PERTH AND KINROSS COUNCIL

Council Meeting - 19 December 2012

SECURING THE FUTURE THROUGH OUR PEOPLE

REPORT BY CHIEF EXECUTIVE

PURPOSE OF REPORT

This annual update outlines the positive people practices which have supported employees at all levels to manage transformational change. Future plans for progression during 2013 are also identified, to further develop our commitment to support staff through challenging times, and ensure our approach to employee engagement is aligned with the achievement of Council priorities, in service of the best possible outcomes for those we serve.

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1   RECOMMENDATIONS

1.1   It is recommended that the Council:

(a)   notes the continued success of the workforce management measures;

(b)   notes the considerable range of organisational development activity taking place across the Council;

(c)   approves the continued provision of an annual report detailing progress relating to workforce management and organisational development.

2   BACKGROUND

2.1   Public Services are continuing to progress the Scottish Government's ambitious programme of reform, and, given the reality of the ongoing financial challenges, organisational success in negotiating this sustained period of change will be heavily influenced by the performance and commitment of the people within it.

2.2   Therefore, it is more important than ever that people working in the Council have the opportunity to fully participate in the process of change, and feel able to offer their expertise, energy and creativity, in service of better outcomes for the citizens and communities of Perth and Kinross.

2.3   This view is reinforced by the Scottish Government, who in their response to the Christie Commission's report on the Future Delivery of Public Services (2011), identified a commitment to 'encourage effective management and strong employee engagement at every level, in every workplace, and by doing so, maximise performance and productivity, raise job satisfaction and promote improved well-being across the public service workforce'. This underpins the progression of the four pillars of reform, namely:

- a preventative approach
- more effective local delivery, through increased collaborative and partnership working
- a sharp focus on performance and continuous improvement
- maximising opportunities for people to contribute to the process of change

2.4 Within the Council there has been widespread, ongoing (and growing) commitment to this view for many years, and our approach to placing employees at the heart of the business is well established. People are central to the progression of the Council's transformation journey and a range of formal and informal processes and initiatives are in place to provide leadership and direction, keep colleagues informed and involved in Council business, and promote effective communications, change and improvement.

3 RESHAPING OUR WORKFORCE

3.1 Financial pressures, demand for Council services, changing demographics and public service reform continue to drive efficiencies, service redesign and rationalisation which in turn determine our workforce requirements. A corporate approach to workforce planning will ensure the Council maintains a balanced and well-developed workforce.

3.2 Since 2009, the Council has implemented a range of workforce management measures which were designed to make the best use of opportunities to reshape the workforce on an ongoing basis, enable service redesign and deliver a leaner workforce while avoiding compulsory redundancies as far as possible. This approach recognises the importance of managing staff costs in delivering the Council's Medium Term Financial Plan 2011-14. It also recognises and values the contribution of our employees, as described within Our People Strategy 2010-15.

3.3 The effectiveness of the Council's workforce management measures was recognised by Audit Scotland in its Annual Report on the Perth & Kinross Council Audit for 2011-12. It noted the significant savings through workforce management, including reductions in management, administration and support, redesigning of services and reduced staff sickness absence which totalled <u>nearly £9 million</u>. The contribution of workforce management was also identified within the Council's Annual Efficiency Statement which was reported to Strategic Policy & Resources Committee on 19 September 2012.

3.4 Key Workforce Management Facts (2009/10 – present)

- Between September 2009 and September 2012, there has been a 4% reduction in the FTE number of employees, from 5140 to 4932. This equates to a reduction in headcount from 5976 to 5719 employees.

- The proportion of permanent and fixed term employees within the workforce has changed. In September 2009, 8.4% of our employees were in fixed term roles. In September 2012, this percentage had risen to

10.4%. There are a number of factors which explain this increase – a change in the classification of supply teachers to fixed term employees as a result of national changes in teacher terms and conditions; an increase in the number of apprentices and professional trainees; and a continuing commitment to review every vacancy and to make permanent appointments only when necessary in order to optimise flexibility for implementation of service redesign.

- Turnover (number of permanent leavers expressed as a percentage of the permanent workforce) has increased from 7% per annum in 2009/10 to 7.7% per annum in 2011/12. Research suggests normal turnover is between 8% and 10%.

- Staff costs have reduced from 62% in 2009/10 to 59% of the net Council revenue budget in 2012/13.   A major factor has been two years without cost of living pay increases for all occupational areas. It is also important to note that the reduction in staff costs has been achieved while still funding approximately £1 million per annum in salary increments for employees who have yet to reach their maximum salary scale point.

- Almost 39% of the workforce is aged 50 years and above. Following the removal of the default retirement age in October 2011, the number of leavers aged 65 and over has decreased, suggesting that our older workforce may be set to increase.   By 2017/18, it is estimated that approximately 55% of our workforce could be aged 50 and above.

