 Employees who are not in the occupational pension scheme or are not eligible to access their pension through early retirement will receive a severance payment calculated on the same basis as a redundancy payment. In these circumstances Redundancy payments will be calculated on the basis of the Statutory Redundancy Payment Scheme and with reference to an actual week's pay. The terms are as set out in the Redundancy Policy.
- 6.6 A mutually agreed date of leaving will be required. Payments in lieu of notice and annual leave will not be applied.
- 6.7 The application of voluntary severance is at the discretion of the Council. There is no right of appeal against a decision not to approve an application for voluntary severance. The authority to approve voluntary severance rests with the Executive Officer Team, with the exception of those requests from Chief Officers which require approval from the Executive Sub-Committee of the Strategic Policy & Resources Committee.
- 6.8 An employee who leaves the Council under Voluntary Severance will not normally be re-engaged by Perth & Kinross Council. If in exceptional circumstances they are re-engaged restrictions may apply.
- 6.9 Voluntary severance is an option which is available for consideration for all employee groups within the Council.

7 MONITOR AND REVIEW

- 7.1 The Framework for Managing Workforce Changes will be monitored and reviewed on a regular basis to ensure it continues to meet the needs of the Council and to ensure compliance with relevant legislation.

8 GLOSSARY OF TERMS

Minor/No change:	Changes to a post are minor in terms of grade and responsibilities.
Re-grading:	Changes to an existing post result in a higher or lower grade.
Matching:	Where a post in a new or revised structure is predominantly the same as an existing post, irrespective of the grade.
Ring-fenced Recruitment:	Where applications for a vacancy are restricted to a specific group of employees whose existing posts are being reduced in number or deleted from the establishment.
Continuous Local Government Service:	In a redundancy situation this is defined by the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999 and includes previous service with the organisations listed (e.g. other Councils, NHS)
Suitable alternative employment:	In a redundancy situation, a post found for an employee which is considered to be suitable by the employee and the Council that allows them to remain in continuous employment.
Defined redeployment Period:	The period of time during which a search for suitable alternative employment will be undertaken (in workforce change situations, up to 26 weeks or double an employee's notice period for those with over two years continuous local government service).
Salary Preservation:	Where an employee accepts a lower graded post from their current post as a result of workforce change, they are entitled to up to 26 weeks of salary preservation (less any time taken from the defined redeployment period) at their current grade.

9 APPEALS

9.1 Appeals relating to the Framework for Managing Change and Transformation.

Type of appeal	Timescales	Heard by
Recruitment and Selection Complaint – independent review OR	Complaint to be submitted within 5 working days of offer. Review concluded within 10 working days of receipt of letter.	Corporate Human Resources Manager or nominated officer. No further appeal (although employee has the right to appeal the dismissal on grounds of redundancy as in 3.8)
Independent review of application of redundancy selection criteria or other redundancy selection process <i>(Employees do not have the right for both a recruitment and selection complaint and application of redundancy criteria appeal)</i>	Request to be submitted in writing within 5 working days of receipt of letter confirming the outcome Review to be concluded within 10 working days of receipt of employees letter	Head of Service, advised by Corporate HR Manager No further appeal (although employee has the right to appeal the dismissal on grounds of redundancy)
Appeal against dismissal on grounds of redundancy	Appeal to be submitted in writing to the Executive Director within 10 working days of effective termination date. Appeal hearing to take place without unreasonable delay	Appeals Sub-Committee

10 APPENDICES

Appendix 1 Redundancy Selection Criteria Matrix

Appendix 2 Redundancy Payment Calculations

Appendix 3 Organisational Change

REDUNDANCY SELECTION CRITERIA MATRIX

(These criteria will be the subject of consultation with the relevant trade unions when this method is being applied to select employees for redundancy. Consultation will take place on the application of the criteria and the weighting to be applied.)

CRITERIA	SCORE
Work Performance	
• Overall performance is outstanding and consistently exceeds the objectives of the role.	5
• Overall performance exceeds the objectives of the role.	4
• Overall performance meets all the objectives of the role.	3
• Overall performance meets most of the objectives of the role.	2
• Overall performance fails to meet the objectives of the role.	1
Skills, Competence and Experience	
• Displays full competence in current role, is multi-skilled, regularly providing support to others.	5
• Displays full competence in current role.	4
• Displays competence in most aspects of the role but requires some supervision.	3
• Displays some of the competencies required in the current role, requires regular supervision and support.	2
• Has insufficient skills in the current role and cannot operate without close supervision.	1
Disciplinary Record	
• No disciplinary or counselling record.	5
• Verbal warning.	3
• Written warning.	2
• Final written warning/other action short of dismissal.	1
Attendance Record	
• Excellent attendance, no instances of absence.	5
• Above average attendance, some examples of absence/lateness but less than the selection pool average (excludes maternity/paternity/sickness leave directly related to disability).	4
• Attendance/timekeeping equivalent to the selection pool average.	3
• Below average or poor attendance/timekeeping compared to the selection pool average.	2
• Unacceptable levels of attendance/lateness.	1
Length of Continuous Service with Perth & Kinross Council or Predecessor Councils	
30 years continuous service and above	5
20 but less than 30 years continuous service	4
10 but less than 20 years continuous service	3
2 but less than 10 years continuous service	2
Less than 2 years continuous service	1

STATUTORY REDUNDANCY PAYMENT TABLE (NO OF WEEKS PAY)

Redundancy Calculator (Continuous Service as defined in 5.4 above)																				
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Age																				
17	1																			
18	1	1½																		
19	1	1½	2																	
20	1	1½	2	2½																
21	1	1½	2	2½	3	-														
22	1	1½	2	2½	3	3½	-													
23	1½	2	2½	3	3½	4	4½	-												
24	2	2½	3	3½	4	4½	5	5½	-											
25	2	3	3½	4	4½	5	5½	6	6½	-										
26	2	3	4	4½	5	5½	6	6½	7	7½	-									
27	2	3	4	5	5½	6	6½	7	7½	8	8½	-								
28	2	3	4	5	6	6½	7	7½	8	8½	9	9½	-							
29	2	3	4	5	6	7	7½	8	8½	9	9½	10	10½	-						
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½	-					
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½	-				
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½	-			
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½	-		
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	-	
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½	
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17	
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½	
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18	
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½	
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19	
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½	
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24	
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½	
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25	
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½	
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26	
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½	
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27	
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½	
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28	
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½	
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29	
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½	
61 +	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30	

Health and Social Care Integration

Angus Council, Dundee City Council, Perth and Kinross Council and NHS Tayside

Organisational Change

Principles to be adopted during organisational change arising within a partnership and which would affect employees from both employing partner bodies.

All HSCI employing bodies will retain their current policies in relation to organisational change and reference should be made to them for matters not covered in the principles.

All the HSCI employing bodies are committed to maximising the security of employment of staff during periods of organisational change. It is recognised that within a partnership there is the additional complexity relating to change which may directly affect staff from more than one employer. Communication and engagement with staff and their trade union/professional representatives will be a key element for successful organisational changes. The principles recognise that each employer will undertake change in accordance with their relevant structures and processes. In order to ensure a consistency of approach all the employing bodies across Tayside have agreed to adhere to the following principles should change related circumstance arise.

- A group led by management will be established which would include Trade Union/staff side representation to share information about the staff affected by any change and the extent of the effect. Information about the new structure, job descriptions and grades will be shared with this group. The employing bodies will seek to share relevant information regarding the staff e.g. current grade, hours, location etc., which will facilitate the change process. The staff side representation would be drawn from each employing body in line with existing arrangements.
- The group will take into account the nature of the service change when seeking to reach consensus about who is “in scope” i.e. affected, by any change.
- The Managers will communicate with staff and their representatives about the envisaged change and the process to be followed.
- There will be 1-1 interviews with the affected staff.
- The relevant group will seek to reach consensus if any suitable staff can be matched to a post within the new structure from the effected staff. Eligibility to be matched into a post will be as per the employing body’s current criteria. Should the application of the criteria by either employer disadvantage staff

- from the other partner employer then the employer can alter their criteria in order to ensure fairness and equality across both employers.
- If more than one person is suitable then there will be ring fenced competition amongst the identified staff to determine who will be appointed.
- The preferences of staff will be sought where they could be appointed to more than one post.
- Staff who cannot be found a post within the new structure will be dealt with under the appropriate employer's redeployment process.
- The appropriate employers' protection arrangements will apply where required.
- Staff in the new structure will be appointed to the terms and conditions which apply to the new post and which are relevant to their employer.

These principles seek to provide a broad framework which, recognising that each employer will have its own particular policy in this area, facilitates a more common approach when addressing the complexity of issues which arise from organisational change.

PERTH & KINROSS COUNCIL and NHS TAYSIDE

HEALTH & SOCIAL CARE PARTNERSHIP

Fairness at Work in Integration Protocol

Introduction

Day to day management of employees engaged within the Health & Social Care Partnership will be undertaken in accordance with the management policies and procedures of each organisation e.g. NHS or Council. The most effective management of people requires employees and managers to demonstrate a proactive approach as part of day-to-day operations, wherever possible. Early recognition, discussion and intervention can help to identify any underlying issues, for which action or support can be taken, and which can ensure that employees are aware of the standards of behaviour expected. Early intervention examples include facilitated discussions and involvement of Organisational Development mediation.

It is the duty of all managers who have responsibility for employees from the other organisation to ensure they have access to, and are familiar with, the relevant policies and procedures that apply as part of their normal day to day management concerning employees from the other partner body.

The purpose of the document is to highlight arrangements that will be put in place in the Health & Social Care Partnership where a group of employees from either/ or both NHS and Council raise a collective fairness at work/grievance complaint. The document excludes grievances which relate to an employee's own employer.

Consideration, on a case by case basis, will also be given to applying this protocol for cross-employer complaints relating to bullying and harassment by an individual of either NHS or Council within the Partnership.

Principles

The desired outcome from the application of this protocol is fair and consistent treatment of all employees and as such the following principles will be adhered to:

- Ensure all parties are treated with dignity and respect
- When any fairness at work/grievance complaints are raised joint agreement of the process to be applied will be formally set out at the outset and will continue to apply throughout the stages should early resolution not be achieved.

- Respond in a timely manner to ensure the fairness at work/grievance complaints is responded to promptly and reasonably.
- Seek early and informal resolution, at the lowest possible level, to all issues in the first instance.
- Use facilitated discussions, involvement of OD or mediation to seek early resolution.
- If the complaint gives rise to disciplinary action being invoked this will be undertaken in accordance with the policies and procedures of the employee's employing organisation e.g. NHS or Council.

Types of Complaint

It is not possible to specify all of the issues which may give rise to a complaint but examples of collective complaints that can normally be considered under this protocol would include:

- Working conditions i.e. health and safety, working practices/environment or equality issues, i.e. non-grade related issues.
- Dignity at work issues i.e. bullying and harassment

Harassment is defined as unwanted conduct at the place of work and/or in the course of employment that has the purpose or effect of violating people's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment. For a complaint to be considered under this protocol it must relate to harassment on the grounds of a protected equalities characteristic, i.e. gender, race, disability, religion or belief, sexual orientation, age, marital status, pregnancy or gender reassignment.

Bullying or victimisation is defined as persistent, offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means intended to undermine, humiliate, denigrate or injure the recipient, at the place of work and/or in the course of employment.

Each employing body uses different terminology in describing what constitutes a grievance, fairness at work, bullying or harassment issue. Although some of these terms are used within the protocol the exact definition for each employer will be contained within their respective policy to which reference should be made. This protocol excludes matters which would normally fall under a collective dispute resolution procedure.

Protocol for inter-employer Fairness at Work/Grievance or similar Complaints

Where a grievance has been raised the following principles will apply:

Informal or formal complaints relating to grievance/fairness at work issues must be raised by an employee in accordance with the policies and procedures of their employing organisation i.e. NHS or Council.

Every effort must be made to resolve the complaint informally in the first instance.

All employees are expected to participate in both employer's grievance and/or fairness at work processes when necessary.

All parties must treat others with dignity and respect, value individual differences and promote mutual trust and confidence in the workplace.

Employees must raise an informal complaint with the person concerned or immediate manager without unreasonable delay, detailing the grounds of their complaint, resolution and reasonable redress being sought. At this stage it will be for the immediate manager to determine with the complainant/s as to the process or actions which would achieve resolution of the matter. Where the complaint concerns a manager, and the employee feels unable to approach them, the complaint must be raised with an alternative manager, normally at an equivalent level, or level above if employees unsure who at an equivalent level to approach.

Joint Complaints – a complaint from employees of both employers within the partnership

Employees who have submitted a joint complaint should provide details of their complaint, what steps they may have taken to resolve their complaint informally so far and the resolution and reasonable redress sought.

On receipt of a joint complaint the line manager will discuss the complaint with nominated representatives on behalf of the employees and where represented the relevant trade union/staff side of those making the complaint to ascertain what, if any, steps they have taken to resolve the complaint with the employee concerned. Both NHS and Council HR departments will be involved in these discussions.

The purpose of this initial discussion/meeting will be to:

- Advise the employees that the information they have provided including the details of the reasonable redress sought will be reviewed and an agreement to proceed with an informal approach outlined.

- Identify if the employees are unwilling to approach the subject of the complaint, and if so, the manager will make the subject of the complaint aware of the issue.
- Discuss and agree, in advance, with all parties involved which Grievance/Fairness at Work process will be applied i.e. NHS or Council should the matter not be resolved at the lowest possible level. This can be determined by considering the majority of employees from one of the partnership bodies who raised the complaint and the other employees agreeing to such; or, if relevant, by applying the procedure applicable to the employee being complained of.
- Reach mutual agreement of all parties involved at this meeting to confirm the relevant procedure, ongoing identified Trade Union representative/staff side involvement and communication. Where mutual agreement cannot be reached then the individual or the union/staff side representing a particular group must withdraw, in writing, from the joint process and consider if they wish to raise a separate complaint using their respective employer's procedure.
- Establish if an investigation is deemed appropriate and if so, confirm and agree, in advance, with all parties involved the investigatory process to be applied.

NOTES:

The outcome of the initial meeting can vary depending on each individual case and will set out the agreed approach to be applied, the nominated lead of any investigation, if applicable, and the composition of any subsequent Panels/Hearings. It should be noted that once the process has been agreed this will continue to be applied throughout all stages of the fairness at work/grievance procedure should early resolution not be achieved.

