

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.

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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	