- In September 2012, 12% of our employees were aged 30 and under, which is up from 11% in 2009. The Council's additional investment in apprenticeships and professional trainees from 2012/13 (Report No 12/529 – Modern Apprenticeships, Professional Traineeships and Employment Opportunities for Young People in Perth & Kinross refers) is contributing to a growing proportion of younger employees within the workforce. Following a recruitment drive in November 2012, 74 young people are undertaking a Skills Development Scotland Modern Apprenticeship and 9 professional trainees/craft apprentices have been recruited across the Council. The age profile is an important workforce planning issue for the Council as national research indicates that age diversity improves turnover, absenteeism and customer service, as well as more accurately reflecting the demographics of the customer base.

- During 2011/12, 25 employees retired early from Council employment, including voluntary, efficiency and redundancy. In the first 6 months of 2012/13, 9 employees retired early.

- In January 2011, 74 requests for voluntary severance with leaving dates through to March 2012 were approved through the voluntary severance scheme.   The voluntary severance scheme delivered significant annual recurring savings of £2.9 million.   The financial and organisational implications are carefully assessed in all voluntary severance and retirement requests prior to approval.

- Employee interest in flexible retirement has grown since its introduction in 2009. 16 employees retired flexibly in 2011/12 and 15 employees have retired flexibly so far in 2012-13. Flexible retirement involves an employee accessing their local government pension and remaining in Council employment, without abatement of pension. The employee has to have a material reduction in their hours of work, or step down to a lower graded post, as part of a retirement plan to leave on a specific date.

- The Council has maintained its commitment to protect jobs and to keep compulsory redundancies to a minimum with a total of six in the last three years. A variety of options assist in fulfilling this commitment including retirement, voluntary redundancy, employees moving to other Council employment via our Skills Register or choosing to move to lower graded jobs in order to maintain employment with Perth & Kinross Council and with a short period of salary protection to ease the transition.

3.5 The success of this robust approach to workforce management and the resulting reduction in the size of the workforce and associated costs can be attributed to our staff. Managers continue to understand their role in managing vacancies, creating entry level jobs for apprentices and professional trainees linked to career paths for sustained employment, seeking efficiencies and service redesign, often in collaboration with our partners. Employees too continue to show resilience as their roles and responsibilities change, embracing new ways of working, working in different locations and collaborating with different teams and partners.

4 MAXIMISING ATTENDANCE

4.1 Another significant strand of our workforce management measures is enhancing capacity and improving performance which is focussed on the health and wellbeing or our employees and ensuring everyone is at work and being supported to perform to the best of their ability. Effectively, this strand recognises that as well as reducing the size and cost of our workforce, it is also important to maximise productivity. We know that engaged employees feel a stronger commitment to the organisation that employs them and this results in higher performance and lower absenteeism.

4.2 Over the last two years, our aim has been to focus on managing health and wellbeing in order to promote and encourage a more positive attendance culture. As such, our approach is much wider than the management of sickness absence and health promotion – it is about ensuring good management practice which promotes positive employee – manager relationships. This approach therefore reflects the Council's longstanding commitment to employee engagement.

4.3 A revised policy framework in March 2011 supported by a self-assessment tool for managers to identify areas for improvement, improved management information, workshops and briefings for managers have conveyed the importance of a positive attendance culture. With the key management activities now being embedded in day to day practice, it was appropriate to

examine the picture across the Council – looking at reasons for absence, workforce profiles and trend information. Extensive engagement with managers, employees and other key stakeholders, such as Serco (the Council's Occupational Health provider) and benchmarking information has provided invaluable insight in order to inform next steps. This strategic overview enables the Council to maintain focus and momentum through continuous improvement in an area which largely determines organisational capacity and performance.

Reducing Sickness Absence

4.4 An early indicator of the success of our revised approach is the average number of days lost to sickness per FTE, which is a Statutory Performance Indicator. While this is not the only measure, it is an important one; and it enables us to benchmark with other organisations.

For the year ending 31 March 2012, the reported SPI for the average number of working days lost per FTE due to sickness was:

Staff Group	PKC	Scottish Average
Teachers	7.2 days	6.2 days
Chief Officers/ Single Status/ Craft	10.2 days	10.4 days

4.5 By way of context, Perth & Kinross Council is ranked 25th for teachers absence where the Scottish average is 6.2 days. The Council is also ranked 15th for all other employee groups (i.e. Chief Officers/Single Status/Craft) and where the Scottish average is 10.4 days.

4.6 Absence levels are monitored on a monthly basis by the Chief Executive with Executive Directors, and also at Service Management Teams, Divisional and Team level in order to direct support and improvement actions at the earliest opportunity. The average number of working days lost per FTE for the six month period 1 April - 30 September 2012 is 3.3 days for teachers and 4.2 days for all other employee groups. Therefore, at the halfway point for 2012/13, there is the potential for significant and continued improvement in this Statutory Performance Indicator.