Any investigation arising from the initial meeting will be undertaken using one employer process with the lead employer chairing any panels and it could be an employee from a different organisation that is involved at that stage. There will be one investigation report prepared by the person undertaking the investigation and this investigation report will be used at all other subsequent stages and/or any other procedures that may be invoked by either NHS or Council.

Should there be a need to consider any other Policy arising from the complaint then reference would be made to the Policy of the employee concerned.

Communication

When progressing a joint complaint consideration should be given to the means of involving all concerned employees in the process.

Individual outcome letters from meetings/hearings/appeal hearings will be sent directly to all complainants named in the initial complaint.

Written Submission

Only those named in the initial joint complaint will be involved in the process as it progresses. Additional names cannot be included at later stages. All those named in the joint complaint should indicate that they are willing to put their name to the complaint either by signing the initial letter or at least providing email confirmation.

Representation

If there has been one joint complaint submitted it may be appropriate to request that one or two representatives of the group be nominated to attend any meetings/hearings. Those nominated can change at different stages depending on availability etc.

The Trade Union Representatives/Staff Side will be represented as per the relevant employer grievance/fairness at work process. Both employers will agree, for the purposes of this process, to recognise the relevant trade unions/professional organisations of the employing bodies within the partnership.

Early Intervention/Resolution

In order to resolve the issue at the lowest possible level all parties to the complaint should consider facilitated discussions, involvement of OD or mediation as an option for resolving the situation.

Further information on early resolution can be obtained from the respective Human Resources' Departments.

PERTH AND KINROSS COUNCIL**Strategic Policy and Resources Committee – 15 June 2016****Authority to Write Off Debts and Obsolete Stock****Report by the Head of Finance****PURPOSE OF REPORT**

This report seeks approval to write off identified debts in respect of Sales Ledger; Council Tax (including Water & Waste Water charges); Non-Domestic Rates; Irrecoverable Rents; Housing Benefit Overpayments and Car Park Trading Account Income. In addition approval is sought to write off obsolete stock and outstanding reconciliation items.

1. BACKGROUND / MAIN ISSUES

- 1.1 In order that the appropriate entries may be made in the annual accounts of the Council for the year ending 31 March 2016, it is necessary to consider the write off of debts and obsolete stock.
- 1.2 To accommodate year end accounting processes and timescales some of the Council's systems have already been amended to show the proposed written off accounts, pending approval by the Committee of the recommendations within this report.
- 1.3 The debts included within this report have progressed through the debt recovery process using the various legislative procedures available for each type of debt to collect the amounts outstanding. The amounts that still remain due after the exhaustive recovery procedures have been undertaken are included within this report for write off as a last resort. Should any additional information be received the debt will be written back and every effort will be made to collect the outstanding debt wherever possible.
- 1.4 This report includes all of the recommended write offs for financial year 2015/16.

2. PROPOSALS**2.1 Sales Ledger**

- 2.1.1 Appendix 1 details Sales Ledger debt which it has not been possible to collect for various reasons. The majority of these debts have either been in the hands of the Sheriff Officers or are deceased or untraced debtors.

- 2.1.2 After consultation with the Services who raised the original invoices, it is recommended that the Council write off £328,998.62 as shown in Appendix 1. The total provision included within the Council's accounts for bad and doubtful Sales Ledger debt at 31 March 2015 was £677,705.42. The total value of Sales Ledger invoices raised within financial year 2015/16 totalled approximately £23 million and the proposed write off for all years represents approximately 1.4% of this amount.
- 2.1.3 In most instances, accounts raised prior to 30 September 2014 carry a 50% provision whilst those raised prior to 31 March 2014 are fully provided for. Where debts fall into this category, part or all of the amount to be written off will be met from the provision. Where no provision or only partial provision has previously been made for a debt, the balance of the write off will be charged against the issuing Service's Revenue Account for 2015/16.

2.2 Council Tax and Non-Domestic Rates

- 2.2.1 Appendix 2 details Council Tax (including Water and Waste Water Charges) income which it has not proved possible to collect for the reasons shown in the appendix.
- 2.2.2 Appendix 3 details Non-Domestic Rates income which it has not proved possible to collect for the reasons shown in the appendix.
- 2.2.3 Appendix 2 and Appendix 3 also include accounts where the balance is for a small value either in debit or credit (£0.99) for Council Tax and Non-Domestic Rates. It is uneconomical to collect or refund/transfer such small amounts and, therefore, an automated process is in place to adjust these accounts.
- 2.2.4 It is recommended that the Council write off £388,271.93 of Council Tax debt (including Water and Waste Water Charges) with the overall provision for bad and doubtful Council Tax debt being £12,247,447.11 as at 31 March 2015. The amount recommended to be written off represents approximately 0.4% of the £92.4 million of Council Tax (including Water and Waste Water Charges) levied for financial year 2015/16. The in year collection rate for Council Tax was 97.27% as at March 2015 (97.06% in 2014/15).
- 2.2.5 It is recommended that the Council write off £462,743.43 of Non-Domestic Rates. In terms of write offs relating to Non Domestic Rates the costs are at present met by the Scottish Government through the "pool" mechanism. The provision for bad and doubtful Non-Domestic Rates debt was £1,264,421.25 at 31 March 2015.
- 2.2.6 The amount recommended to be written off for all years represents approximately 0.8% of the £55.5 million of Non Domestic Rates income raised in financial year 2015/16. The in year collection rate for Non Domestic Rates was 98.04% as at March 2016 (98.25% in 2014/15).

2.3 Housing Revenue Account

- 2.3.1 Appendix 4 details rent charges raised in respect of former tenants and court expenses incurred which it has not been possible to collect for the reasons shown in the appendix.
- 2.3.2 Authority is requested to write off rent charges raised in respect of former tenants amounting to £281,607.29 and £18,591.61 in respect of garage sites and lock ups. The provision for bad and doubtful Housing Revenue Account debt was £1,629,950 as at 31 March 2015. The in year collection rate for Housing Rents was 97% as at 31 March 2016 (96.1% in 2014/15). The total rental charges raised in 2015/16 were approximately £24.6 million.

2.4 Housing General Fund

- 2.4.1 Appendix 5 details charges for those housing services administered through the Council's rent system and provided to Homeless clients placed in temporary accommodation where the tenancy has ended and where it has not proved possible to recover outstanding income, in part, due to the vulnerable nature of the client group.
- 2.4.2 Authority is requested to write off £17,314.60 in 2015/16 for charges for housing services provided to Homeless clients placed in temporary accommodation. The provision for bad and doubtful debt in relation to this activity was £2,292,761 as at 31 March 2015. The total amount billed during 2015/16 for housing service charges was £2.6 million with the proposed write off representing approximately 0.66% of this amount.
- 2.4.3 Authority is also requested to write off Housing Benefit overpayment debt of £66,281 for 2015/16 which has not been possible to recover. The provision for bad and doubtful Housing Benefit overpayment debt was £830,976 as at 31 March 2015. The total value billed of overpayments within 2015/16 was £1.3 million and the proposed write off value for all years represents approximately 5.2% of this amount.

2.5 Car Park Trading Account Income

- 2.5.1 Car Park Trading Account Income
Authority is requested to write off £112,794 in respect of Car Park Trading Account Income. This amount equates to all amounts charged and still outstanding in relation to the period prior to October 2014. The provision for bad and doubtful Car Park Trading Account debt was £121,162 as at 31 March 2015. The proposed write off is equivalent to 13.82% of the number of Penalty Charge Notices issued during 2014/15.

2.6 Stock Write Offs

2.6.1 The Environment Service

Authority is requested to write off obsolete stock of £5,000 in respect of vehicle parts at Friarton Depot. Full provision was made for the write off in the 2014/15 financial statements and there is, therefore, no financial impact on the 2015/16 financial year.

2.7 Outstanding Balances

2.7.1 Authority is requested to write off a small number of outstanding balances over various account reconciliations. These balances relate to transactions in Financial Year 2014/15. The net amount of the outstanding balances is a credit totalling £4,512.87.

3. CONCLUSION AND RECOMMENDATIONS

3.1 In all of the above cases it has either not been possible to recover monies due to the Council or to utilise stocks held by the Council. The write off of debt is a last resort and only recommended after all means of recovery have been exhausted. Although the amounts may be written off for accounting purposes, the files are not closed and every effort will be made to collect the outstanding debt wherever possible.

3.2 It is recommended that the Committee:

- 1 Approve that all amounts detailed in section 2 and the attached appendices to this report are written off for accounting purposes.
- 2 Note that whilst these amounts are written off, the files are not closed and every effort will be made to collect outstanding debt wherever possible.

Author(s)

Name	Designation	Contact Details
Lynn Speedie	Financial Systems Team Leader	ljspeedie@pkc.gov.uk 01738 475550

Approved

Name	Designation	Date
John Symon	Head of Finance	18 May 2016

If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting Craig Robertson



Council Text Phone Number 01738 442573

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Strategic Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

1.1 Strategic Plan

1.1.1 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.1.2 This report relates to all of these objectives.

2. Resource Implications

2.1 Financial

2.1.1 There are no direct financial implications arising from this report other than those reported within the body of the main report.

3. Assessments

3.1 Equality Impact Assessment

3.1.1 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.

3.1.2 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.

3.2 Strategic Environmental Assessment

3.2.1 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

3.2.2 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.

3.3 Sustainability

3.3.1 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. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

3.3.2 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.

4. Consultation

4.1 Internal

4.1.1 The Chief Executive and all Directors have been consulted in the preparation of this report.

5. BACKGROUND PAPERS

5.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

6. APPENDICES

Appendix 1 – Sales Ledger debt written off in financial year 2015/16 by year and reason.

Appendix 2 – Council Tax debt written off in financial year 2015/16 by year and reason.

Appendix 3 – Non Domestic Rates debt written off in financial year 2015/16 by year and reason.

Appendix 4 – Irrecoverable Rents written off in financial year 2015/16 by year and reason.

Appendix 5 – Homeless debt written off in financial year 2015/16 by year and reason.

Sales Ledger Debt Written off in financial year 2015/16 by year and reason

YEAR	GONE AWAY	NO FUNDS	UNECONOMICAL TO COLLECT	DECEASED (NO FUNDS)	SEQ/LIQ OR REC	DEBT PRESCRIBED	TOTAL VAT EX	VAT VALUE	TOTAL DEBT
2003/04	0.00	0.00	0.00	0.00	0.00	33,931.43	33,931.43	0.00	33,931.43
2004/05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2005/06	0.00	0.00	0.00	0.00	0.00	6,151.50	6,151.50	0.00	6,151.50
2006/07	0.00	0.00	0.00	0.00	0.00	647.83	647.83	0.00	647.83
2007/08	0.00	0.00	0.00	0.00	0.00	1,955.40	1,955.40	0.00	1,955.40
2008/09	0.00	0.00	0.00	0.00	0.00	892.00	892.00	0.00	892.00
2009/10	0.00	0.00	0.00	0.00	0.00	10,905.73	10,905.73	0.00	10,905.73
2010/11	0.00	387.00	0.00	378.60	0.00	15,692.65	16,458.25	252.49	16,710.74
2011/12	1,139.99	12,212.76	6,032.78	1,944.31	11,228.91	0.00	32,558.75	4,102.13	36,660.88
2012/13	122.50	15,217.46	90.56	1,079.61	5,442.38	0.00	21,952.51	1,932.63	23,885.14
2013/14	217.36	111,817.56	7,545.58	3,927.86	52.00	0.00	123,560.36	6,158.60	129,718.96
2014/15	3,358.82	31,749.60	3,129.09	14,860.31	8,664.22	0.00	61,762.04	2,644.75	64,406.79
2015/16	31.53	244.11	1,780.27	271.86	804.45	0.00	3,132.22	0.00	3,132.22
TOTAL	4,870.20	171,628.49	18,578.28	22,462.55	26,191.96	70,176.54	313,908.02	15,090.60	328,998.62

The Council can claim back VAT due to the VAT Bad debt relief (The Council cannot claim for the first 6 months, however the Council can claim back 4 years prior to this to 30 September 2011).

Sales Ledger Debt Recovery Process

Day 1 - Invoice issued

If not paid, Day 29 - Final Notice issued

If not paid, Day 44 - 7 Day letter issued

Thereafter, each case is looked at individually and most cases are then passed to either the Sherriff Officer or Legal Services to collect.

