PERTH AND KINROSS COUNCIL

1 JULY 2015

BUILDING AMBITION: THE COUNCIL'S TRANSFORMATION STRATEGY 2015-2020 AND ORGANISATIONAL DEVELOPMENT FRAMEWORK

REPORT BY THE CHIEF EXECUTIVE

This report presents the Council's Transformation Strategy 2015-2020. It includes a programme of major projects that will lead the organisation into the next stage of its transformation journey. A key part of how we will deliver transformation across the Council is our new Organisational Development Framework, which is also detailed within this report.

1. BACKGROUND

1.1 The past five years have seen challenging times for Scottish Councils with reduced resources, increased demand for services, and public service reform dominating the local government landscape. Audit Scotland's Overview of Local Government in Scotland Report 2015 recognised the achievements of Councils in reducing expenditure during this difficult time, whilst continuing to maintain and improve Services.

1.2 Perth and Kinross Council's approach to financial planning is well recognised as being both robust and successful. It has secured approximately £56m of savings in the revenue budget over the last five years. This, in part, is due to the successful delivery of the Council's existing Transformation Strategy, 'Securing the Future Towards 2015 and Beyond' (Council report 10/357), in conjunction with the `Our People Strategy` (Strategic Policy and Resources Committee report 10/603), which recognised the importance of employees being engaged with tackling the challenge, and leading on the transformational changes required.

1.3 A key focus has also been the continued commitment to developing our organisational culture, to support new ways of thinking and working. This is accompanied by a wide range of approaches which aim to encourage employees to contribute to the ongoing evolution of the Council, in pursuit of better outcomes for our the citizens and communities. This includes the creation of the Centre for Innovation and Improvement, the Angel's Share programme, and a variety of learning opportunities, such as leadership development, innovation labs and conferences (further information on some of these approaches can be found in Section 3 of this report, and also at Appendix 1).

1.4 The programme in the current Transformation Strategy is delivering over £12m in recurring revenue savings through major corporate and service redesign projects - see table 1 (overleaf).

Table 1. Transformation Projects 2010-2015

	Total no. of projects	Total savings delivered (£000's)
Chief Executive's Service	6	469
Education & Children's Services	27	3,002
Housing & Community Care	32	5,966
The Environment Service	25	2,687
Total	90	12,124

2. CURRENT CONTEXT

2.1 In preparing for the future, the Reserves Strategy that was approved by Council on 12 February 2015 earmarked £9.159 m towards supporting a new Transformation Programme (including Workforce Management) (Report No. 15/38 refers).

2.2 The report to the Strategic Policy and Resources Committee on 17 June 2015, 'Building Ambition – A Blueprint for a 21st Century Council' (Report No 15/258) highlighted the complexity in which the Council operates, and described the challenging internal and external context that will impact on the organisation over the next ten years. The main themes are:

- Increasing complexity in the delivery of public services, and working with our communities
- Reduced public sector spending
- Increasing demand for services
- Greater focus on tackling inequality
- Importance of sound governance through periods of change and transformation
- Opportunities through technological advancements
- The need to secure continuity of vital public services, in challenging times

2.3 To meet these challenges, the Council is moving to the next phase of its transformation agenda. The abovementioned report set out a phased approach to reshaping the Council's senior management arrangements. It also indicated that these changes were part of a larger cultural change programme, to create a blueprint for a modern and ambitious 21st Century Council.

2.4 In addition, at its meeting on 13 May 2015, the Council noted the findings of Audit Scotland's 'Overview of Local Government in Scotland 2015' report and the Council's response to these challenges (Report No. 15/182). In that report, the Council agreed to the submission of a further report by the Chief Executive to the Council, on a new Council Transformation Strategy for the medium term (2015-2020).

2.5 Our work on the next phase of the transformation journey, including our approach to leadership development, culture change and employee engagement, is well established. Since June last year, we have continued to build towards preparing for transformation at every level in the organisation, through activities such as Chief Executive`s business breakfast briefings, senior management development sessions, `Entrepreneurial Council` training, and the Illuminate 2015 Conference in March this year.