Trends

4.7 By way of context, the graph below shows the Council's performance on this Statutory Performance Indicator since it was introduced in 2008/9.

Statutory Performance Indicator (SPI) by Occupational Group
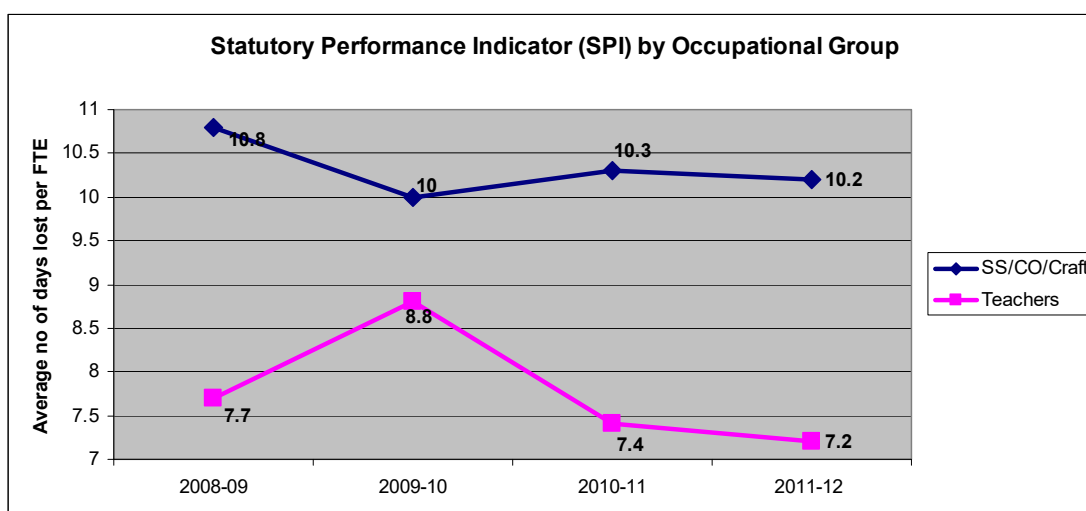
4.8   The Statutory Performance Indicator (SPI) above shows the trend for each occupational group over the last four years. There has been a 5% reduction for Single Status, Craft and Chief Officers and a 6.5% reduction for teachers over the four year period.

Reasons for Absence

4.9   The 3 reasons for absence which account for the greatest number of working days lost across the Council are:

Mental Health Issues (including chronic fatigue, debility, depression, fatigue, personal problems, situational crisis and stress)	26%
Musculoskeletal	12%
Stomach, Kidney	11%

4.10   Combined, these reasons account for nearly half of all working days lost. Although this is not exactly replicated in each of the Services, two out of the three reasons appear in each of the Service's top four reasons for absence.

4.11   Benchmarking analysis and discussions with the Council's Occupational Health Provider, SERCO, confirm a similar picture of reasons for sickness absence within the public sector. The report – "Working for a Healthier Tomorrow"[1] states that common mental health problems and musculoskeletal disorders are the major causes of sickness absence. This is echoed in the CIPD Absence Management Survey Report (2012), and COSLA Absence Management Survey Report (2012), which reported mental health and musculoskeletal disorders to be among the most common reasons for short and long term sickness absence. Thus the Council is not unique in facing these issues.

Dame Carol Black (2008) Review of the Health of Britain's Working Age Population 'Working for a Healthier Tomorrow'

Long Term Absence

Service	% of Working Days Lost to Long Term Absence September 2011	% of Working Days Lost to Long Term Absence September 2012	Trend
CEX	60	42	↑
HCC	80	61	↑
TES	74	54	↑
ECS	69	49	↑

4.12   In the past year, all Services have seen a reduction in the percentage of sickness absence attributed to long term absence (sickness absence of 28 days or more). This is a reflection of the work being undertaken by managers, supported by the HR and Employment Services Teams to deal with individual cases.

4.13   Under the Council sickness allowance arrangements the maximum entitlement to pay is 6 months full pay and 6 months half pay, dependent on length of service. Data as at September 2012 indicated that 31 employees were on half pay and 6 were on nil pay, which equates to 0.6% of the workforce. This demonstrates that managers are working with employees, HR and Occupational Health to facilitate early resolution to health related illnesses.

4.14   Since the launch of the new Maximising Attendance Policy in March 2011, 21 employees have been ill health retired, 8 employees have been redeployed on health grounds and 8 employees have been dismissed on the grounds of health capability.

Workforce Analysis

4.15   An important part of understanding the PKC picture has been examining workforce profile information. According to the Office for National Statistics, females have consistently higher sickness absence rates than males. 67% of the total days lost due to sickness in a 6 month period is attributed to females. However this is more or less proportionate to the composition of the current workforce which comprises 70% female and 30% male.