Council Tax Written-Off During Financial Year 2015/16 - Summary of Write-Off Reasons							
Financial Year	Statutory Additions	Deceased - No Estate	No Trace	Sequestration etc.	Small Balances	Uneconomical to Pursue/Collect	Total
1993/94	£21.55	-£1,378.14	-£1,520.57	£0.00	-£17.63	-£10.12	-£2,904.91
1994/95	£152.43	-£701.42	-£1,986.12	£759.64	-£3.30	£17.74	-£1,761.03
1995/96	£278.02	-£354.63	-£2,012.45	£1,664.21	-£12.27	£0.00	-£437.12
1996/97	£453.58	-£721.37	-£2,997.09	£2,071.30	-£3.00	£0.00	-£1,196.58
1997/98	£823.49	-£588.93	-£1,203.78	£3,385.45	-£47.06	£172.61	£2,541.78
1998/99	£1,169.06	£517.48	-£152.68	£3,259.86	-£31.60	£115.82	£4,877.94
1999/00	£825.40	£1,263.92	£737.73	£3,951.55	-£4.34	£486.99	£7,261.25
2000/01	£1,454.42	£1,085.01	-£7,412.09	£5,045.98	-£76.36	£520.56	£617.52
2001/02	£1,952.59	£1,880.67	-£7,185.93	£9,385.82	-£146.44	£213.00	£6,099.71
2002/03	£1,751.88	-£171.52	-£7,572.26	£9,072.19	-£48.99	£205.82	£3,237.12
2003/04	£1,727.69	-£10,744.97	-£49,698.25	£9,733.61	-£196.36	£236.17	-£48,942.11
2004/05	£2,114.49	-£9,390.21	-£43,978.11	£10,687.77	-£389.53	£998.80	-£39,956.79
2005/06	£2,299.35	-£3,192.63	-£8,226.85	£16,752.12	-£1.60	£617.07	£8,247.46
2006/07	£3,863.33	£1,894.83	-£794.14	£21,893.78	£2.56	£0.00	£26,860.36
2007/08	£4,325.16	£2,991.12	-£427.15	£19,532.58	£0.62	£398.13	£26,820.46
2008/09	£4,231.69	£2,769.06	£2,855.01	£23,656.87	£2.14	£89.71	£33,604.48
2009/10	£4,255.26	£1,622.15	£4,171.85	£27,982.36	-£0.33	£477.94	£38,509.23
2010/11	£4,386.85	£2,351.94	£1,965.21	£33,417.26	-£0.72	£1,058.07	£43,178.61
2011/12	£6,015.23	£1,837.84	£5,101.22	£38,245.77	-£4.25	£2,477.78	£53,673.59
2012/13	£6,443.25	£2,091.56	£6,666.20	£40,201.31	£5.28	£583.48	£55,991.08
2013/14	£6,338.04	£2,334.39	£1,621.07	£36,330.49	£10.55	£2,538.99	£49,173.53
2014/15	£7,170.73	£5,176.44	£1,020.03	£55,547.56	-£10.15	£3,358.68	£72,263.29
2015/16	£5,447.16	£2,879.59	-£4,061.11	£45,830.22	-£65.89	£483.09	£50,513.06
Totals	£67,500.65	£3,452.18	-£115,090.26	£418,407.70	-£1,038.67	£15,040.33	£388,271.93

Council Tax Debt Recovery Process

Day 1 - Bill Issued with instalment details

If not paid, Reminder issued giving 14 days to payment

If not paid, Summary Warrant applied for - 10% penalty applied, charge becomes payable in full

If not paid, Sheriff Officer instructed to collect debt

If not paid, Sheriff Officer serve a "Charge for payment" to allow diligence

Non-Domestic Rates Written-Off During Financial Year 2015/16 - Summary of Write-Off Reasons

Financial Year	Statutory Additions	Deceased	No Trace	Sequestration, Liquidation etc.	Ceased Trading	Wrongly Rated	Small Balances	Uneconomical to Pursue/Collect	Total
1995/96	£0.00	£0.00	£2,571.32	£0.00	£0.00	£0.00	£0.00	£0.00	£2,571.32
1996/97	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
1997/98	£154.97	£0.00	£546.73	£0.00	£0.00	£0.00	£0.00	£0.00	£701.70
1998/99	£225.07	£0.00	£528.91	£0.00	£0.00	£0.00	-£2.74	£132.45	£883.69
1999/00	£250.18	£0.00	£206.64	£0.00	£1,601.27	£0.00	£0.00	£0.00	£2,058.09
2000/01	£114.18	£0.00	-£843.66	£742.10	-£376.53	£0.00	-£7.89	£59.49	-£312.31
2001/02	£471.34	£0.00	£3,138.73	£0.00	£3,437.33	£0.00	£0.00	£0.00	£7,047.40
2002/03	£253.80	£0.00	£1,812.58	£0.00	£1,544.18	£0.00	£0.00	£0.00	£3,610.56
2003/04	£568.53	£0.00	£3,358.31	£0.00	£1,279.41	£0.00	£0.00	£0.00	£5,206.25
2004/05	£137.66	£0.00	£1,376.60	£0.00	£0.00	£0.00	£0.00	£0.00	£1,514.26
2005/06	£575.06	£0.00	£3,658.37	£0.00	£0.00	£2,092.20	£0.00	£0.00	£6,325.63
2006/07	£2,092.20	£0.00	£10,770.11	-£51.82	£3,111.73	£0.00	£0.00	£0.00	£15,922.22
2007/08	£2,118.36	£0.00	£10,492.69	-£2,798.02	£1,955.10	£0.00	£0.00	£0.00	£11,768.13
2008/09	£1,173.54	£0.00	£5,913.55	-£3,463.03	£850.25	£350.09	£0.00	£0.00	£4,824.40
2009/10	£256.31	£0.00	£3,007.16	-£3,881.27	£2,407.64	£4,329.00	£0.00	£0.00	£6,118.84
2010/11	£1,483.18	£0.00	£11,182.38	-£6,939.46	£972.67	£4,639.80	£0.00	£0.00	£11,338.57
2011/12	£2,594.29	£0.00	£22,624.91	-£640.05	£5,823.40	£5,493.30	£0.01	£0.00	£35,895.86
2012/13	£5,367.33	£0.00	£15,822.27	£26,777.94	£4,592.34	£12,968.10	-£0.54	£0.00	£65,527.44
2013/14	£5,291.77	£0.00	£10,199.34	£53,958.33	-£3,839.01	£22,206.03	-£0.01	£0.00	£87,816.45
2014/15	£6,647.40	£0.00	£1,730.49	£62,320.25	£26,929.94	£0.00	-£0.62	£0.00	£97,627.46
2015/16	£7,641.60	£0.00	£0.00	£30,180.23	£58,469.15	£0.00	-£0.51	£7.00	£96,297.47
Totals	£37,416.77	£0.00	£108,097.43	£156,205.20	£108,758.87	£52,078.52	-£12.30	£198.94	£462,743.43

Non-Domestic Rates Debt Recovery Process

Formal recovery cannot take place until 30 September each year

If not paid, Ratepayer must be 2 instalments in arrears, final notice is issued

If not paid, Summary Warrant applied for - 10% penalty applied, charge becomes payable in full

If not paid, Sheriff Officer instructed to collect debt

If not paid, Sheriff Officer serve a "Charge for payment" to allow diligence

Irrecoverable Rents Debt Written off in financial year 2015/16 by year and reason							
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YEAR	GONE AWAY	NO FUNDS	UNECONOMICAL TO COLLECT	DECEASED (NO FUNDS)	SEQUESTERED	DEBT PRESCRIBED	TOTAL DEBT
Prior to 2008	£0.00	£0.00	£0.00	£0.00	£0.00	£12,375.74	£12,375.74
2008/09	£0.00	£0.00	£0.00	£0.00	£0.00	£11,168.71	£11,168.71
2009/10	£0.00	£0.00	£0.00	£0.00	£3,696.97	£39,177.51	£42,874.48
2010/11	£0.00	£0.00	£1.12	£0.00	£0.00	£54,384.25	£54,385.37
2011/12	£5,059.38	£7,849.57	£1,253.44	£0.00	£0.00	£346.27	£14,508.66
2012/13	£4,193.37	£5,278.18	£2,076.33	£1,216.54	£0.00	£0.00	£12,764.42
2013/14	£184.77	£2,284.67	£1,814.96	£983.27	£168.06	£0.00	£5,435.73
2014/15	£2,729.61	£2,752.09	£4,578.69	£6,080.55	£12,736.87	£0.00	£28,877.81
2015/16		£9,957.64	£3,910.36	£16,947.67	£86,992.31	£0.00	£117,807.98
TOTAL	£12,167.13	£28,122.15	£13,634.90	£25,228.03	£103,594.21	£117,452.48	£300,198.90

Irrecoverable Rents Debt Recovery Process

Day 14 - Arrears reminder letter sent

If not paid, Day 21 - Attempt Contact with tenant

If not paid, Day 28 - Further investigation either 7 day non-occupation letter or Pre Notice of Proceedings letter sent

If not paid, Day 35 - Notice of Proceedings served by Sheriff Officer

If not paid, Day 42 - Visit to tenant

If not paid, Day 49 - Warning Letter Generated with effective date of Notice of Proceedings and possible court action

If not paid, Day 56 - Taken to Eviction Prevention Panel and authorisation for Court Action sought

Homeless Debt Written Off in financial year 2015/16 by year and reason							
YEAR	GONE AWAY	NO FUNDS	UNECONOMICAL TO COLLECT	DECEASED	SEQ/LIQ OR REC	DEBT PRESCRIBED	TOTAL DEBT
2008/09	£0.00	£0.00	£0.00	£0.00	£0.00	£90.80	£90.80
2009/10	£0.00	£0.00	£0.00	£0.00	£0.00	£1.20	£1.20
2010/11	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
2011/12	£0.00	£0.00	£295.39	£0.00	£0.00	£0.00	£295.39
2012/13	£0.00	£0.00	£146.23	£0.00	£0.00	£0.00	£146.23
2013/14	£0.00	£0.00	£253.70	£0.00	£0.00	£0.00	£253.70
2014/15	£0.00	£0.00	3936.55	£0.00	£0.00	£0.00	£3,936.55
2015/16	£0.00	£0.00	12590.47	£0.00	£0.00	£0.00	£12,590.47
TOTAL	£0.00	£0.00	£17,222.34	£0.00	£0.00	£92.00	£17,314.34

Homeless Debt Recovery Process

Day 14 - Arrears reminder letter sent

If not paid, Day 21 - Attempt Contact with tenant

If not paid, Day 28 - Further investigation either 7 day non-occupation letter or Pre Notice of Proceedings letter sent

If not paid, Day 35 - Notice of Proceedings served by Sheriff Officer

If not paid, Day 42 - Visit to tenant

If not paid, Day 49 - Warning Letter Generated with effective date of Notice of Proceedings and possible court action

If not paid, Day 56 - Taken to Eviction Prevention Panel and authorisation for Court Action sought

PERTH AND KINROSS COUNCIL**Strategic Policy and Resources Committee****15 June 2016****TENDERS ACCEPTED BY THE TAYSIDE PROCUREMENT CONSORTIUM AND COUNCIL SERVICES**

**Depute Chief Executive, Environment
(Sustainability, Strategic and Entrepreneurial Development)**

In accordance with the Council's Contract Rules, this report provides information on tenders accepted by the Tayside Procurement Consortium and Council Services under delegated authority.

1. BACKGROUND/MAIN ISSUES

- 1.1 Perth and Kinross Council's Scheme of Administration and Contract Rules require that tenders accepted are reported to Committee retrospectively for governance purposes. The detail regarding any contract listed within the appendices can be obtained by contacting the officer named in the appendix.
- 1.2 Slightly different arrangements are in place for contracts depending whether they are awarded by the Tayside Procurement Consortium or individual Council Services, as follows:

Tayside Procurement Consortium

- 1.3 The Council established the Tayside Procurement Consortium (TPC) in 2008 (Report No 08/69 refers) to manage collaborative procurement activity on its behalf. The Council agreed the requirement for the TPC to submit a report on an annual basis detailing all collaborative tenders accepted for use by the Council.
- 1.4 The delegated authority to the TPC to contract for goods and services is contained within the Council's Scheme of Administration which permits the Head of Strategic Commissioning and Organisational Development to approve TPC contracts on behalf of the Council in accordance with the Council's Contract Rules.
- 1.5 The tenders accepted by the TPC under delegated authority therefore require to be reported on an annual basis in a report to the Strategic Policy and Resources Committee. Appendix 1 contains the tenders accepted by TPC between 1 April 2015 and 31 March 2016.

Council Services

- 1.6 The requirement to report tenders accepted is set out in the Council's Contract Rules.

1.7 Details of the tenders accepted by Services are contained at Appendix 2.

Tendering Values

1.8 Each appendix highlights the tenders accepted and are grouped by the procurement process followed, before acceptance. The process followed is determined by risk and value factors as outlined below:

- Formal EU Tender Process – High Risk projects with a value expected to be in excess of £164,176 (or £172,514 before 1 January 2016) for goods, supplies and services and £4,104,394 (or £4,332,012 before 1 January 2016) for works
- Tenders below EU Threshold – Medium risk projects with a value expected to be in excess of £50,000 and below EU Tender process thresholds (as above)
- Quick Quotes – Low risk projects with a value expected to be less than £50,000

2. PROPOSALS

2.1 There are no proposals arising from this report.

2.2 This report is presented for governance purposes only. Any questions on the contracts within Appendices 1 or 2 can be answered by contacting the officer named in the relevant section of the appendix.

3. CONCLUSION AND RECOMMENDATION

3.1 This report is provided for information as required by the Council's Contract Rules.

3.2 The Committee is asked to note the tenders accepted under delegated authority as detailed in Appendices 1 and 2.

Author(s)

Name	Designation	Contact Details
Lynne Prentice	Project Manager (Procurement)	LPrentice@pkc.gov.uk Ext 75413
Mary Mitchell	Corporate Procurement Manager	mmitchell@pkc.gov.uk Ext.75413

Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development)	17 May 2016

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 The award of contracts to facilitate approved expenditure contributes to the delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

- 1.2 The awarding of contracts to facilitate approved expenditure contributes to the achievement of the Council's Corporate Plan Priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

2. Resource Implications

Financial

- 2.1 Budgetary provision has already been made for all tenders accepted detailed in this document, and as such there are no direct financial 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 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.

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. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 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.

4. Consultation

Internal

- 4.1 This report has been prepared in consultation with key Procurement champions in each Service, and has been reviewed by each respective Senior Management Team.

4.2 No external consultation was required in the preparation of this report.

5. Communication

5.1 Information on each of the awards arising from tendering processes can be found on the national procurement advertising portal – Public Contracts Scotland. See link <http://www.publiccontractsscotland.gov.uk/>

5.2 A full register of contracts held by the Council will also be displayed on this website from later in 2016.

2. BACKGROUND PAPERS

2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

3. APPENDICES

- Appendix 1 – Tenders accepted by the Tayside Procurement Consortium for the period 2015/16.
- Appendix 2 – Tenders accepted by Council Services to March 2016.