2.6 The aim has been to create capacity for colleagues to share knowledge and increase understanding of the dynamic landscape of public service reform, as well as having the opportunity to think, talk and plan for the future together. This wide range of opportunities have reinforced what new ways of thinking and working are likely to mean for Perth & Kinross Council. This includes:

- greater collaborative working with partners and communities
- a focus on innovation and improvement
- further development of a less bureaucratic and more `authorising environment`
- a risk positive approach to business activity
- the proactive pursuit of entreprenurial opportunities, as a means of income generation.

2.7 A timeline which sets out the key areas of activity is provided at Appendix 1. These have all provided colleagues with an opportunity to think about, and confirm, what is important going forward, as well as articulate what needs to be different in terms of how we do business as an organisation. This approach has supported the continued development of a shared cultural vision and commitment to progress, at the same time as inspiring individual and collective action.

2.8 In addition, several engagement sessions have been held over May and June this year, with all political groups, to seek elected member direction and involvement in the proposals detailed in this report.

2.9 Although the reform and financial landscape is complex and challenging, this is also a time of opportunity, evolution and re-invention for Scotland's public services. It is important to note that the Council continues to face this period of uncertainty and change with a positive mind-set, and Perth & Kinross Council remains sector leading in many areas.

2.10 In summary, this report introduces two further elements of our transformation approach:

- Our Transformation Strategy for 2015-2020, including a new Transformation Programme; and
- Our new Organisational Development Framework

3. PROPOSALS

3.1 TRANSFORMATION STRATEGY AND PROGRAMME 2015-2020

3.1.1 As section 1.4 highlighted, the existing Transformation Programme has contributed over £12m in savings over the past five years. To take the organisation forward, and deliver both savings and modernisation, a new Transformation Strategy and Programme, 'Building Ambition', has been developed for 2015-2020 (see Appendix 2). The document details how we will deliver transformation across Services through a number of key themes.

3.1.2 Accompanying the strategy is a programme of major reviews that will deliver the next phase of organisational transformation. The programme is focussed on continuing to take a proactive approach to public service reform, and embracing change that keeps Perth and Kinross Council in a position of strength, to meet the new and significant challenges ahead.

3.1.3 In developing the programme, staff were encouraged to think about how things could be done differently in the future by adopting different approaches, building on the shared understanding developed from the activities outlined in section 2.5 and Appendix 1. An invitation was made in March this year to staff across the Council, and at all levels of the organisation, to submit transformation project proposals, outlining their idea and the anticipated benefits. This inclusive approach was taken to ensure widespread engagement with the new Transformation Programme. This will be vital in progressing the projects themselves, and also in leading the cultural change necessary to deliver this challenging agenda.

3.1.4 In total, 57 proposals were considered by Senior Management Teams, the Corporate Management Group, and Executive Officer Team, to assess the potential benefits and impact of the projects. The Transformation Programme included in Appendix 2 (Appendix A of the document) contains the 39 reviews which are considered to be key enablers of transformation across the organisation (some of the original 57 proposals were merged into other reviews, and some will be developed at Service/team level - see section 3.1.5). Subject to Council agreement of the Programme, further scoping work will be undertaken - including where relevant, full business cases - to clearly identify the reviews which require additional capacity and support, to secure their effective delivery.

3.1.5 Progress with this programme will be reported to the Modernising Governance Member Officer Working Group and Strategic Policy and Resources Committee. At the same time as delivering the corporate Transformation Programme, Services will continue to pursue a range of other transformational proposals that will be managed at a Service/team level, as part of Service Business Management and Improvement Plans, the relevant themed committees, and through the budget process.

3.1.6 It is proposed that the Chief Executive reports progress on the overall Transformation Programme to Council on an annual basis.

3.2 Developing the Organisation

3.2.1 The changes to the senior management organisation, approved by the Strategic Policy and Resources (Report Number 15/258), aim to strengthen our leadership and management arrangements. This will create the most effective platform to tackle the major organisational challenges ahead.