4.16   Additionally sickness absence rates increase with age according to the Office for National Statistics. 39% of our workforce is aged 50 and over and this group of employees account for 54% of the total working days lost due to sickness. Therefore, the Perth and Kinross information is consistent with the Office for National Statistics findings, as a disproportionately higher level of days lost to sickness is found amongst the aged 50 and over age group. With an ageing workforce, this will be an important workforce planning priority in future years.

4.17   Workforce profiling at the level of teams and occupational areas also takes place and this information helps to develop a better understanding of sickness absence in order to inform other positive and proactive steps. For example, a six month physiotherapy pilot for workgroups with a higher incidence of musculoskeletal absences is under evaluation.   This initiative which was undertaken in conjunction with SERCO was designed at providing specialist advice and intervention in order to prevent or reduce absences attributed to musculoskeletal problems.

4.18   The Executive Officer Team has recently approved a number of additional measures which will promote health and wellbeing and maximising attendance.

4.19   Maximising attendance is not only about enhancing capacity and improving performance – in many areas there are real savings to the Council. Such savings arise when fixed term cover is avoided, in particular where replacement staff are required to maintain staff ratios.

4.20   The Council's approach to maximising attendance recognises our reliance on an engaged, healthy and productive workforce – this is integral to our ability to deliver the best possible services for the communities within Perth & Kinross.

5   THE BIG PICTURE: LEADING FOR CHANGE

5.1   Perth & Kinross Council is recognised for having a robust performance management framework which is designed to bring together organisational, team and individual outcomes: i.e. 'The Golden Thread'.   Managing individual performance in a positive, proactive and consistent manner as part of day to day operations is central to delivering the best possible services for our communities.

5.2   A motivated, engaged and highly productive workforce is critical in ensuring that we continue to build capacity and align individual effort to organisational priorities and achievement.

Review Support

5.3   The following core initiatives support our approach to organisational development and transformation, ensuring support for employees and managers undertaking reviews:

- Ongoing development of the Workforce Change Toolkit and guidance to support the framework for managing Workforce Change
- Specialist support to managers from Human Resources in connection with the Council's transformation agenda – including job redesign and regrading, communication and consultation, recruitment and redeployment, developing generic job roles to create flexibility, and creating career paths from entry level jobs
- Care First continues to provide support to employees and managers via our employee assistance programme.   Care First offers support on a

confidential basis, 24/7, on a wide range of issues including those relating to organisational change

- Retirement Planning sessions continue to have a good uptake from employees as they prepare for a financially secure future
- Managing Change courses continue to be delivered by colleagues in Housing & Community Care for teams involved in reviews and transformation projects.

Chief Executive's Briefing Sessions for Senior Managers

5.4 Briefings for approximately 120 senior managers are held every quarter. The purpose is to provide a forum to demonstrate clear direction and leadership, share information on plans and emerging issues, and check and adjust direction to progress the Council's plans for transformation.

5.4.1 During 2011, the focus for these briefings was to increase understanding of the 'four pillars' of reform, and there was a significant focus on the financial, technical and logistical aspects of change.

5.4.2 In 2012, briefing sessions created an opportunity for managers to build on the positive approach to date, and a key focus was to reinforce the role of leadership and culture in driving forward new ways of thinking and working across the Council.

5.4.3 The final briefing session on 7 December, provided an opportunity for managers to reflect on the major cultural influencers which directly impact on 'ways of thinking and being at work', review the context for developing the approach to employee engagement and consider a greater focus on empowerment increasing employees' capacity for greater autonomy in their work role.

Chief Executive's Business Breakfasts

5.5 Since 2007, Business Breakfast meetings have provided an opportunity for informal and open discussion between the Chief Executive and third tier managers from all Council Services. Discussions are traditionally based around progression of the Corporate Plan and Transformation Strategy, and aim to acknowledge the significant contribution that managers make in leading the delivery of corporate priorities and the best possible outcomes for the citizens and communities of Perth and Kinross.

5.5.1 A total of eleven Business Breakfast meetings took place between January and March 2012. Generally around eight managers attended each session. Discussions were led by the Chief Executive, who set the scene for each meeting by reaffirming Perth and Kinross Council's position as a successful, high performing Council which continues to skilfully negotiate the many challenges faced by the public sector. These meetings serve a purpose which goes beyond discussion, and move into the territory of reinforcing the bond of this group, and their vital leadership role.

5.5.2   The commitment to further reinforcing the strong partnerships already in existence across Perth and Kinross emerged as the key focus of Business Breakfast discussions. As such, plans for action related primarily to supporting the growth and development of positive working relationships across the Perth and Kinross Community Planning Partnership (CPP).

