

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee
21 June 2017

TRANSFORMATION - EVOLVING OUR APPROACH

Report by the Depute Chief Executive, Environment (Chief Operating Officer)

PURPOSE OF REPORT

This report provides an update on the Council's Building Ambition Transformation Programme which was approved by the Council on 1 July 2015 ([report 15/292](#)) and seeks approval to commence a programme of wider modernisation that will develop our staff and prepare them for the future.

1. BACKGROUND / MAIN ISSUESOverview

- 1.1 The Council's Transformation Strategy 2015-2020 and Organisational Development Framework, was approved by Council on 1 July 2015, ([Report No 15/292](#)). It identified that public services continue to face major challenges in dealing with budget reductions, and growing demands on a reducing workforce, as well as unprecedented population increases, whilst managing integration of health and social care, as part of a wider agenda of public service reform.
- 1.2 The Transformation Strategy provides a framework for innovation, creativity, flexibility and greater entrepreneurship to meet the challenges. Waste and inefficiency need to be reduced, and resources deployed, to deliver what matters to the people who need our services the most.
- 1.3 A major part of the Council's Transformation Strategy is being delivered through a programme of transformation reviews. The programme currently comprises 27 reviews, which are developing new ways of working, supported by efficient processes and systems, and new technologies that sustain high quality service delivery, while also achieving a challenging scale of savings.
- 1.4 The reviews originated from an initial invitation to staff to come forward with ideas that would provide financial savings, reduced future additional expenditure and/or result in improved services to the public. Proposals were presented to Council in July 2015 ([Report No 15/292](#)). Outline Business Cases were then considered by the Executive Officer Team, and successful cases were subsequently submitted to the Strategic Policy and Resources Committee for funding approval, in September 2015 ([Report No 15/397](#)). These were incorporated into a first phase of reviews. A second phase of reviews was submitted to the Strategic Policy and Resources Committee for funding approval in February 2016 ([Report No 16/50](#)).

- 1.5 Business cases for Transformation projects were assessed using criteria based on themes set out in the Transformation Strategy. These are detailed in Appendix 1
- 1.6 It should be noted that our Transformation Strategy is not confined to the programme of transformation reviews – it is about the changes in culture, behaviours, structures, processes and practices, throughout the organisation, that make us ready for the changing environment, and the challenges ahead.

Transformation Progress

- 1.7 A number of projects have now been completed, realising cashbale savings of £996,000. This has been achieved against a target of £1,06,000 (99 % of target achieved) and has been delivered with an actual spend of £195,000 against a projected spend of £215,000 (9.3% under budget). The following Projects have been completed in the previous reporting period:
- Review of Facilities Management Services
 - Home First
 - Grounds Maintenance – Continental Shift Working Review
- 1.8 Progress to date on the transformation programme was last reported to the Strategic Policy and Resources Committee on 19 April 2017 ([report 17/156](#)). A full report on the Transformation Programme was also provided to Council on 22 February 2017 ([report 17/82](#)).
- 1.9 Appendix 2 to this report provides a detailed progress update on each review/project within the current programme.

2. EVOLVING OUR APPROACH

- 2.1 The pace and extent of modernisation and transformation for public services is set to continue, and supporting and investing in staff to increase our capability and capacity for change, is vital. Staff are key to developing solutions to the big challenges we are facing as an organisation, for the ultimate benefit of the citizens and communities of Perth and Kinross.
- 2.2 Therefore, within the broader transformational context outlined in paragraph 1.6, it is proposed that we build on our approach to date, and specifically invest in activity which promotes a focus on preparing people for the future, encourages innovative approaches to developing people, and supports people to make the shifts towards new ways of working and different models of service delivery.
- 2.3 It is proposd that a sum of £200,000 is released from the earmarked Transformation Reserve for this purpose, with Services being invited to submit business cases to bid for a share of this funding.

- 2.4 Service Management Teams (SMTs) will oversee the process of encouraging and reviewing the development of proposals within their own area, and/or on a thematic basis. This aims to ensure that the approach to generating and agreeing proposals is relevant and appropriate for our future delivery of services.
- 2.5 It is a requirement that projects will support the people element of transformation, and meet the following criteria:-
- Reshaping our workforce, to support service re-design, and address issues emerging from workforce planning (for example learning new skills to move flexibility between jobs; supporting people through change; building resilience skills; developing job families).
 - Preparing staff for the future; expanding opportunities for career change, developing and retaining existing talent, (for example the Learn to Teach Programme provides staff with the opportunity to change to a career in teaching. This could be extended to other professions which are experiencing recruitment difficulties).
 - Supporting people to transition to new ways of working; (for example, upskilling staff - development of digital skills, such as greater use of technology and developing online services; commercial skills - innovative ways to generate more income; improving skills to engage in closer working with our communities)
 - Investing in young people, supporting work/life balance across the workforce (for example recruitment initiatives for more young people; development of career pathways; developing more mobile working; supporting health and wellbeing initiatives). This also includes an opportunity to work with skills Development Scotland over a graduate modern apprentice initiative starting in the new academic year.
- 2.6 It is proposed that Executive Officer Team (EOT) will make initial decisions on which proposals received from Services best meet the criteria, and which, through developing our people, will have the greatest benefit for the organisation and our communities. It is anticipated that first proposals will be reviewed by EOT during June and July, and initial funds released thereafter.
- 2.7 Importantly, the primary focus of the fund is on developing people to meet the challenges ahead, therefore return on investment will be measured by impact on staff, and the outcomes we deliver for communities.
- 2.8 To initiate the process, it is proposed that £200,000 for the earmarked Transformation Reserve is delegated to the Chief Executive. Updates on the application of this initial allocation and further bids will be considered by future meetings of the Strategic Policy & Resources Committee (following EOT consideration).

3. CONCLUSION AND RECOMMENDATIONS

3.1 It is recommended that Committee:

- a) Notes the progress related to the Transformation Programme, as detailed in Appendix 1.
- b) Approves the delegation of £200,000 from the earmarked Transformation Reserve to the Chief Executive to specifically support the people element of transformation over the short term.
- c) Agrees to the submission of a follow up report to the Committee in Autumn to provide an update on the bids approved, as detailed in sections 2.6- 2.8 of this report.

Author(s)

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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive, Environment (Chief Operating Officer)	7 June 2017

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 This report supports the delivery of the Strategic Objectives within the Community Plan/ Single Outcome Agreement 2013-23 and the Corporate Plan 2013-18.

2. Resource Implications

Financial

- 2.1 The report requests £200, 000 for the earmarked Transformation reserve

Workforce

- 2.2 Not applicable

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

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.

Legal and Governance

- 3.7 Not applicable

Risk

- 3.8 There are no direct risks which arise from this report. The report presents progress on all aspects of the transformation programme. Project risks are managed within the context of each project.

4. Consultation

Internal

- 4.1 Service senior management teams and the Executive Officer Team 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, Building Ambition: The Council's Transformation Strategy 2015-2020 and the Organisational Development Framework ([report 15/292](#))
- Report to Council, Building Ambition: An Update on the Council's Transformation Programme ([report 17/82](#))
- Report to Strategic Policy and Resources Committee on 19 April ([report 17/156](#))

3. APPENDICES

Appendix 1 – Transformation Themes.

Appendix 2 – Progress Report on live Building Ambition transformation reviews.