3.2.2 Alongside this is continued recognition that people are the Council's most valuable asset and it is through them that real, change is achieved. People are at the heart of our transformation journey. As such, it is more important than ever that those working within the Council have the opportunity to shape the programme. Sections 3.1.4 referred to organisation-wide transformation proposals, however it is imperative that transformation occurs at all levels, and across all areas in the organisation. Initiatives such as the Angel`s Share (mentioned in section 1.3) - which provides employees with an opportunity to bid for funding to invest in their innovative ideas - are central to fostering the approach we are seeking to achieve throughout the Concil.

3.2.3 What sets us apart as an organisation is our commitment to acknowledging and maintaining a collective focus on the connection between leadership, employee engagement and organisational culture in supporting the level and pace of change required.

3.3 Centre for Innovation and Improvement

3.3.1 The Councils most recent approach to organisational development was detailed in the report to Council on 17 December 2014, 'Securing the Future Through Our People' (Ref No 14/552). This report highlighted the work of the Council's virtual Centre for Innovation and Improvement, which was launched in October 2013.

3.3.2 Branded '***Learn, Innovate, Grow'***, the Centre's focus to date has been about placing innovation and improvement at the heart of everyday business. Almost everything which is offered on the programme capitalises on willingness of staff to share their expertise and time, for the benefit of colleagues. The programme is predominantly delivered by Council staff for Council staff. This creates opportunities which go beyond attendance at a learning event – such as networking, sharing of good practice and identifying potential for collaborative working, both within the Council and beyond.

3.3.3 Our focus on learning will be extended via a newly formed Leadership and Learning Network within the Council. This brings together key individuals who are involved in supporting learning in the various service and professional areas across the Council. The aim is to maximise available resources and expertise, as well as ensure a collective and joined up focus on all matters related to learning and development. A key role for

this group will be to support the transformation at corporate, service and team levels.

3.4 A Focus on Innovation and Improvement

3.4.1 The work of the Centre for Innovation and Improvement will include an Improvement Practitioners Network which has been established. This is attended by key staff from across the Council with responsibility for supporting change and improvement within their Service. The aim is to collectively build capacity for improvement, by developing a shared focus and use of the wide range of improvement methodologies and expertise in existence within the Council, and across the Community Planning Partnership. This includes methods such as Kaizen, customer journey mapping and project management.

3.4.2 This will enable us to maximise available resources and build capacity to support the Transformation Programme, as well as identifying areas which require further investment, such as supporting innovation in service design and delivery, growing our capacity for commercialism, and building skills in areas such as community engagement and empowerment.

3.5 Cultural Growth

3.5.1 The '***Learn, Innovate, Grow'*** brand is well established amongst staff, and building on this positive association, a simple Organisational Development Framework has been created to support a shared point of reference and understanding, and set out what is expected at individual, team, Service and corporate level. This is applicable as part of everyday business, and is of particular relevance to our plans for transformation. Appendix 3 explains the various components of the framework, and how together they form a cohesive and comprehensive approach to organisational development and cultural change.

3.5.2 The framework is visual, and is intended to be easy to relate to and understand - it can be applied at any level within the organisation, and to any activity. It sets out an ethos for thinking, working and future growth, around the existing three principles of '***Learn, Innovate, Grow'*** – everything we do can be articulated around these principles, as enablers for transformation.

3.5.3 The core of the framework identifies a focus on our organisational story, our purpose and ambitions, as this is what connects us with our employees and communities. This context also clarifies what is culturally important going forward (for example, collaborative working, the authorising environment, a risk positive approach, innovation and improvement, and a commercial focus).