5.5.3   The next round of Business Breakfasts will begin in January 2013, and will include a number of meetings set up to specifically involve colleagues at all levels, to seek their views, share experiences and learning, and through a different lens, shape the development of future plans.

5.5.4   Business Breakfast meetings also take place within Services, giving staff the opportunity to meet informally with Executive Directors, discuss future priorities, and lead progress in their own business area.

Changing Perth and Kinross: Public Service Improvement Conference

5.6   Business Breakfast discussions initiated the development of the Changing Perth and Kinross Public Service Improvement Conference. On 11 May 2012, over 160 officers from across the public and voluntary sectors in Perth and Kinross attended the event, which provided a ground breaking opportunity for colleagues to come together as an entity, reinforce a collective approach, and identify further opportunities for partnership working for the greater benefit of the citizens and communities of Perth and Kinross. The shifting landscape of public service reform, and the opportunities it brings, set the context for the day.

5.6.1   During workshops and networking opportunities, delegates actively shared their thinking on the challenges and opportunities of partnership working in relation to the public service reform agenda. Key discussion points are being incorporated into the development process for the Community Plan / Single Outcome Agreement (SOA).

5.6.2   This conference, (which was led and hosted by Perth and Kinross Council, and delivered by the Corporate Organisational Development Team) was a ground breaking event which aimed to lead and facilitate the development of the Community Planning Partnership as a collective. Future events will support the partnership to evolve and grow in service of delivering positive outcomes, and shift into the next phase in the public service journey – from planning change, to implementing it.

6   THE BIG PICTURE: ENGAGING EMPLOYEES

Celebrating Success

6.1   Celebrating success and achievement is a very important aspect of Council business, and three employee award and recognition programmes underpin the Council's approach, each focusing on specific elements: team work, time spent in public service, and individual achievement. All of the initiatives

detailed below visibly recognise commitment and contribution, and are highly valued by staff across the Council.

Securing the Future Awards Scheme

6.2 Established in 2008, the Securing the Future Awards (STF) scheme is a key element in the Council's approach to celebrating the success of our employees. Applications for the Securing the Future Awards clearly demonstrate significant contributions made by engaged and empowered teams who have driven progress forward and created better outcomes for the communities of Perth and Kinross.

6.2.1 39 high quality submissions were received in 2012 (over the five years 189 applications have been received in total). Submissions reflected a wide variety of work from across many different areas of service and demonstrated that it is entirely possible to deliver excellence against a background of financial challenges.

6.2.2 The 2012 event also created a high profile opportunity to offer special achievement awards to the Child Protection Team in recognition of their sector leading approach in Scotland. The Provost Award was presented to the cross-Council team who contributed to the campaign for the historic restoration of City Status to Perth.

6.2.3 Event feedback was extremely positive and those attending expressed appreciation of the range and quality of work being showcased, and their sense of pride in working for Perth & Kinross Council.

6.2.4 Managers and staff alike describe the STF Awards as an extremely valuable experience which promotes understanding of the vast range of expertise and creativity in existence within the Council.

6.2.5 Films used to promote the successful submissions at the Awards Ceremony are used throughout the following year to actively promote the excellent practice across the CPP, to other Councils and external agencies, and to evidence submissions to various inspection bodies.

6.2.6 Four of the submissions from the 2011 STF Awards went on to achieve success at the COSLA Excellence Awards 2012, promoting the Council's work at a national level. Change is a Must (Services for Children Affected by Substance Misuse) won a silver award - three Bronze awards also confirmed The Council's reputation as a high performing Council.

Service Recognition Awards

6.3 The Council's annual Service Recognition Awards took place on 7 November, to recognise the commitment, dedication and achievements of employees reaching their 20th, 30th and 40th year of continuous service. This year, the scheme was extended to recognise previous service with all local authorities (beyond the former criteria of PKC and its predecessor authorities).

6.3.1 142 employees were invited to the prestigious award ceremony to celebrate reaching these significant milestones in their local government careers. The Provost and Chief Executive presided over the event, and personally conveyed their appreciation to the employees, as they collected their awards.

6.3.2 Feedback indicates that it was particularly meaningful for those attending to have their personal contribution to the Council's success recognised. At the event, the 'feel good factor' was evident and this commitment to positively reinforcing the emotional connection people have with their work in PKC is of particular importance during these challenging times.

David White Awards

6.3.3 Established in 1994 in memory of Councillor David White, this annual Award is presented to a Council employee who has made great progress in terms of their own development and learning, and made a significant contribution to the performance of their team, their Service and the Council as a whole. Managers are asked to nominate employees who they feel embody the spirit of the award.

6.3.4 This year the judging panel considered a total of 11 applications. One overall winner was selected, with two nominees being noted for exceptional achievement. The remaining nominees' contribution was highly commended by the judges.