APPENDIX 1

Tenders Accepted by Tayside Procurement Consortium (To 31 March 2016)

(Values stated relate to Perth & Kinross Council requirements not the full tendered value)

Tayside Procurement Consortium			
<u>Tenders for goods, supplies and services or works where the Formal EU Process has been applied</u>			
Title	Value(£)	Start	End
Temporary and Interim Staff Services Framework	£90,000	13/04/2015	12/04/2018
Supply and Delivery of Heavy Plant	£165,000	02/03/2015	28/02/2018
Care Homes for Adults with Learning Disabilities	£762,000	29/06/2015	30/06/2017
Traffic Signal Maintenance	£78,000	01/10/2012	30/09/2017
Community Meals Service	£103,000	01/09/2015	31/08/2018
Building related Engineering Consultancy	£850,000	01/10/2015	30/09/2017
Plumbing materials	£375,000	01/12/2015	30/11/2018
Liquid Fuels	£1,175,300	14/10/2015	13/10/2017
Waste & Water Services	£954,000	01/03/2016	28/02/2019
Building Maintenance	£210,000	05/01/2016	04/01/2019
Client Device(Laptops,Thin Client desktops) Frameworks	£217,000	01/01/2016	31/12/2017
Library Management System	£45,000	01/07/2015	30/06/2020
Removals and Storage Services	£127,000	14/03/2016	13/03/2019
Electrical materials	£213,000	01/04/2016	31/08/2018
Waste Disposal Equipment	£45,000	01/04/2016	31/03/2019
Groceries	£99,000	01/05/2016	30/04/2020
Fruit and Vegetables	£20,000	01/04/2016	31/03/2020
Pest Control	£118,000	01/04/2016	30/06/2020
Bedding Plants,Trees and Shrubs	£20,000	08/02/2016	07/02/2019
Mobile and Data Services Framework	Not applicable	01/07/2015	31/03/2019
Digital and Technology Services Framework	Not applicable	13/05/2015	12/05/2017
Hosting Services Framework	Not applicable	21/05/2015	20/05/2017
Server Maintenance Framework	Not applicable	22/06/2015	21/06/2017
Media Planning, Buying and Associated Services	Not applicable	01/09/2015	31/08/2017
Travel Services	Not applicable	01/09/2015	31/08/2018
IT workstations	Not applicable	09/03/2016	08/03/2018
<u>Tenders below EU Threshold (Tayside Procurement Consortium Process has been applied)</u>			
Web GIS	£20,000	01/07/2015	30/06/2017
Maintenance of Inflatable Play Equipment	£1,000	01/10/2015	30/09/2019
Modern Languages Interactive Platform	£25,000	17/08/2015	16/08/2019
Deaf Services	£49,000	01/04/2015	31/06/2016

Note to the table – where ‘not applicable’ is noted , this relates to the acceptance of an award of a framework where the anticipated spend is as yet unknown and is dependant on a multiple factors , with spend being varied dependant on requirements in any given year.

For further information contact: Head of Procurement TPC ; allan.harrow@dundee.gov.uk 01382 834084

APPENDIX 2

Tenders Accepted by Council Services (To 31 March 2016)

Chief Executives Service/Corporate and Democratic Services			
<u>Tenders for goods, supplies and services or works where the Formal EU process has been applied</u>			
Title	Value(£)	Start	End
PKC SVQ Delivery within Perth and Kinross 2015	21,220.00	01/04/2015	31/05/2019
<u>Tenders below EU Threshold (Perth and Kinross Council process has been applied)</u>			
No tenders of this type accepted by the Chief Executive Service during this period			
<u>Three Competitive Quotes / Quick Quote</u>			
Title	Value(£)	Start	End
No quotations of this type accepted by the Chief Executive Service/Corporate and Democratic Services during this period			

For further information contact: Lynn Speedie ljspeedie@pkc.gov.uk 01738 475550

Education & Children's Services

Tenders for goods, supplies and services or works where the Formal EU process has been applied

Title	Value(£)	Start	End
PKC Maintenance & Support of Mitel Telecommunications System	114,000.00	01/04/2015	30/06/2017

Tenders below EU Threshold (Perth and Kinross Council process has been applied)

No tenders of this type accepted by Education and Children's Services during this period

Three Competitive Quotes / Quick Quote

Title	Value(£)	Start	End
Design, Delivery and Installation of Sensory Space at Crieff Primary School, Scotland	8,089.96	06/10/2015	07/10/2015
Invitation to quote for Supply and Installation of new service counter	26,626.00	12/08/2015	13/08/2015
National Examination Data Analysis Service	6,000.00	01/07/2015	30/06/2016
Perthshire Creates – Digital and Event Co-ordinator	8,000.00	22/07/2015	01/06/2016
The Fergusson Gallery, Perth, Research Room Development	26,000.00	01/12/2015	30/04/2016
VisitScotland expo2016 – Stand Contractor	10,640.00	26/01/2016	27/01/2016

For further information contact: Andy Cook acook@pkc.gov.uk 01738 476330

Housing and Community Care			
<u>Tenders for goods, supplies and services or works where the Formal EU process has been applied</u>			
Title	Value(£)	Start	End
No tenders of this type accepted by Housing and Community Care during this period			
<u>Tenders below EU Threshold (Perth and Kinross Council process has been applied)</u>			
Title	Value(£)	Start	End
Land Acquisition and Construction of 10 Housing Units, Stanley	1,170,000.00	31/03/2016	31/12/2016
PKC Refurbishment of Dalweem RHE, Aberfeldy	419,176.00	10/05/2015	04/05/2016
Membership of a Procurement Framework for Supported Businesses	50,000.00	01/10/2015	01/10/2017
Upgrade and Refurbishment of the JELS Store, Perth	197,738.21	22/06/2015	22/11/2015
PKC Speech Enable Auto Attendant System	67,753.00	04/05/2015	04/05/2020
Tender for the appointment of an Independent Advisor to the Rent Restructure Tenant Work	12,000.00	06/03/2015	04/06/2016
Refurbishment Works at various Lock-Up Sites in Perth & Kinross	1,872,857.81	04/04/2016	04/10/2017
PKC Refurbishment Works – 8 Shops at 99 – 119 Dunkeld Road	802,161.00	22/02/2016	22/09/2016
<u>Three Competitive Quotes / Quick Quote</u>			
Title	Value(£)	Start	End
20 Goshen Road, Scone – Attic conversion	28,850.00	09/11/2015	22/01/2016
12/16 Bute Drive, Perth – Repairs to flats after water damage	22,136.00	20/04/2015	22/05/2015
Refurbishment of flat at 2 Crawford Place, Milnathort	12,199.40	15/06/2015	18/07/2015
Refurbishment of house at 41 Green Road, Kinross	15,987.44	01/07/2015	02/07/2015
Repairs to Chimney and External Render at 18-24 Bridgefauld Road, Milnathort	10,753.00	09/11/2015	07/12/2015
Repairs to roughcast at 111-116 Potterhill Gardens, Perth	7,678.00	07/12/2015	08/12/2015
Render and Roof Repairs at 22-24 Croft Park, Dunning	45,785.10	05/01/2016	05/02/2016
Tender for the appointment of a Specialist Advisor to deliver Service User and Staff Scrutiny	7,050.00	02/03/2015	03/03/2015
Craigieknowes Fountain Restoration	6,613.75	01/09/2014	02/09/2014
External Re-Harling of 23 Manse Crescent (semi detached house in Stanley) (Perth)	19,555.75	19/10/2015	20/10/2015
13 Thistle Place, Scone, PH2 6RX. Strip back roof tiles and replace back and front	6,605.28	06/07/2015	07/07/2015
PLANNED MAINTENANCE PROGRAMME 2015- 2016 Painter-works	52,964.30	01/09/2015	02/09/2015
PLANNED MAINTENANCE PROGRAMME 2015- 2016 Painter-works HP-15-02	40,215.00	02/09/2015	03/09/2015
Close Painting to Communal Closes in the Southern Area of Perthshire HP-15-04	23,672.38	09/01/2015	09/01/2016
Close Painting to Communal Closes in the Northern Area of Perthshire HP-15-03	27,478.46	09/01/2015	09/01/2016
PLANNED MAINTENANCE PROGRAMME 2015- 2016 Painter-works HP-15-05	44,609.33	09/01/2015	09/02/2015
PLANNED MAINTENANCE PROGRAMME 2015- 2016 Painter-works HP-15-01	52,964.30	09/01/2015	09/01/2015
Refurbishment of 3 bedroomed semi-detached property in Crieff	13,550.00	21/08/2015	22/08/2015
Refurbishment of 2 Bed End Terraced Property at No.3 Greystanes, Scone	14,081.00	21/09/2015	12/10/2015
Re-surfacing of Carparks & filling in of potholes	23,588.00	15/02/2016	14/03/2016
Lock Up Garages Planned Maintenance Programme Ref:7/29/119	8,823.41	28/09/2015	30/11/2015
Duchlage Court, Sheltered Housing, Crieff – Corridor Refurbishment	67375.61	18/04/2016	08/07/2016

For further information contact: Fabienne Howes fhowes@pkc.gov.uk 01738 476845

The Environment Service

Tenders for goods, supplies and services or works where the Formal EU process has been applied

Title	Value(£)	Start	End
PKC Provision of Air Quality Services	248,516	01/10/2015	30/09/2018

Tenders below EU Threshold (Perth and Kinross Council process has been applied)

Title	Value(£)	Start	End
Provision of Local School Bus Service and Education Transport	193,048.00	18/08/2015	17/04/2016
TES/AA Bridges Repair Pack A/201507/AA/No/Low	27,465.00	26/06/2015	25/03/2016
TES/AC Bridges Revenue Pack B /201509/DD/N/Low	41,185.00	26/10/2015	25/03/2016
TES/AC Bridges Revenue Pack A #2 /201509/DD/N/Low	81,163.00	06/10/2015	05/04/2016
Provision of Additional Support Needs Transport by Taxi/PHC	129,760.00	26/08/2015	25/08/2020
Provision of Education, Additional Support Needs & Community Care Transport by Taxi/PHC	457,504.00	03/08/2015	02/08/2020
Cycle/Scooter Parking Perth and Kinross Schools	10,865.00	26/10/2015	25/02/2016
Phase 2 Remediation Works of Dalcrue Former Landfill Site	165,583.00	13/07/2015	13/10/2015
Refurbishment of Windows at Kinnoull Primary School Perth	31,938.00	03/07/2015	03/08/2015
Pitlochry recreation Ground Play Area Upgrade	128,773.26	14/09/2015	14/12/2015
TES/Bridge of Tilt Scour Apron & Pier Repairs/201509/MJL/No/Low	77,675.00	07/08/2015	06/11/2015
TES/LJ REVENUE PACK A 2015/16/Start(2015/08)/L Johnston	98,470.00	31/07/2015	29/04/2016
TES/DCC/Bridge Repairs Pack A	275,465.00	31/08/2015	31/12/2016
Play Area Refurbishment 2015/16 Contract A	115,117.08	01/07/2015	17/03/2016
Play Area Refurbishment 2015/16 Contract B	145,851.95	01/07/2015	17/03/2016
Scottish Cities Alliance – PR Services MIPIM UK	9,000.00	08/03/2015	11/03/2015
PKC Demolition of Former Harbour End Store Perth	58,632.00	13/07/2015	13/09/2015
TES/Kenmore Br. Remedial Works/201507/MJL/No	173,060.00	06/05/2015	10/04/2016
Replacement Windows and Doors at Kinnoull Primary School Perth	77,525.56	07/03/2015	09/03/2015
Full Turnkey Installation of a Solar Photovoltaic System on various properties	220,000.00	20/05/2015	20/08/2015
Provision of Compactors and Uplift/Reprocessing of Cardboard	100,000.00	01/04/2015	30/04/2016

Three Competitive Quotes / Quick Quote

Title	Value(£)	Start	End
Supply of One Static Powerwasher	11,220.00	31/03/2015	31/03/2015
Business consultancy service to develop Scottish City Alliance Housing & Commercial Land and Premises	45,000.00	13/04/2015	30/06/2015
Specialist support to develop Employability Projects	7,200.00	08/05/2015	30/06/2015
Provision of consultancy services for City of Perth Architectural and Decorative Lighting	20,000.00	06/08/2015	06/09/2015
A93 Carriageway Overlays - TPC Framework Contract ref No. TPC/Roadsmaint/14/06 Lot 1	188,464.46	06/09/2015	06/10/2015
Resurfacing, Fencing and Alterations to MUGA	45,950.00	07/06/2015	08/10/2015
WP 3 - River Tay Pontoons	22,550.00	07/06/2015	07/07/2015
Demolition of Garage, Broich Road Depot, Crieff	14,920.50	07/07/2015	07/08/2015
Footbridge Replacement	13,954.00	07/09/2015	10/09/2015
Supply, Delivery & Installation of a Modular Unit at Broich Road, Crieff	44,018.00	16/10/2015	17/10/2015
Perth City Centre Digital Offer for Visitors and Residents	18,575.00	09/01/2015	04/01/2016
Ground Investigation Works at Springfield Borrow Pit, Bertha Park	67,358.00	18/08/2015	31/12/2015
Demolition of Lock-Up Units, Blairgowrie	5,611.20	20/07/2015	31/07/2015
Roads Maintenance Partnership Best Value Review	14,850.00	01/09/2015	13/11/2015
Provision of Training Services – Construction (Design and Management) Regulations 2015	33,000.00	26/05/2014	18/12/2015
Perth & Kinross Council Terminal Dilapidations Contract	24,000.00	23/09/2015	31/03/2017
Provision of Kitchen Canopy Cleaning Service	5,475.00	12/10/2015	30/10/2015

The Environment Service

Tenders for goods, supplies and services or works where the Formal EU process has been applied

PR Campaign - Perth city Winter Festival Programme	5,000.00	26/01/2015	27/01/2016
Riverside Perth - repair of stone walls	12,190.00	02/11/2015	27/11/2015
Provision of Entertainment / Services at City Of Perth Christmas Event 2015	34,900.00	07/07/2015	09/08/2015
Blairgowrie and Rattray Charrette	32,388.00	14/12/2015	15/12/2015
Specialist Consultancy River Tay Heat Pump and Network in Perth	24,900.00	16/12/2015	31/03/2016
Commission an exhibition for Festival of Architecture 2016 on Patrick Geddes	31,500.00	05/01/2016	04/11/2016
Perth Riverside Pathworks at Norie-Miller	33,372.00	18/12/2015	19/12/2015
Covered (Real) Ice Rink required in Perth City Centre, Scotland (November 2016)	19,000.00	22/11/2014	30/11/2014
Supply of various 3 skips and 1 container	6,589.00	29/01/2016	30/01/2016
Supply of overnight security services for Perth and Kinross Council for an outdoor exhibition in the grounds of the Black Watch Museum	12,690.00	25/06/2016	27/09/2016
Interim Provision of Biomass Fuel & Maintenance at Various Sites	47,380.00	11/01/2016	30/01/2016
Statutory Thorough Examination and Test of Fume Cupboard Equipment	8,400.00	03/02/2016	19/02/2016
To Supply of security / steward / marshalling services for the City of Perth Christmas Light Switch on	6,187.00	22/11/2014	23/11/2014
TES PRINCIPLE BRIDGE INSPECTION PACK A 2015/16	43,090.00	25/01/2015	26/01/2015
TES Principle Bridge Inspections Pack B 2015/15	40,558.71	25/01/2015	26/01/2015
Transfer shed Doors	48,879.20	28/01/2016	29/01/2016
Supply & Installation of MOT Vehicle Lift	12,704.00	11/02/2016	11/02/2019
Solar Panels at Perth Food and Drink Park; Further competition under ESPO 2838-15	97,147.00	07/03/2016	31/03/2016
TES Principle Bridge Inspections Pack C	28,050.00	05/02/2016	06/02/2016
Edinburgh Road - Perth - Carriageway Reconstruction & Footway Resurfacing	16,806.00	25/04/2016	29/04/2016
Employability Service's Management Information System	33,800.00	24/03/2016	31/12/2018
Market Demand Analysis for Perth Harbour	11,600.00	22/02/2016	30/04/2016
Provision of Bus Shelters - Various Sites	19,175.00	04/02/2016	05/02/2016
WAMITAB courses (training qualifications and cetificates for those working in waste management & recycling, cleaning & street cleansing, facilities management and parking)	11,500.00	17/03/2016	18/03/2016
Measuring economic benefits of Perth Tranport Futures	12,500.00	16/02/2016	31/03/2016
Provision of the Uplift and Reprocessing of Recycle/Refuse Wheeled Containers	48,000.00	28/01/2016	29/01/2016
Perth Transport Futures Project - Phase 1 - A9/A85 to Bertha Park - Archaeological Investigation	9,714.30	05/10/2015	05/01/2016
Award of A9/A85 Invasive Species Treatment	8,550.00	23/04/2015	01/07/2017
Almondbank FPS – Contract 1B Tree Felling	36,540.00	22/03/2016	23/03/2016