3.5.4 Around the core, the framework brings attention to governance arrangements, infrastructure and cultural conditions (or organisational 'rules' such as policies / procedures etc.). These create the operating framework and the premise here is that the system shapes behaviour -

new ways of thinking and working must be supported within a system which supports and reinforces these new ways. This element of the framework aims to keep a focus on what ***can*** be done, and invites all those involved in creating / implementing governance, policies and procedures. (within any part of the business) to ensure that what is in place, is enabling, and supports people to do what has been identified as important.

3.5.5 The framework is straight forward and easy to remember – it simply confirms the positive and opportunity focused mind-set we want to experience within Perth & Kinross Council. At an individual level, the principles work as attributes, setting out what is expected of employees – i.e.

- ***Learn*****:** it is expected that you are willing to learn and apply new things to support your work, and that you will share your skills and expertise with your colleagues.

- ***Innovate*****:** within your day to day work, we expect you to be looking for ways to improve what you do – this might be a small change, equally, it might be something more radical. Along with this, we expect people to be open to change and willing to adopt new ways of working.

- ***Grow*****:** It is expected that by applying your learning to your work, and making improvements / innovations within the context of your area of influence, you will develop your skills, experience and expertise. And in doing so, your customer group will benefit from your commitment.

3.5.6 The above illustration can also be applied at Team and Service level, contributing to our aim of being a learning organisation, and keeping the focus on the best outcomes for communities.

3.5.7 In keeping with the ethos of the framework, it is proposed that we ensure each of the three principles (***Learn, Innovate, Grow***) are 'front loaded' into a number of key organisational processes – for example, the learning principle has been built in to the Business Management Improvement Planning (BMIP) process, and it is intended that the framework will provide a new focus for the Employee Review and Development Scheme.

3.5.8 This simple framework creates a shared focus and way of working which values individual / collective contribution and action in pursuit of organisational goals and ambitions. This shared understanding is of vital importance as we embark on the next stage of our transformation journey.

4. CONCLUSION AND RECOMMENDATION

4.1 Perth and Kinross Council is recognised as one of the highest performing Councils in Scotland. To ensure we continue to lead the way nationally, and in the context of the complex challenges we face, we must improve and transform the way we do business. The Council's Transformation

Strategy and Programme 'Building Ambition` 2015-2020, and new Organisational Development Framework will ensure that the Council is re-energised and ready for the future.

4.2 It is recommended that the Council:

a) Approve the Council's Transformation Strategy 2015-2020 and Transformation Programme set out in Appendix 2;

b) Approve the Council's new Organisational Development Framework, detailed in sections 3.2 to 3.5, and included in Appendix 3;

c) Request that the Chief Executive report on progress with the Transformation Programme to Council on an annual basis.

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Name	Designation	Date
Bernadette Malone	Chief Executive	18 June 2015

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ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1.1 Strategic implications

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

1.2 Financial implications

In preparing for the future, the Reserves Strategy that was approved by Council on 12 February 2015 earmarked £9.159 m towards supporting the Transformation Programme (including Workforce Management) (Report No. 15/38 refers). More detailed proposals for using part of this funding for the Transformation Programme will be reported to the Strategic Policy & Resources Committee, once business cases are developed.

1.3 Risk management

Risks associated with delivery of the Transformation Programme will be managed through business case development and effective project management arrangements. Key risks will be reported to senior management and elected members to consider the implications of options presented. As part of the ongoing delivery of the programme, risks will be updated and regularly monitored.

1.4 Consultation

The Corporate Management Group and Executive Officer Team were consulted in the development of this report.

1.5 Communications Plan
A communications plans for all staff and elected members will be developed pending approval of this report.