6.3.5 The ceremony was well attended, and those nominated for the award particularly appreciated the presence and support of elected members. In their feedback nominees shared that they felt great pride in having their personal commitment to PKC recognised by Council leaders.

6.3.6 The achievements recognised reflected extremely well on managers - the role of managers in supporting, encouraging and nurturing talent was reinforced as a vital part of daily life.

6.4 These formal Award and Recognition programmes are highly valued by those participating, and send a clear message to all employees – that the Council's success is entirely connected to the ongoing commitment and talent shown by individuals and teams, for the benefit of the citizens and communities they serve. This level of recognition seeks to actively value those working within PKC, to inspire and encourage creativity – increasingly essential as the public service reform agenda progresses.

Employee Engagement Survey

6.5 In September each year, the Employee Engagement survey is issued to all staff to gauge views and perceptions of working for the Council.

6.5.1 Now in its fifth year, 3005 employees took the time to make their views known, resulting in an overall response rate of 53% per cent. Although this

has dipped slightly since last year (by around 1%) the results remain significantly higher than the 38% average response rate for employee surveys in local authorities (as quoted by IPSOS MORI in 2007), and are broadly consistent with response rates recorded during 2009 and 2010 .

6.5.2 The survey has 17 questions, and also space for staff to offer views / comments on whatever topic is important to them at that point.

6.5.3 Survey questions are presented as a positive statements and respondents are asked to indicate the extent to which they agree or disagree. For summary results, the numbers of people who agree and strongly agree are aggregated to show the level of agreement for each question. Full Council results are provided at Appendix 1.

6.5.4 High levels of agreement demonstrate how positively people feel about their work. Examples for 2012 include:

- 87% of respondents are clear what is expected of them at work
- 84% of respondents agree that the people they work with are committed to doing their best
- 81% of respondents feel their team are passionate about delivering excellent customer service
- 80% of respondents know how their job contributes to Council objectives.

6.5.5 Positive trends help to validate the effectiveness of our approach in these areas, and the emergence of any downward trend is a useful means of identifying and understanding areas needing further support.

6.5.6 In general, average levels of agreement across the survey question set settled at 74%, and based on the aggregated result, this indicates a marginal decrease of 1% per question compared with last year. The question relating to the sense of 'team spirit' is most affected, and this has decreased by 2.9% this year. This area will therefore be addressed as a matter of priority.

6.5.7 Services and Teams received their results in October and November, and are currently in the process of engaging staff in discussions about strengths and areas for improvement. Some extremely positive results were recorded for 2012, for example:

- there has been a significant increase in the response rate across Housing and Community Care – from 52% in 2011 to 66% in 2012
- response rates for The Environment Service reached 77% - the highest Service level response so far
- in Education and Children's Services, 90% of respondents are clear on what is expected of them at work.

6.5.8 Talking through the results at Service and Team level is the most valuable aspect of the survey, and aims to ensure that staff feel listened to, and have the opportunity to get involved in shaping and delivering improvements within their area of operation. A key element is ensuring that improvement actions

are incorporated into appropriate planning processes (such as Business Management Improvement Plans and Team Plans), so that progress can be monitored and good practice shared.

6.5.9 It is important to note that the survey results are dynamic, and will be influenced by specific circumstances within the various business areas (such as service reviews etc). However, since 2008, consistently high response rates appear to indicate high levels of confidence in the survey process, which helps create a snapshot of employee experience at a particular point in time. This 'early warning system' is a key part of the Council's approach to ensuring that people remain at the heart of plans for transformation.

6.5.10 Looking at the results over the five year period, trends are generally positive, and this is at a time when the Council is experiencing unprecedented financial challenge, and undertaking significant transformational reviews. The big picture view demonstrates a sustained and effective approach to supporting people through these challenging times.

7   THE BIG PICTURE: DEVELOPING TALENT AND BUILDING CAPACITY

7.1   In 2011, a collaborative delivery model for learning and development was implemented, following a corporate review. In essence, Services retain responsibility for supporting continuing professional development within their own specialist areas, and the Corporate Organisational Development Team lead on core corporate learning and development activities, such as leadership development and the provision of generic skills development.

7.2   Corporate provision focuses on activity which will have the greatest strategic impact, and over the last year, a wide range of practical opportunities have been made available (via the Corporate Organisational Development Team), to help people develop their skills and experience in areas aligned with the Council's transformation agenda. This includes:

- The Leadership Development Programme - this delivers relevant and 'on time' opportunities, creating space for networking and thinking together, and maximising all available resources to deliver high quality, cost effective interventions. Participants were recently asked for their views on the 2012 programme - 69% of respondents gave the programme a 4 or 5 star rating (out of 5). A good result, leaving some room for improvement.
- The Learners Wanted programme – this offers a variety of learning and development opportunities to the widest possible population across the Council, every 2 / 3 weeks. The programme continues to be well received, with a positive and sustainable uptake across the Council.