For further information contact: Shona Welsh swelsh@pkc.gov.uk 01738 476417

PERTH AND KINROSS COUNCIL

STRATEGIC POLICY AND RESOURCES COMMITTEE

15 June 2016

RATES RELIEF

USE OF COMMUNITY EMPOWERMENT ACT 2015 TO EXPAND PROVISIONS
OF SMALL BUSINESS BONUS AND FRESH START SCHEMES

**Report by the Depute Chief Executive, Environment
(Sustainability, Strategic and Entrepreneurial Development) and
the Head of Finance**

This report outlines potential immediate actions to support Perth city centre in respect of potential rates relief following requests for assistance by the business community. Approval is sought for rates relief to support businesses in town centres and Perth City centre

1. BACKGROUND

- 1.1 Perth and Kinross is an area of Scotland which despite the economic challenges being faced across the United Kingdom performs well, in many areas, alongside its comparators.
- 1.2 However one area which is facing significant challenges is retail, as pressure grows on individual consumers budgets and shopping patterns evolve in the new digital age.
- 1.3 As city and town centres evolve and adapt to a new model of retail this may bring pressures resulting in reduced margins on goods for sale and overall lower consumer expenditure levels than in the past. These issues have been raised in the regular meetings the Council have with retailers across the area.
- 1.4 Current levels of business rates and rents have not necessarily adjusted to reflect current consumer expenditure patterns resulting in high business overheads relative to income generated squeezing margins and profitability although measures already exist to provide support in certain circumstances and opportunities exist to offer further assistance.

Business Rates Overview and Powers to Award Relief

- 1.5 The Community Empowerment (Scotland) Act 2015 allows a Local Authority, in accordance with a scheme made by it, to reduce or remit any rates leviable by it by reference to;
 - Such categories of lands and heritages as may be specified in the scheme,
 - Such areas as may so be specified,
 - Such activities as may be so specified
 - Such other matters as may be so specified.

- 1.6 Any reductions must be fully funded by the Local Authority therefore any scheme created to reduce or remit rates must have regard to the authority's expenditure and income and the interests of persons liable to pay council tax set by the authority.
- 1.7 From liaison with other Local Authorities it appears that there is no current use of these powers to introduce Rates relief schemes. It is believed that this is primarily due to financial constraints.
- 1.8 It should also be noted that any such relief may be considered to be state aid and, if so, will be subject to the maximum total award of all state aid received of €200,000 sterling equivalent in a three year rolling period.
- 1.9 The creation of any scheme must be set in the context of rates relief measures already in place, and should therefore be seen as a measure of additional support.
- 1.10 The support provided to ratepayers through current business rates relief measures is detailed in **Appendix A**.
- 1.11 A more comprehensive document is contained within Scottish Government Finance Circular No. 5/2016, issued 31 May 2016, available at;
<http://www.gov.scot/Topics/Government/local-government/17999/11203/nondomratesinfo>
- 1.12 The amount of Non-Domestic Rates collected for Financial Year 2015/16 was £52,593,985.06, being 98.04% of the total sums billed.
- 1.13 There will be a Non-Domestic Rates revaluation taking effect from 01 April 2017 with Rateable Values being set using rental evidence from 2015. The last such revaluation was carried out in 2010 meaning that current rateable values have been set using information from 2008.
- 1.14 The purpose of the revaluation is to redistribute the rates burden to reflect changes in market conditions. This may mean that this will see a rateable value reduction for properties in the city or town centre retail sector.
- 1.15 However it should be noted that there may be a rise in the rate poundage and the potential ending or changes to certain relief types and qualifying criteria, such as rateable value thresholds, may mean that the reduction in amounts payable may not be as significant as hoped.
- 1.16 There is also the potential for a transitional relief scheme to be introduced and this may restrict or phase in any reductions in rates liability.
- 1.17 Due to uncertainty of rates charges beyond 31st March 2017, given the anticipated changes to the rating system next year, any scheme proposed within this report is to be for Financial Year 2016/17 only.

Rates Relief for Perth City Centre

- 1.18 As any scheme for Rates relief under The Community Empowerment Act 2015 must be fully funded by the Council it would not seem reasonable, giving regard to the Council Tax payers, to introduce any blanket policy where relief is given to all businesses.
- 1.19 In order to understand the take-up of current relief schemes and identify where relief would be most appropriate and effective, analysis of the Perth City Centre ratepayers has been undertaken using the broad City Centre area within what is commonly referred to as the “inner ring”.
- 1.20 This area has been selected in order to include and support as many businesses as possible.
- 1.21 A map showing the area within the scope of the proposal is attached as **Appendix B**
- 1.22 This analysis has been undertaken with the aims of;
- Providing support for existing businesses
 - Encouraging occupation of empty properties
- 1.23 There are difficulties in providing general support measures for City Centre businesses with the challenge being to ensure that support is given to those who need it most.
- 1.24 From the analysis undertaken it seems clear that the Small Business Bonus scheme gives a good degree of financial protection to those with rateable values up to £12,000 and those at the higher end of the valuation spectrum are well established High Street names where financial support from Council Tax payers may not be viewed as being appropriate.
- 1.25 This leaves a core of properties with a range of rateable values from £12,000 to around £25,000/£30,000, which appear to be predominately occupied by medium sized independent businesses that, due to their City Centre location (and corresponding rateable value) are only supported with 25% relief or none at all. This is thought to be the key group that the Council should be looking to support to assist to remain in occupation.
- 1.26 For illustrative purposes, the address and rateable value of a small selection of city centre premises is given below;

Type of Premises	Address	Rateable value
Shop	10 George Street, Perth	£12,600
Shop	10 St John's Place, Perth	£14,800
Shop	196 High Street, Perth	£17,100
Restaurant	33 George Street	£19,200
Shop	12a St John's Centre, Perth	£26,500
Shop	8 King Edward Street, Perth	£34,500

Rates Relief for other towns within Perth & Kinross

- 1.27 While the main call, so far, has been to offer support to Perth city centre properties, any scheme introduced may create demand from other town centre businesses for similar support.
- 1.28 Further analysis has been carried out to consider where the above proposals should be extended into the towns of;
- Aberfeldy
 - Alyth
 - Auchterarder
 - Blairgowrie
 - Coupar Angus
 - Crieff
 - Dunkeld
 - Kinross
 - Milnathort
 - Pitlochry
- 1.29 From this analysis it appears that restrictions upon relief are also having an impact in these areas therefore it is believed to be appropriate to extend similar support for Perth City Centre into these town centres.

Proposals for Expansion of Small Business Bonus Scheme

- 1.30 It is proposed that the Council use its discretionary powers to enhance the principles of the Small Business Bonus Scheme, for occupied retail properties within the defined area, from the following options;
- 1.31 In all proposals it must be stressed that numbers are an estimate only, based on current relief take up and valuations. As rates liability and thereby entitlement to relief can change on a daily basis these figures cannot be guaranteed.
- 1.32 In all instances, relief under existing national schemes would be considered before making any discretionary award under any of the proposed options.
- 1.33 For these proposals it is recommended that the cumulative rateable value aspect that exists within the Small Business Bonus scheme to restrict it to smaller independent ratepayers is retained, and this is assumed in the calculation for each option.
- 1.34 The Small Business Bonus scheme cannot be awarded where pay day lending takes place and it is proposed that this discretionary enhancement retains this condition.

- 1.35 It is further recommended that any discretionary scheme taken forward is for occupied retail premises and specifically excludes premises where off-sales, the sale of legal highs, bookmaking or gaming, i.e. arcades take place.
- 1.36 The Council may also wish to consider the exclusion of any other business activity where it feels financial support cannot be justified. It is therefore requested that powers to exclude any such business from any rates relief scheme are delegated the Depute Chief Executive, Environment.
- **Proposal 1** - Top up existing awards of 25% Small Business Bonus with further relief, under one of the following options;
 - Option a) a 20% top-up
 - Option b) a 15% top-up
 - Option c) a 10% top-up
 - Option d) a 5% top-up

It is estimated that this may provide additional support to approximately 200 businesses.

Overview of Proposal 1			
Description	Option	Top-Up Amount	Approximate Maximum Cost
Provide a “top-up” to those already receiving 25% relief through the Small Business Bonus Scheme.	a)	20%	£240,000
	b)	15%	£180,000
	c)	10%	£120,000
	d)	5%	£60,000

- **Proposal 2** - Award relief to properties, that are not eligible for any other form of relief, with a rateable value between £18,000 and £25,000, under one of the following options;
 - Option a) a 20% award
 - Option b) a 15% award
 - Option c) a 10% award
 - Option d) a 5% award

It is estimated that this may provide support to approximately 85 businesses.

Overview of Proposal 2			
Description	Option	Relief Amount	Approximate Maximum Cost
Consider Relief where rateable value is above £18,000 up to a maximum of £25,000, subject to ratepayers' cumulative total rateable value limit of £35,000.	a)	20%	£172,000
	b)	15%	£129,000
	c)	10%	£86,000
	d)	5%	£43,000

- **Proposal 3** Award relief to properties, that are not eligible for any other form of relief, with a rateable value between £25,000 and £30,000, under one of the following options;
 - Option a) a 20% award
 - Option b) a 15% award
 - Option c) a 10% award
 - Option d) a 5% award

It is estimated that this may provide support to approximately 35 businesses.

Overview of Proposal 3		
Description	Relief Amount	Approximate Maximum Cost
Consider Relief where rateable value is above £25,000 up to a maximum of £30,000, subject to ratepayers' cumulative total rateable value limit of £35,000.	20%	£92,000
	15%	£69,000
	10%	£46,000
	5%	£23,000

- 1.37 From the proposals outlined above, in relation to the expansion of the Small Business Bonus Scheme, it is recommended that the Council select each of the following options, for all qualifying premises;

- **Proposal 1**
 - Option a) – Top-up of 20% - Maximum Cost £240,000
- **Proposal 2**
 - Option a) – Award of 20% - Maximum Cost £172,000
- **Proposal 3**
 - Option a) – Award of 20% - Maximum Cost £92,000

- 1.38 Overall total maximum cost for all proposals to expand provisions of the Small Business Bonus Scheme of £504,000.
- 1.39 Putting this into context for the properties listed in 1.27 above, this would provide the following financial support;

Type of Premises	Address	Rateable value	Recommended Relief Award
Shop	10 George Street, Perth	£12,600	Top-up of £1,219.68 taking total relief to £2,744.28
Shop	10 St John's Place, Perth	£14,800	Top-up of £1,432.64 taking total relief to £3,223.44
Shop	196 High Street, Perth	£17,100	Top-up of £1,655.28 taking total relief to £3,724.38
Restaurant	33 George Street, Perth	£19,200	Award of £1,858.56
Shop	12a St John's Centre, Perth	£26,500	Award of £2,565.20
Shop	8 King Edward Street, Perth	£34,500	No Award

Expansion of Fresh Start (Empty Properties) Scheme

- 1.40 For empty properties, some support is already available through statutory relief schemes such as Small Business Bonus and Fresh Start, and entitlement to any such relief would be considered for incoming occupants as a matter of course.
- 1.41 There is positive news in that there are relatively few empty properties in the designated city centre and town centre areas, however the few that there are tend to be very large, i.e. St John's Centre units, therefore difficult to reoccupy.
- 1.42 The existing Fresh Start scheme is sound in principal, offering 50% relief to new occupants of previously empty properties, but its parameters of a property having to be empty for a full year and having a rateable value of £65,000 or less do not help address city or town centre issues where a quicker turnover is important and properties often exceed the valuation threshold.
- 1.43 There is therefore scope to use discretionary powers to expand the principals of the scheme by awarding 50% relief for the new occupier of any previously empty property within the designated areas, regardless of rateable value.
- 1.44 There is also scope to reduce the time that a property has lain empty to qualify for relief. However it is felt that there should be some set time limit to avoid misuse of the scheme where a business may close with a connected

business immediately replacing it. A practice sometimes referred to as “Phoenixing Companies”.

- 1.45 Please note that there is no recommendation to provide additional relief for empty properties, the relief is for new occupants only.
- 1.46 As with the proposed expansion of the Small Business Bonus Scheme, the following proposals are for premises used for retail purposes excluding any premises where off-sales, the sale of legal highs, bookmaking or gaming, i.e. arcades take place
- 1.47 For off-sales, this relates to premises where off-sales are a substantial part of the business and does not include premises where small amounts are sold as gifts or similar.
- 1.48 The Council may also wish to consider the exclusion of any other business activity where it feels financial support cannot be justified. It is therefore requested that powers to exclude any such business from any rates relief scheme are delegated the Depute Chief Executive, Environment.
- 1.49 As with Proposal 1 the option presented are for awards of relief during Financial Year 2016/17 only.

Proposal for Expansion of Fresh Start Scheme

- 1.50 It is proposed that where a property cannot access relief under the Small Business Bonus Scheme due to having a rateable value exceeding £18,000 and cannot access Fresh Start relief as it either has a rateable value in excess of £65,000 or has not been empty for a full 12 months, discretionary relief is considered.
- 1.51 It is further proposed that any such relief is awarded for a maximum period of 6 months, starting on the day of occupation and ending no later than 31 March 2017.