2. BACKGROUND PAPERS

The background papers referred to within the report are:

- 10/357 – Securing the Future – Towards 2015 and Beyond
- 15/182 - Overview of Local Government in Scotland 2015
- 15/258 – Building Ambition – A Blueprint for a 21st Century Council

3. APPENDICES

Appendix 1 – Preparing for Transformation: Timeline of Activity

Appendix 2 – Building Ambition: The Council's Transformation Strategy 2015-2020

Appendix 3 – Organisational Development Framework

APPENDIX 1 PREPARING FOR TRANSFORMATION: TIMELINE OF ACTIVITY

Date	Group	Outline
June 2014	***Executive Officer Team and Corporate Management Group***	This development event focused on the National / Local Reform context, leadership and accountability, the authorising environment, and scenario planning within the themes of continuity and change.
June 2014	***Senior Manager Briefing (attended by all managers to third tier)***	Chief Executive (CEx) outlined continued progress / successes, and reinforced the leadership role of those attending in relation to employee engagement, cultural change and business transformation.
Oct. 2014	***Executive Officer Team and Corporate Management Group***	Professor David Heald offered a view of Austerity post 2015. This macro – economic presentation supported discussions on financial planning, and maximising capacity and resources.
Oct. 2014	***Report to Full Council (Update of Medium Term Financial Plan)***	The latest version of the Medium Term Financial plan was approved by the Council on 8 October 2014.
Dec. 2014	***Open to all staff***	Angel's Share: the PKC version of Dragon's Den – Council staff were invited to pitch for investment for their entrepreneurial idea – 20 applications were received, with 23,285 votes being registered, indicating healthy competition, and support for colleagues' ambitions to win a share of the £35k funding.
Dec.2014	***Report to Full Council (Securing the Future Through our People)***	This report highlighted the many positive people practices which shaped progress over the last year, and sets out future plans which will enable employees, at all levels, to fully contribute to the Council's transformation journey.
Dec.2014	***All staff***	Video message to all staff from the Chief Executive acknowledging progress / successes during 2015 and valuing the continued contribution of all employees.
Jan. – March 2015	***Business Breakfasts (11)*** ***(these are attended by all third tier managers)***	This year discussions focused on sharing experiences of new ways of working across the Council, and with our communities, and learning from successes and challenges in relation to business change.

Jan. – June 2015	***OD Framework Consultation***	The OD Framework has been presented to a number of key groups to secure views / support – these include: Executive Officer Team, Corporate Management Group, Senior Management Teams (ECS, H & CC, TES, CEX), Employer Branding Group, Leadership & Learning Forum, and Improvement Practitioner Network.
Feb. 2015	***Senior Manager Briefing (attended by all managers to third tier)***	In addition to the traditional budget update, Services were asked to present successful examples of transformation, and share insights and learning which emerged in the process with colleagues.
Feb. – June 2015	***Executive and Senior Management Group***	Leading in an Entrepreneurial Council: This development opportunity aims to challenge delegates to adopt a more commercial focus, and create awareness of the role of culture in supporting this change in mind-set. Delegates are required to pitch an idea which will create income and / or savings. This initial work will contribute to the development of bids for IIF funding to support the Transformation Programme.
March - June 2015	***Heads of Service, Senior Managers, Team Leaders***	Supporting People through Corporate Change through Coaching Conversations. This development opportunity aims to support managers to think about their own leadership style, and have the ability to switch into a different mode, depending on the situation. The skills learnt on this course are crucial to developing the authorising environment, in terms of encouraging contributions from all staff, sharing responsibility for generating solutions, and developing new ways of thinking and working.
March 2015	***All staff***	Video message to all staff from the Chief Executive acknowledging the contribution and commitment of all staff in delivering £56million savings over the last 5 years, and seeking their continued support and creativity for the next stage in the Council's transformation journey.