Coaching Across Boundaries

7.3   Within Perth and Kinross Council, the other Tayside Councils, and the Community Planning Partnership, coaching is recognised as a key transformational enabler, one which releases potential, increases capacity for change and ultimately improves individual and organisational performance.

7.4   The Tayside Public Sector Coaching Alliance (TPSCA) was established in May 2011 – membership comprises PKC, NHS Tayside, Angus Council, Dundee City Council and Tayside Police. The aim was to create a collaborative approach to the provision of coaching across the public services in Tayside so that coaching becomes the predominant style of leading, managing and working together.

7.5   By May 2012, an agreed coaching governance framework and strategic plan (2011 – 2014) was in place, setting out consistent practices for the management of coaching activities (including use of external coaches, coach assessment, training and development of partnership coaches, and code of ethics).

7.6   One of the most valuable outcomes of the process is that collectively, there are now 14 qualified partnership coaches available to coach staff across the partnership. This promotes the sharing of internal expertise and capacity, and reduces the need to buy in costly, external coach provision.

Partnership – Stronger Together

7.7   Another benefit of TSPCA collaboration is that members are in a position to share thinking, and discuss broader learning and organisational development issues relating to public service reform. Positive working relationships are now well established and this promotes active sharing of opportunities across the partnership.

7.8   This shared commitment will be particularly important in relation to Health and Social Care Integration – joint planning with NHS Tayside is well underway to understand, address and resolve the challenges of integrating two different organisations and cultures.

The Collaborative Delivery Model for Learning and Development

7.9   This is a living example of a successful transformational service redesign, one which through the creation of new ways of thinking and working, has delivered significant savings for the Council, at the same time as increasing the quality, quantity and participation in the learning and development opportunities on offer within PKC.

7.10   The approach to corporate learning and development is continually evolving and improving, and opportunities to further enhance learning and development provision across the Council, and potentially the CPP, are currently being explored.

8   NEXT STEPS

8.1   Workforce development and employee engagement reside at the heart of public service reform and as such, are being progressed as priority work streams by the Scottish Leaders Forum (SLF).

8.2 In August 2012, in recognition of the Council's sector leading approach, the SLF established the Chief Executive as national lead for the employee engagement work stream, to drive forward cultural change across public services.

8.3 The concept of cultural change can be challenging to relate to, as it is concerned with values, beliefs and behaviours – fortunately, our employee engagement survey results give us an insight into how cultural conditions are experienced by our staff.

8.4 Learning from this, our focus for 2013 will be relating cultural change to everyday business, so that it can be understood, owned and put into practice by everyone in the Council. Efforts will be concentrated on the most significant cultural influencers, such as the line manager / employee relationship, our communication practices, and employee engagement and empowerment.

8.5 We will continually engage with managers and staff about our approach to leading and managing change, to ensure that everyone can play their part in contributing to the achievement of corporate priorities and the best possible outcomes for the citizens and communities of Perth and Kinross.

8.6 Building on a strong track record of success, and the positive approach to date, we will create the right conditions to maximise our assets and enable people to flourish.

9 CONSULTATION

9.1 This report was prepared in consultation with Executive Directors.

10 RESOURCE IMPLICATIONS

10.1 There are no immediate resource implications arising from this report.

11 COUNCIL CORPORATE PLAN OBJECTIVES 2009-2012

11.1 The Council's Corporate Plan 2009-2012 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:-

(i) A Safe, Secure and Welcoming Environment
(ii) Healthy, Caring Communities
(iii) A Prosperous, Sustainable and Inclusive Economy
(iv) Educated, Responsible and Informed Citizens
(v) Confident, Active and Inclusive Communities

11.2 This report does not specifically relate to one of the objectives, but assists with the delivery of all five.

12 EQUALITIES IMPACT ASSESSMENT (EqIA)

12.1 This report was considered under the Corporate Equality Assessment Framework. The Council's arrangements for workforce management, employee engagement and learning and development are designed to support and advance equality.

12.2 There is ongoing monitoring and reporting of the Council's employment strategies through the equality monitoring statistics.

13 STRATEGIC ENVIRONMENTAL ASSESSMENT

13.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS).

13.2 However, no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only, and are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

14 CONCLUSION

14.1 When thinking about cultural change, it is important to remember that the existing cultural conditions are a source of strength and success, as they have offered a framework for those working within PKC to offer their best efforts to those they serve. This provides a strong foundation upon which to build.

14.2 Whether the focus is on giving children the best start in life, reducing inequalities, developing the economy and creating jobs, or managing the environment in a sustainable way, our people will continue to be supported to face unprecedented challenges head on, and to achieve the outcomes which matter most to the people of Perth and Kinross.

BERNADETTE MALONE
CHIEF EXECUTIVE

Note: 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.

