PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee

6 February 2019

TRANSFORMATION PROGRAMME 2015-2020

Report by Depute Chief Executive (Chief Operating Officer) (Report No. 19/38)

This report gives an update on phase four of the Transformation Programme approved by the Council on 1 July 2015 (Report 473/15) and provides an overview of the projects transferred to the Health and Social Care Partnership. An update of progress through the Can Do Challenge process of the Perth and Kinross Smart Energy Network Project is also noted.

1.   BACKGROUND / MAIN ISSUES

1.1   The Council's Transformation programme supports the Council's approach to public service reform and aims to encourage innovation, creativity, flexibility and greater entrepreneurship to meet the significant challenges ahead.

1.2   A major part of the Council's transformation strategy is being delivered through a programme of transformation reviews. The current programme has 16 projects aimed at developing new ways of working to sustain high quality service delivery, and for some, achieving a challenging level of savings.

1.3   We are now into phase four of the transformation programme initiated over the past three years, this phase being agreed by Council in April 2018 (Report 18/137).

2.   PROGRESS TO DATE

2.1   Progress on each of the projects is provided in Appendix 1 and 2 reported through the project management system (VERTO). Appendix 1 gives an overview of the status of each project and more detail is provided in Appendix 2.

2.2   In relation to the status of the 16 transformation projects, 7 are on target; 6 projects have 'some issues' identified; 3 are reported as being at risk.

2.3   One project has, as of 31 December 2018, been completed – Community Greenspace Review. A review of non cash benefits and learning from the project and process will be undertaken in 2019. No savings were attached to this project.

2.4   Savings to date from completed projects amount to £2 million, excluding the savings achieved by the transformation projects which are now reported to the Integrated Joint Board (IJB) for Health and Social Care.

2.5   As part of ongoing shared governance and monitoring of the transformation projects hosted by the Health and Social Care Partnership, but originally funded through PKC Transformation monies, four projects were jointly reviewed in November 2018. This confirmed progress against the original business case set out in 2015 and reviewed outcomes and outputs.

2.6   The four projects reviewed were; Review of Day Services, Review of Residential Care, Care Packages and Communities First. Further detail of the reviews undertaken is attached at Appendix 3.

2.7   Work is in progress to review the delivery model options for the Cultural Trusts Transformation Project.

2.8   The Sponsorship of Events, and Low Carbon Energy Production Transformation projects are still to start and will report in 2019.

3.   **INNOVATION – *'Can Do' Challenge Project* Progress – Perth Smart Energy Network**

3.1   The '*Can Do' Innovation Challenge Fund* is a national fund which supports Scottish public sector organisations to find and develop innovative solutions to operational service and policy delivery challenges.

3.2   Perth and Kinross Council have been successful in achieving funding to stage a two phase competition with the aim of developing and testing a prototype Smart Energy Network (SEN) across our estate, to optimise the use of renewable energy and maximise the value of energy used. The project aims to reduce the carbon footprint and energy costs of Perth and Kinross Council, and to develop new income streams from the utilisation of energy storage assets.

3.3   As part of the second phase of the competition, two information events for interested applicants were held in Perth and Glasgow. Both were well attended and received. Following these events 98 registrations of interest were received, which translated into 25 project applications. Innovate UK appointed 15 independent experts to assess the project applications. Their application scores were similar to PKC's scores, however the Perth-SEN project board decided to accept the Innovate UK assessments to ensure a fair and transparent process.

3.4   The top 5 applications have now progressed to the next phase of the competition - development of a solution design - which started on 31st Jan 2019. The companies are;

- iPower - Smart Energy Across Perth & Kinross (SEAPAK)
- Power Migration Partners/StorTera/Solo Energy - eFlow Smart Energy Network
- New Resource Partners – Perth Smart Energy Network project
- Scene Connect Ltd – Cloud Zuos
- EnergieVan – SEN-EX

3.5   Phase 1 of this stage will run from 31st January for 6 months – the best two design solutions will go through to Phase 2 (assuming their designs are viable) for prototype development, deployment and testing in the Perth and Kinross Council estate. Phase 2 is expected to run from September 2019 – February 2021.

4.   **CONCLUSION AND RECOMMENDATIONS**

4.1   This report updates the Strategic Policy and Resources Committee on the Council's five-year transformation programme. It summarises the progress across 16 projects, identifies those on target and those with issues and risks, which are managed by project boards and the Corporate Transformation Board.

4.2   The Strategic Policy and Resources Committee is asked to:

   (a)   Note the progress related to the Transformation Programme, as detailed in Appendices 1 and 2;
   (b)   Note the progress related to the '***Can Do' Challenge Project Progress.***

Author

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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Chief Operating Officer)	23 January 2019

1. **IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION**

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

1. **Strategic Implications**

    Community Plan/Single Outcome Agreement

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

2. **Resource Implications**

    Financial
2.1 The projections for funding and savings for each project are detailed in Appendices 1 and 2.

    Workforce

2.2 There are no workforce implications arising from this report.

    Asset Management (land, property, IT)

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

3. Assessments

Equality Impact Assessment

3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as not relevant for the purposes of EqIA.

Strategic Environmental Assessment

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

3.4 The proposals within this report have been considered under the terms of the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development.   Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:

- in the way best calculated to delivery of the Act's emissions reduction targets;
- in the way best calculated to deliver any statutory adaptation programmes; and
- in a way that it considers most sustainable.

3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Legal and Governance

3.7 Not applicable.

Risk

3.8 The report presents progress on all aspects of the transformation programme including movements in financial projections. There are no additional risks which arise from this report.

3.9   Project risks are managed within the context of each project.

4.   Consultation

Internal

4.1   Senior Management teams and the Corporate Transformation Board were consulted in the preparation of this report.

External

4.2   Not applicable.

5.   Communication

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

2.   BACKGROUND PAPERS

The background papers referred to within the report are:

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

3.   APPENDICES

- Appendix 1 - Verto Project Report – Programme Dashboard
- Appendix 2 - Progress Report (by line) on active Transformation reviews Progress Status
- Appendix 3 - Health and Social Care Partnership Transformation Projects