March 2015	***300 delegates from across the Council (staff and elected members), and Community Planning Partner guests***	Illuminate 2015 Conference: This event created an opportunity for delegates to network with colleagues, hear about a range of insights and perspectives on leadership, culture, collaboration and working with communities, and have time and space to discuss what new ways of thinking and working really means for their area of influence. Delegates also participated in a large scale Innovation Lab experience, working to develop creative solutions to 30 'Big Challenges' put forward by Services. A number of key cultural messages were reinforced at the conference including expansion of the authorising environment, a positive approach to risk, collaborative working with partners and communities, innovation and improvement, and an entrepreneurial mind-set. The conference experience aimed to inspire delegates, and reinforce a positive focus on what's possible, by tapping into the considerable talent, creativity and commitment of our people.
May - June 2015	***Elected Member Engagement***	Briefing sessions held with all political groups to seek views and support for the Transformation Strategy, Programme and Organisational Development Framework.
June 2015	***Senior Manager Briefing (attended by all managers to third tier)***	Chief Executive (CEx) outlined successes over the previous year and future plans, and and reinforced the leadership role of those attending in relation to employee engagement, cultural change and business transformation.. The Transformation Strategy, Programme and Organisational Development Framework were also presented to this cohort to seek views and support.
June 2015	***TU Engagement***	Briefing session to seek views and support for the Transformation Strategy, Programme and Organisational Development Framework.

BUILDING AMBITION

The Council's Transformation Strategy 2015-2020

PERTH & KINROSS COUNCIL

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Executive Summary

CURRENT CONTEXT

REDUCED PUBLIC SERVICE FINANCE

PUBLIC SERVICE REFORM

INCREASING DEMAND FOR SERVICES

INCREASING COMPLEXITY

CONFIDENT & AMBITIOUS ORGANISATION

VISION FOR 2020

SHARING WITH COMMUNITIES

INTEGRATED WITH PARTNERS

ENTREPRENURIAL APPROACH

AGILE AND DYNAMIC

DIGITALLY ENABLED

TRANSFORMATION THEMES

- Efficiency
- Targeted savings/ increased income
- Community co-production
- Redesign
- Partnership
- Technology
- Tackling inequality

HOW WILL WE DO IT?

- Leadership
- Culture
- People
- Relationships with customers/ communities
- Financial planning
- Managing information
- Creating capacity
- Governance and risk

TRANSFORMATION PROGRAMME 2015-2020

39 Transformation Reviews - see Appendix A

Foreword

This is a breath-taking time to be involved in public sector. We face the greatest financial challenges in a generation; we are preparing for an unprecedented population increase in Perth and Kinross, alongside rising demand for our services; and we are managing the most significant change in public service since the creation of the welfare state – the integration of health and social care – as part of a larger public service reform agenda. The ways we deliver services are increasingly complex, and require higher levels of leadership and flexibility, from Elected Members and staff.

There has never been a more important time to be contributing to the Council's work, as we prepare ourselves to overcome these challenges, and deliver vital services to those in our community who need them most. We know we must be more innovative, creative, flexible and entrepreneurial, to respond effectively to these challenges.

We welcome a new age of working together with our Community Planning partners, with our communities and with the business/voluntary sector. We will jointly tackle the challenges, we will protect the most vulnerable in our community, and we will build a better place to live, work and visit.

Perth and Kinross Council is acknowledged as a high performing organisation. We have negotiated our transformation journey successfully so far, and our approach laid out in this strategy gives both the confidence and ambition to continue our progress, tackle the challenges, and provide the best possible service to the people of Perth and Kinross.

Councillor Ian Miller
Council Leader

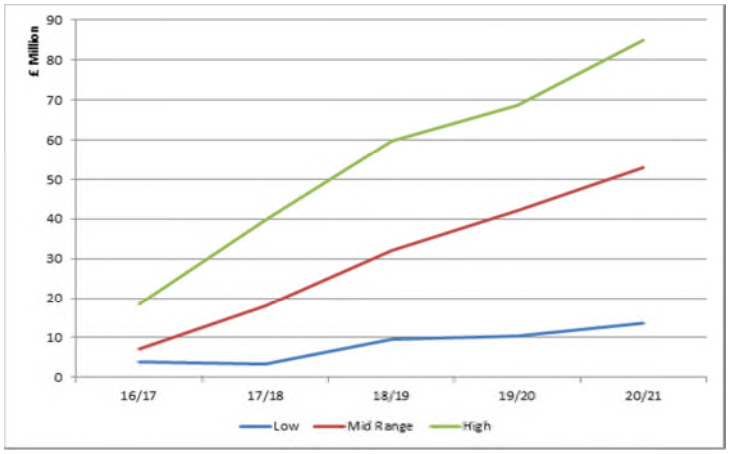
Bernadette Malone
Chief Executive

The Context

There are a host of challenges and opportunities facing the Council as we head towards the next decade. Here are the main ones.