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Date: 19 December 2012

The survey was made available to 5719 employees across Perth & Kinross Council and 3005 employees responded giving a response rate of 52.54%. High level results are summarised in the table below and compared with the results of 2008 pilot surveys through to the 2012 full Council survey.

		2008%	2009%	2010%	2011%	2012%
Overall Response Rate		48	52	53	54	**53**
Question	**Aggregated Responses**					
1. I am clear what is expected of me at work.	Agree	86.5	89.8	88.7	88.3	**87.4**
	Neither agree nor disagree	7.1	5.9	6.9	7.2	7.9
	Disagree	4.7	3.6	4.2	4.4	4.6
2. I am treated fairly at work.	Agree	80	82.7	80.7	83.1	**81.9**
	Neither agree nor disagree	12.5	10.9	11.9	10.5	11.3
	Disagree	5.7	5.3	6.3	6.4	6.7
3. There is a good fit between the job I do and my skills and abilities.	Agree	81.3	84.3	83.3	84.0	**83.6**
	Neither agree nor disagree	10.3	9.6	10.4	9.7	10.5
	Disagree	6.5	4.8	6.3	6.3	5.9
4. I have the right tools, equipment and information to do my work effectively.	Agree	70	73.3	75.2	71.8	**71.4**
	Neither agree nor disagree	15.7	15.1	14.3	17.1	16.2
	Disagree	11.9	10.5	10.5	11.1	12.5
5. My role provides me with a daily opportunity to use my strengths.	Agree	72.6	77.8	77.4	79.8	**77.5**
	Neither agree nor disagree	16.1	14.1	14.7	12.9	14.7
	Disagree	8.3	6.4	7.9	7.3	7.7
6. I receive regular recognition and praise on my performance at work.	Agree	48.9	54	55.2	55.5	**53.6**
	Neither agree nor disagree	25.5	26.1	24	25.8	24.9
	Disagree	23.2	18.8	20.9	18.6	21.4
7. At work my development is encouraged and supported.	Agree	60.7	64.5	63.2	65.1	**63.6**
	Neither agree nor disagree	23.2	23.2	22.3	22.5	22.7
	Disagree	13.9	11.3	14.5	12.3	13.7
8. I am treated as an individual.	Agree	74.5	77.3	77.5	77.9	**76.5**
	Neither agree nor disagree	15.9	14.7	14.1	15.0	15.8
	Disagree	7.4	6.5	8.3	7.1	7.7

Question	Aggregated Responses	2008%	2009%	2010%	2011%	2012 %
9. At work my views and opinions seem to count.	Agree	59.1	63.8	63.1	63.6	**62.5**
	Neither agree nor disagree	25	22.5	22.7	22.9	23.1
	Disagree	13.5	12.6	14.2	13.5	14.4
10. My team has a good team spirit.	Agree	69.4	71.6	67.5	69.5	**66.6**
	Neither agree nor disagree	14.6	15.5	16.9	16.9	17.5
	Disagree	13.8	11.6	15.7	13.5	15.9
11. The people I work with are committed to doing their best.	Agree	80.7	83.9	83.9	86.0	**84.1**
	Neither agree nor disagree	12.3	11.2	11.3	10.2	12.0
	Disagree	4.5	3.6	4.9	3.8	4.0
12. I know how my job contributes to the Council's objectives.	Agree	76	77.8	79.8	79.9	**80.2**
	Neither agree nor disagree	17.2	16.7	15.6	15.9	15.6
	Disagree	4.5	4	4.6	4.1	4.2
13. I am given the freedom to solve problems.	Agree	72	74.3	76.7	78.0	**76.7**
	Neither agree nor disagree	17.8	17.6	16.7	16.0	15.8
	Disagree	8	6.8	6.5	6.0	7.5
14. My team are passionate about delivering excellent customer service.	Agree	77.3	80	81.6	82.4	**81.0**
	Neither agree nor disagree	15.8	14.5	13.7	14.2	14.9
	Disagree	4.8	3.9	4.9	3.4	4.2
15. Any problems that could stop me giving the best customer service are dealt with.	Agree	53.6	61.6	62.3	62.8	**61.7**
	Neither agree nor disagree	29.2	25.8	25.5	25.8	25.3
	Disagree	15.2	11	12.2	11.3	13.0
16. I have sufficient opportunities to raise issues with my manager about change at work.	Agree		75.4	75.2	75.6	**73.2**
	Neither agree nor disagree		15	14.6	14.8	16.1
	Disagree		8.5	10.2	9.6	10.7
17. I am able to cope with my workload.	Agree		63.5	61.5	72.7	**71.7**
	Neither agree nor disagree		19.4	20.8	16.8	17.6
	Disagree		16.2	17.6	10.4	10.6

Percentages may not add up to 100% as some people may not have answered the question or due to rounding of figures