Overview of Proposal 2		
Description	Relief Amount	Approximate Maximum Cost
Award 50% relief for a maximum of 6 months to properties that are out with the qualifying thresholds for Small Business Bonus or Fresh Start relief	50% for a maximum of 6 months	£116,000

- **Option 1** – Relief considered for eligible new occupants of any property within the defined area that has been empty for a minimum period of 42 days.

Please note that “occupants” assumes that some form of new retail business is carried out and this relief will not be awarded where an empty property simply changes hands.

- **Option 2** – As option 1 but restricted to new occupants/businesses that do not already have a presence within the city/town.

It should be noted that the maximum cost assumes reoccupation of all properties and it is estimated that the actual cost is likely to be nearer £50,000

- 1.52 It is recommended that the Council select Option 1 on the grounds that it provides greater potential for reoccupation.

2. FINANCIAL IMPLICATIONS

- 2.1 As stated earlier within this document, unlike other discretionary rates relief schemes, the Council must fully fund any scheme introduced under the provisions of the Community Empowerment Act 2015.

- 2.2 The potential maximum costs of the recommendations contained within this report are as follows;

- Expansion of the Small Business Bonus Scheme
 - Proposal 1 = £240,000
 - Proposal 2 = £172,000
 - Proposal 3 = £92,000
- Total = £504,000
- Expansion of Fresh Start Scheme = £116,000

Total estimated maximum cost = £620,000

- 2.3 In order to fund these initiatives, it is proposed that £620,000 of additional Council Tax income collected in 2015/16 be earmarked within the 2015/16 Unaudited Annual Accounts and utilised in the current financial year. The 2015/16 Unaudited Annual Accounts will be considered by the Audit Committee on 29 June 2016.

- 2.4 It is reiterated that all figures are maximum cost estimates based on current rateable values and relief awards already in place.

- 2.5 It is recommended that the cost of any awards made under the proposed scheme is reported to Committee along with all other discretionary rates relief awarded for Financial Year 2016/17 by September 2017.

3. RISKS AND CHALLENGES

- 3.1 There are a number of risks inherent with any discretionary relief scheme.
- 3.2 In particular there is the likelihood of a challenge from those just out with the parameters of the scheme either geographically or by virtue of the rateable value of the premises they own or occupy.
- 3.3 It should therefore be clear that we are proposing a scheme that is set within such defined boundaries and no discretion should be introduced to accommodate those who do not meet the given criteria.
- 3.4 There is a further risk that businesses will seek further support should the 2017 revaluation exercise not provide the outcome that they hope for.
- 3.5 Again it should be made clear that the proposed scheme is for Financial Year 2016/17 only.

4. CONCLUSION AND RECOMMENDATION

- 4.1 It is acknowledged there is potential to assist many businesses in the short term and to encourage broader investment through the reduction of rates.
- 4.2 It is recommended that the Strategic Policy and Resources Committee agree to:-

- (i) The proposals outlined above, namely;
 - a. Expansion of the Small Business Bonus Scheme by;
 - i. Awarding a further 20% relief to those currently receiving 25% relief through the existing scheme
 - ii. Award, where eligible, 20% to those with a rateable value of up to £25,000
 - iii. Award, where eligible, 20% for those with a rateable value up to £30,000
 - b. Expansion of Fresh Start Scheme to all Perth City Centre and town centre properties that have been empty for a minimum of 42 days and who are out with the scope of existing rates relief schemes.
- (ii) In doing so, the Committee is asked to approve the earmarking of £620,000 in the 2015/16 Unaudited Annual Accounts to fund Non Domestic Rates measures in 2016/17.
- (iii) Delegate powers to exclude any business from any rates relief scheme to the Deputy Chief Executive, Environment.

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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive, Environment (Sustainability, Strategic & Entrepreneurial Development)	7 June 2016

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You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	Yes

1. Strategic Implications

- 1.1 The Perth and Kinross Corporate Plan has five outcomes which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. The following are relevant to this report:

- Developing a prosperous, inclusive and sustainable economy
- Creating a safe and sustainable place for future generations

2. Resource Implications

Financial

- 2.1 The financial implications are detailed within the body of the report.

Workforce

- 2.2 There are no direct workforce implications regarding this report. Administration of any scheme(s) brought forward will be carried out by existing staff resources.

Asset Management (land, property, IT)

- 2.3 None.

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 proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- (i) 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. However, no action is required as the Act does not apply to the matter presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

Sustainability

- 3.4 These proposals meet the following sustainability criteria: -
- Re-use of existing resources.

Legal and Governance

- 3.5 The Head of Legal Services has not been consulted as there are no direct legal implications of this report.

4. Consultation

Internal

- 4.1 The Finance and Support Services, Head of Legal Services have not been consulted on this report.

External

- 4.2 No external parties have been consulted in the preparation of this report but it has been informed.

5. Communication

- 5.1 Enhanced communication is required to ensure strategy and actions are understood and there is business input and opinion via the City Development Board

2. BACKGROUND PAPERS

Perth City Centre Update Report - Enterprise and Infrastructure Committee, 20 January 2016 (Report No. 16/3, Art. No. 27).

Business Rates Overview

The Community Empowerment (Scotland) Act 2015 allows a Local Authority, in accordance with a scheme made by it, to reduce or remit any rates leviable by it by reference to;

- Such categories of lands and heritages as may be specified in the scheme,
- Such areas as may so be specified,
- Such activities as may be so specified
- Such other matters as may be so specified.

Any reductions must be fully funded by the Local Authority therefore any scheme created to reduce or remit rates must have regard to the authority's expenditure and income and the interests of persons liable to pay council tax set by the authority.

It should also be noted that any such relief may be considered to be state aid and, if so, will be subject to the maximum total award of all state aid received of €200,000 sterling equivalent in a three year rolling period.

The creation of any scheme must be set in the context of rates relief measures already in place, and should therefore be seen as a measure of additional support.

The support provided to ratepayers through current business rates relief measures is detailed below;

Small Business Bonus

Non-Domestic subjects with a Rateable Value of £18,000 or less, may be entitled to a rates reduction. The level of relief is based on the combined total Rateable Value of all subjects within Scotland where the organisation/individual is in rateable occupation or (if empty and unoccupied) entitled to occupy. The level of relief is also dependent on entitlement to any other type of rates relief and receipt of any other type of public sector assistance (e.g. grant, funding support).

The current level of relief which may be awarded is set out below:

Combined Rateable Value of all business subjects in Scotland	Percentage of relief (subject to eligibility)
Up to £10,000	100%
£10,001 to £12,000	50%
£12,001 to £18,000	25%
£18,001 up to £35,000	25% for each property RV of £18,000 or less

This is the most widely known and common method of accessing rates relief.

In Perth and Kinross, approximately 65% of those premises within the qualifying threshold receive support through this scheme.

In most cases, the remainder do not qualify due to the cumulative rateable value criteria, i.e. one business with multiple properties.

Fresh Start

A newly occupied shop, office premises, hotel, public house or restaurant with a rateable value of £65,000 and under, which had previously been empty for 12 months or more, and had been in receipt of empty property relief or exemption, may be entitled to 50% rates relief for a period of up to 12 months.

The scheme is not available to any premises where any form of payday lending take place.

This relief cannot be combined with any other form of relief therefore, in many cases, the Small Business Bonus Scheme, may be used to give a higher relief entitlement.

There have only been eleven awards of this relief since its introduction in April 2013 suggesting little relocation from small to larger previously vacant premises.

New Start

Relief is offered to newly built properties which are empty for a maximum period of 15 months. This period does not have to run continuously.

There has been no take-up of this relief in Perth & Kinross since its introduction in April 2013.

Empty Property Relief

With effect from 1 April 2016, 50% relief from rates may be awarded for a maximum of 3 months. Beyond this initial period relief of 10% is awarded.

It should be noted that this replaced the 3 month 100% relief which was in place prior to 1 April 2016.

An unoccupied industrial building with no retail element can be awarded 100% relief for a maximum of 6 months. Where industrial buildings remain empty for longer than 6 months the relief reduces to 10%

Categories of empty properties that may be eligible for 100% relief, without time limit, are shown below:

- Listed Buildings
- Properties with an RV of less than £1700
- Properties where the person entitled to possession is a trustee for sequestration, liquidation or executors.
- Properties where the Company has been wound up under the Insolvency Act
- Properties prohibited by law to occupy
- Properties under compulsory purchase order.
- Premises used for religious worship

Relief for Charities, Sports Clubs and Non-Profit Organisations

Charities

80% Mandatory rates relief can be awarded where a property is occupied by a charity or a trustee of a charity and is used wholly or mainly for charitable purposes. A charity is defined as a body entered in the Scottish Charity Register.

The definition of charitable purposes is:

- relief of poverty
- advancement of religion
- advancement of education
- other purpose beneficial to the community

The Council may award a further 20% discretionary relief “top-up”.

Charity Shops can receive 80% mandatory relief (but not any discretionary relief) if they are wholly or mainly used for the sale of goods donated to the charity and the proceeds of the sale of goods are used for the purposes of the charity.

Sports Clubs

80% mandatory relief may be awarded to organisations that are registered with HRMC as a Community Amateur Sports Club. Where the premises are unlicensed a further 20% discretionary relief may also be considered.

Non-Profit Organisations

Discretionary relief of up to 100% may be considered where a non-profit organisation is not a registered charity or sports club, and meets the following criteria. An organisation not established or conducted for profit whose main objective is charitable, or whose main aims are educational, religious, improving social welfare, concerned with science/literature/fine arts or recreation.

Disabled Relief

Relief of up to 100% is available to establishments 50% or more of the premises of which are used exclusively for one of the following:

- residential accommodation for care or aftercare of those suffering from illness
- training or activities for people suffering/who have suffered illness or are disabled
- provision of welfare services for disabled people.

Care does not include medical, surgical or dental treatment.

Rural Rates Relief

Relief from Rates is available to a variety of properties within a designated Rural Settlement Area with a population of less than 3,000.

50% Mandatory relief may be awarded to Post Offices, General Stores and Food Stores where they are the only such business within the designated rural settlement area and they have a rateable value of £8,500 or less

50% Mandatory relief may also be awarded for Hotels, Public Houses and Filling Stations where they are the only such business within the designated rural settlement area and they have a rateable value of £12,750 or less

A further condition is that the ratepayer cannot be the ratepayer of any other such property within Scotland

Relief for other Rural Businesses

Discretionary rates relief of up to 100% can also be awarded to any business within a Rural Settlement Area where;

- They are deemed to be of a benefit to the local community.
- The rateable value is £17,000 or under.
- It is reasonable to make the award, giving regard to the Council tax payers.

Examples include;

- 50% relief for food stores, general stores and post offices either as a "top-up" to mandatory relief or where the rateable value prevents mandatory relief being awarded.
- 100% relief for village schools
- 100% relief for public conveniences
- 50% relief for chemists and pharmacies

This list is not exhaustive and an application will be considered from any business within a defined Rural Settlement Area

Hardship Relief

Relief of up to 100% may be awarded if;

- A person would sustain hardship if the authority did not do so
- It is reasonable for the authority to do so, having regard to the interest of persons liable to pay council tax set by them

Due to difficulties in defining and/or evidencing hardship this relief is rarely used and, for Perth & Kinross, has not been awarded since the Foot and Mouth outbreak of 2001.

The above rates relief measures may be applicable to properties within the scope of this report and should be considered before any additional relief, through schemes introduced under the Community Empowerment Act 2015, is considered.

Other forms of relief, which have no direct bearing on properties within the scope of this report, are specific relief for;

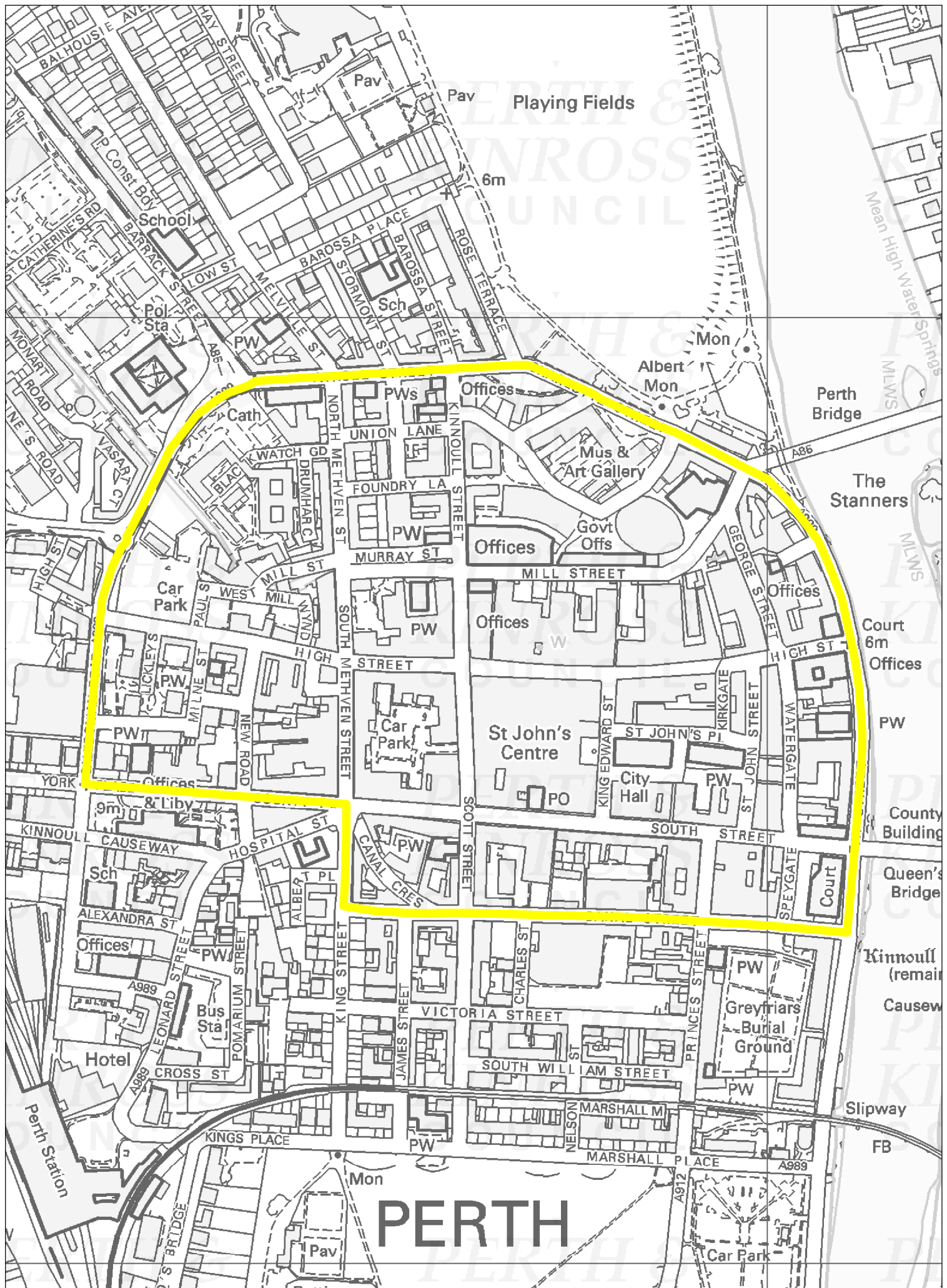
- Renewable Energy Generation
- Enterprise Areas
- Stud Farms
- Steel Sites
- Mobile Masts

There will be a Non-Domestic Rates revaluation taking effect from 01 April 2017 with Rateable Values being set using rental evidence from 2015. The last such revaluation was carried out in 2010 meaning that current rateable values have been set using information from 2008.

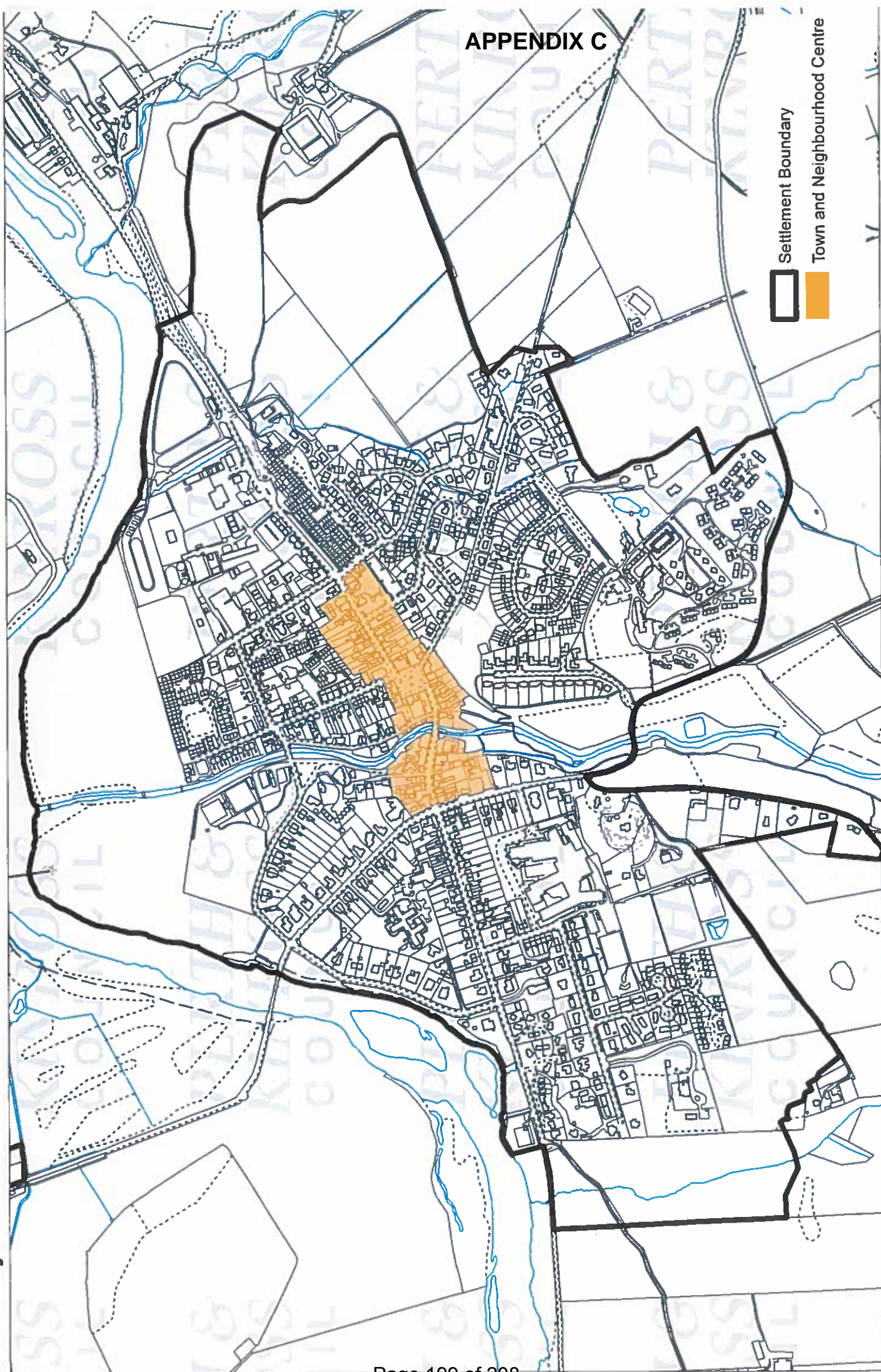
The purpose of the revaluation is to redistribute the rates burden to reflect changes in market conditions. It is anticipated that this will see a rateable value reduction for properties in the city or town centre retail sector.

However it should be noted that there may be a rise in the rate poundage and the potential ending or changes to certain relief types and qualifying criteria, such as rateable value thresholds, may mean that the reduction in amounts payable may not be as significantly reduced as hoped.

There is also the potential for a transitional relief scheme to be introduced and this may restrict or phase in any reductions in rates liability.

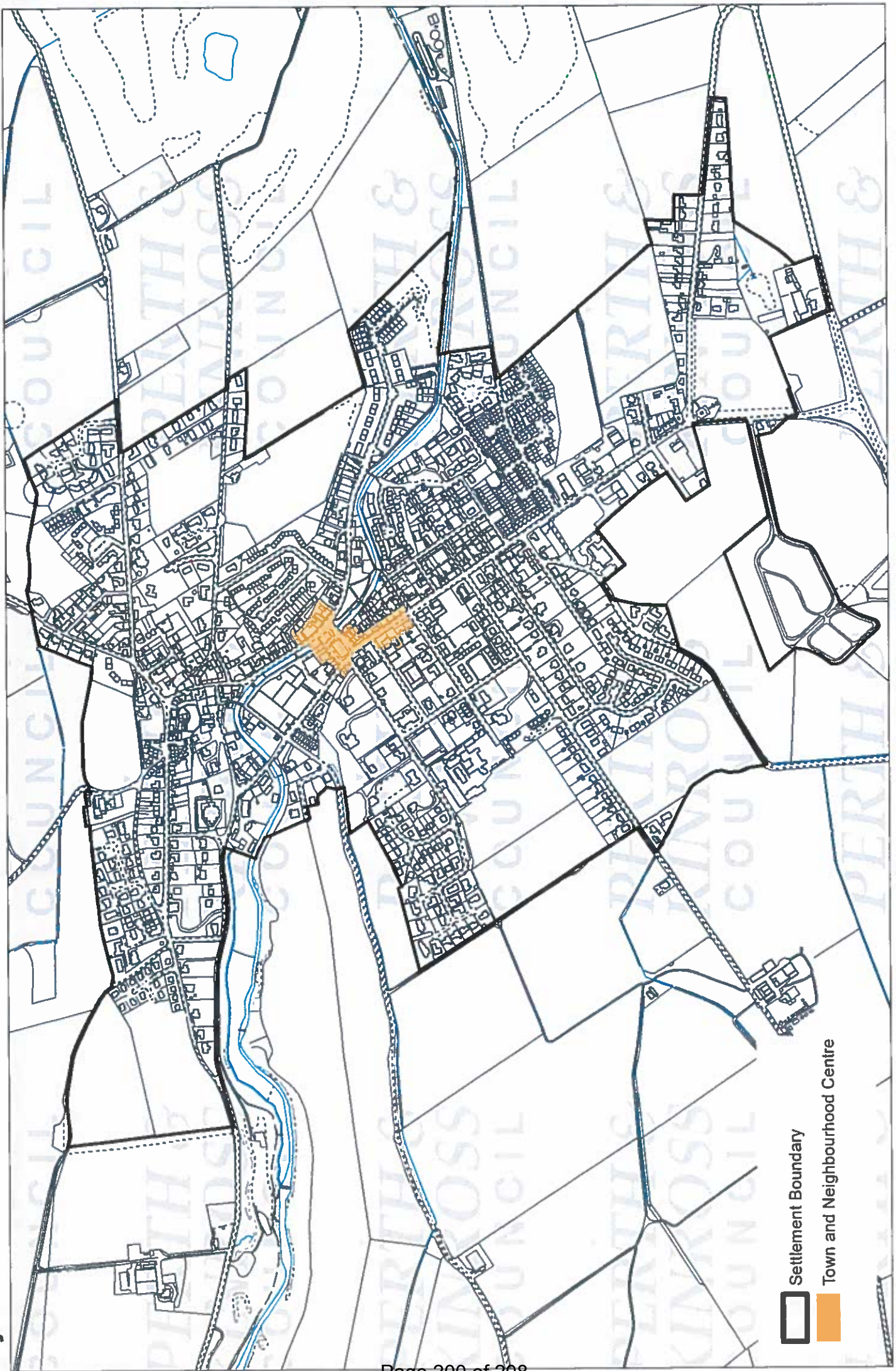


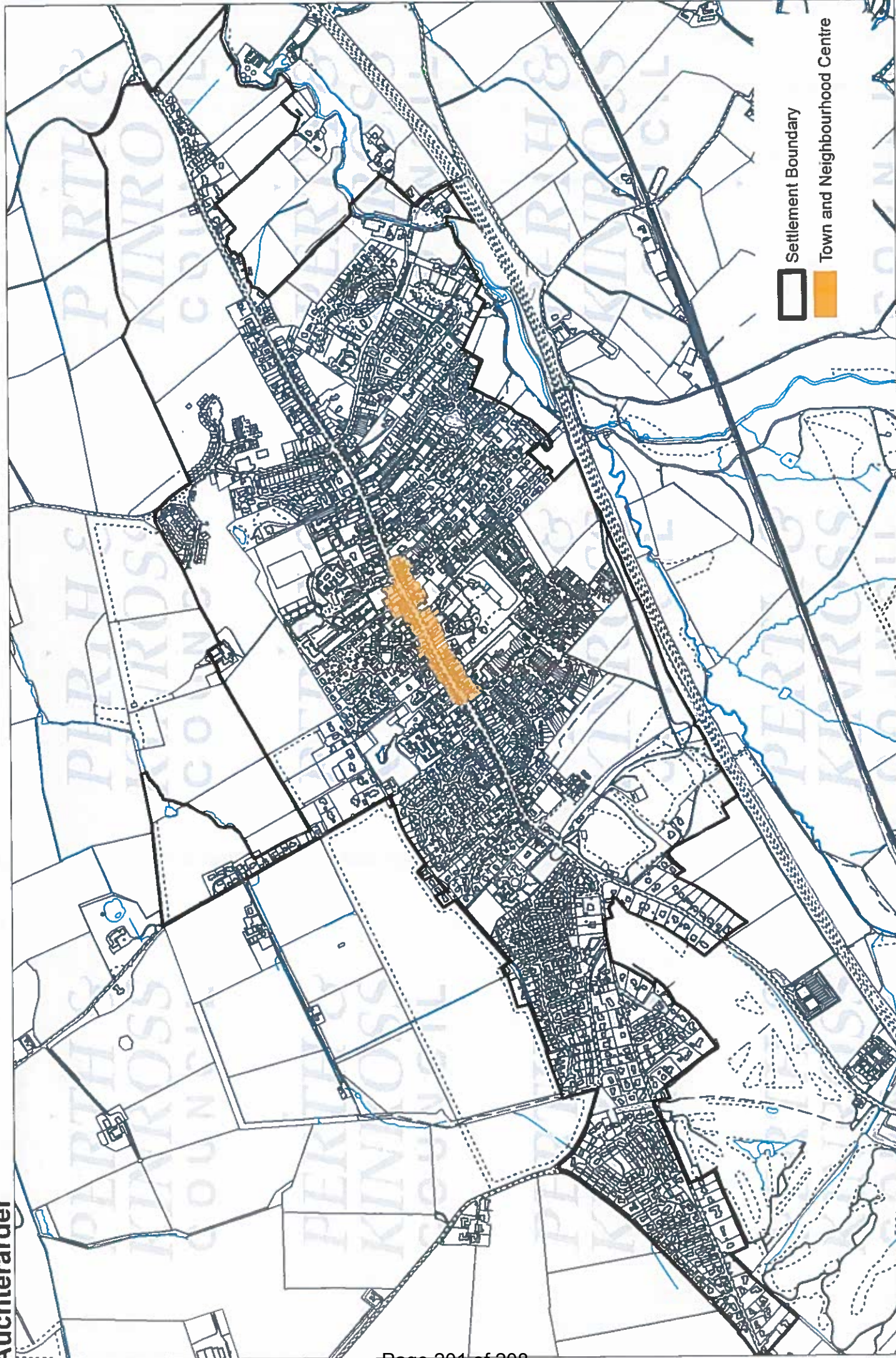
APPENDIX C



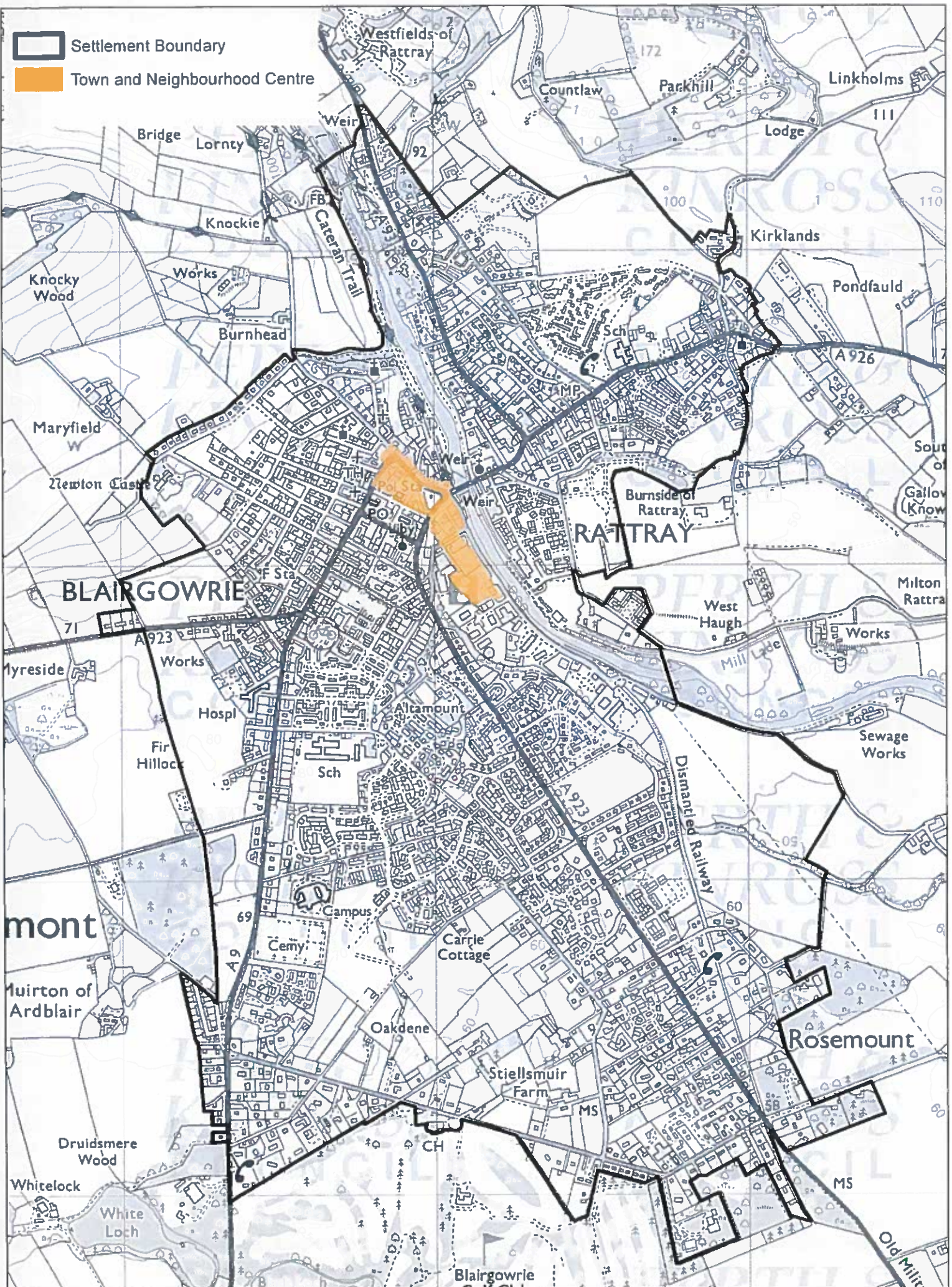
Settlement Boundary

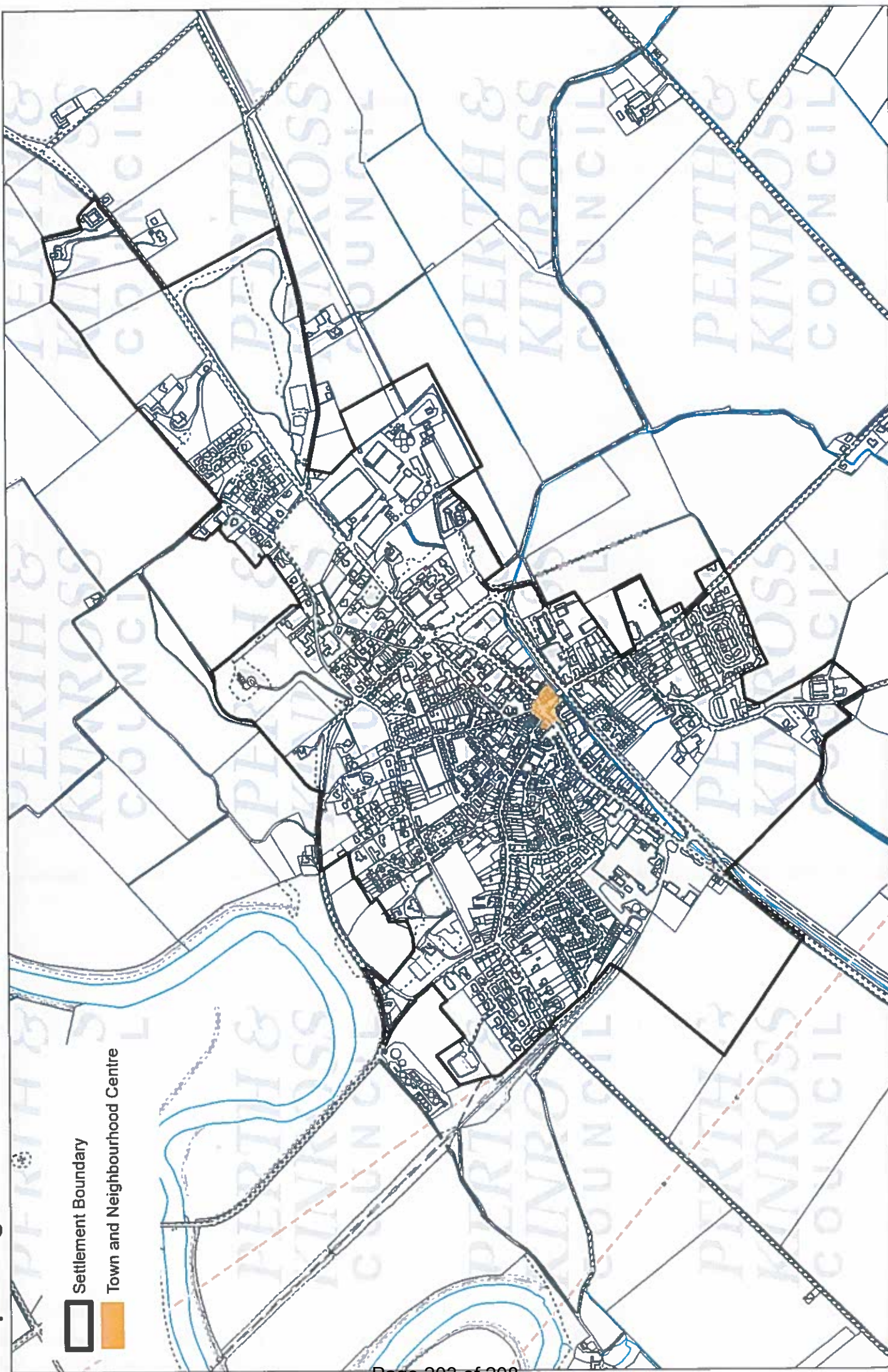
Town and Neighbourhood Centre

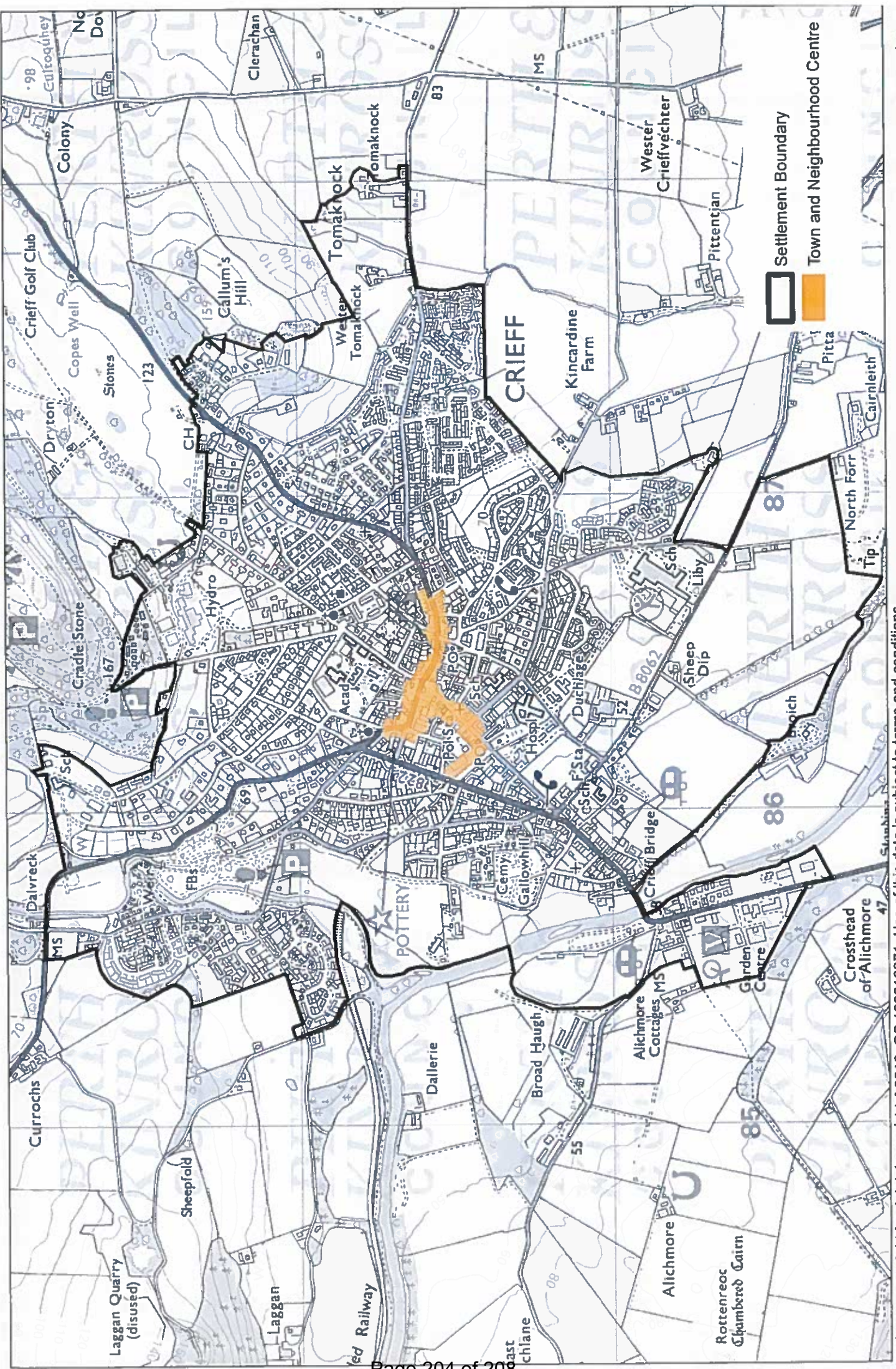


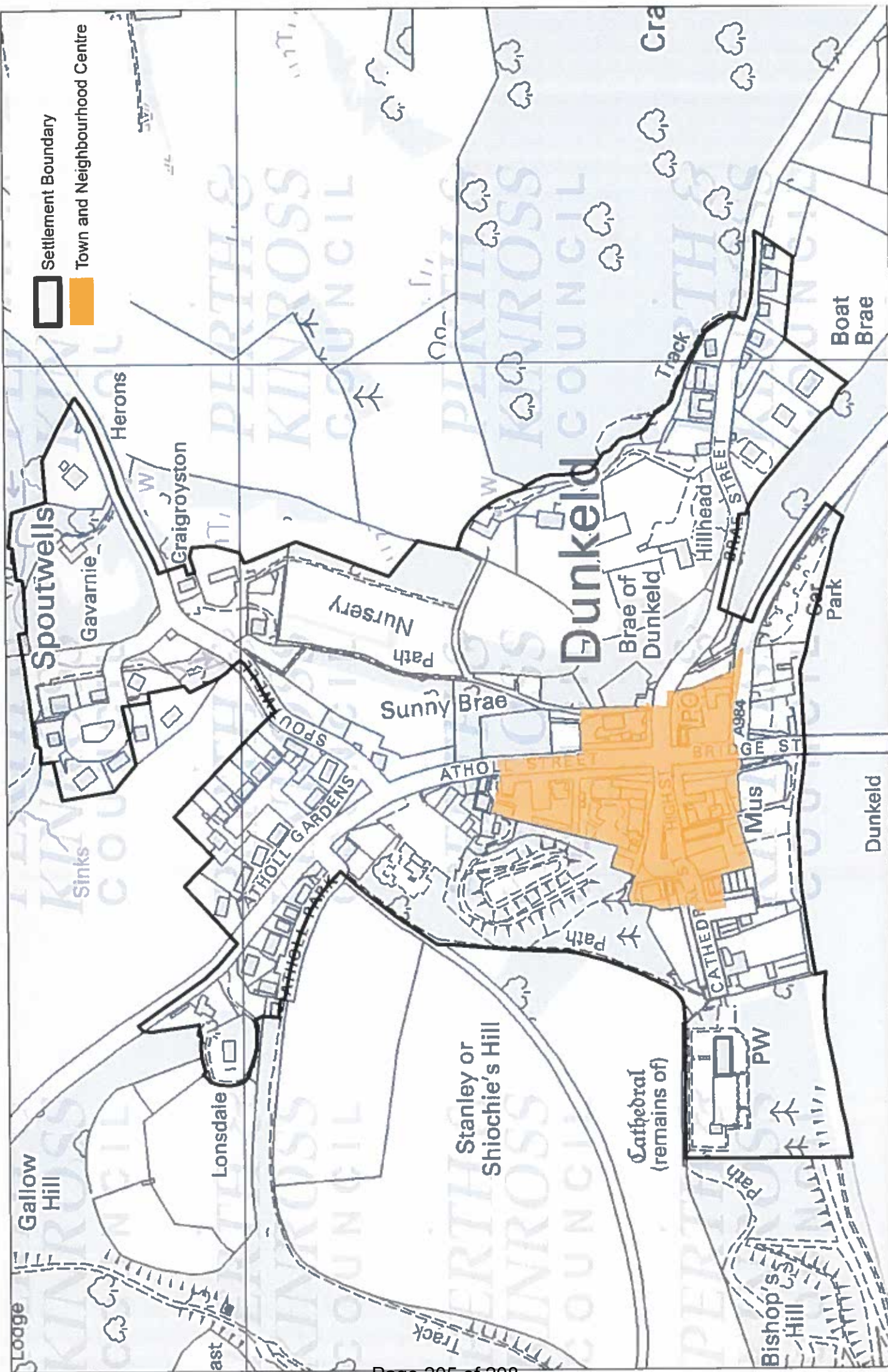


Blairgowrie









Kinross/Milnathort