Finance and resources

Scottish Government funding for Councils has reduced by 8.5% in real terms between 2010/11 and 2013/14. Between 2010 - 2015 the Council has delivered savings of £56m in its revenue budget - this includes £12m recurring savings delivered by the Council`s last transformation programme (2010-2015). The Office for Budget Responsibility reports that we are halfway through the current UK austerity programme, to close the gap between public spending and income. Based on a `mid range` scenario, the savings required by the Council from 2015 to 2020 are estimated at £52 m.



Estimated levels of potential savings required, based on `low`, `mid` and `high` range scenarios

Public Service Reform and New Legislation

'Effective community planning arrangements will be at the core of public service reform' Scottish Government/COSLA Statement of Ambition

The pace of public service reform is accelerating, supported by several significant pieces of new legislation. This is driving the Council and partners to deliver better outcomes for our communities through strong effective collaborations, particularly between Community Planning Partners. Here are the main areas of reform.

Health and Social Care Integration	**Children and Young People Act**	**Community Empowerment Bill**
Procurement Reform	**The Education (Scotland) Bill**	**Criminal Justice**

Demographics and Service Demand

Demographics - the population of Perth and Kinross is set to rise by 24% by 2037. The number of people over 75 set to rise by 89% in that same period.

▲ 24% by 2037

Demands for services – personalisation is driving the shape of all public services, with a growing public expectation that services will be tailored to meet service users` needs, helping them achieve personal goals and aspirations.

For example, due to rising population, the projected additional annual Health & Social Care Spend in Perth and Kinross will increase by:

É £128m by 2037

More Complexity

Traditional council services are now being delivered by a much wider range of models – such as arms length external organisations; commissioned services; jointly with Community Planning partners; and strategic partnerships such as the Scottish Cities Alliance. With partners, we are jointly tackling major issues such as health and social care, inequality and economic regeneration. This creates a more complex role for elected members and Council staff to manage and oversee these activities.

Our communities are also changing. Democratic renewal in Scotland has been reflected in significantly higher public participation and interest in recent democratic processes, such as the referendum and UK elections. The new Community Empowerment Bill reflects a growing expectation from communities that they will be entitled to take control of issues that affect them and their area, and this will drive forward the way we work with communities to deliver services.

Confidence and Ambition

The Council has a strong track record of planning for the future, no matter how challenging that future looks. We have many strengths. We are a high performing organisation, with a clear vision and strong elected member and officer leadership; we have excellent financial management, sound governance, and a talented and committed workforce. We can demonstrate many outstanding achievements, and these are confirmed through robust self-evaluation, as well as positive recognition

by external scrutiny bodies. Strong leadership of partnership arrangements by the Council is a key factor in our success.

> *The overall scrutiny risk assessment for Perth and Kinross Council is that of a low risk council which shows good self-awareness and demonstrates a positive response to external scrutiny '*
>
> Audit Scotland, Assurance and Improvement Plan 2014-17

This gives us confidence to build on our ambition, to maximise the opportunities and tackle the challenges facing the Council, so we can protect the most vulnerable, and secure the best possible outcomes for the people and communities of Perth and Kinross.

> *'And for all of us, no matter how difficult some of the challenges we face, that makes this an amazing time to be working in public service in Scotland'*
>
> First Minister, speech to COSLA Conference, 13 March 2015

What are we trying to achieve?

Our vision is of a confident and ambitious Perth and Kinross, to which everyone can contribute and in which all can share. Through delivery of the shared Community Planning strategic objectives for Perth and Kinross, we aim to build on our strengths and maximise the opportunities available to our citizens to achieve their potential.

Transforming the organisation will keep us on track to achieve that vision.

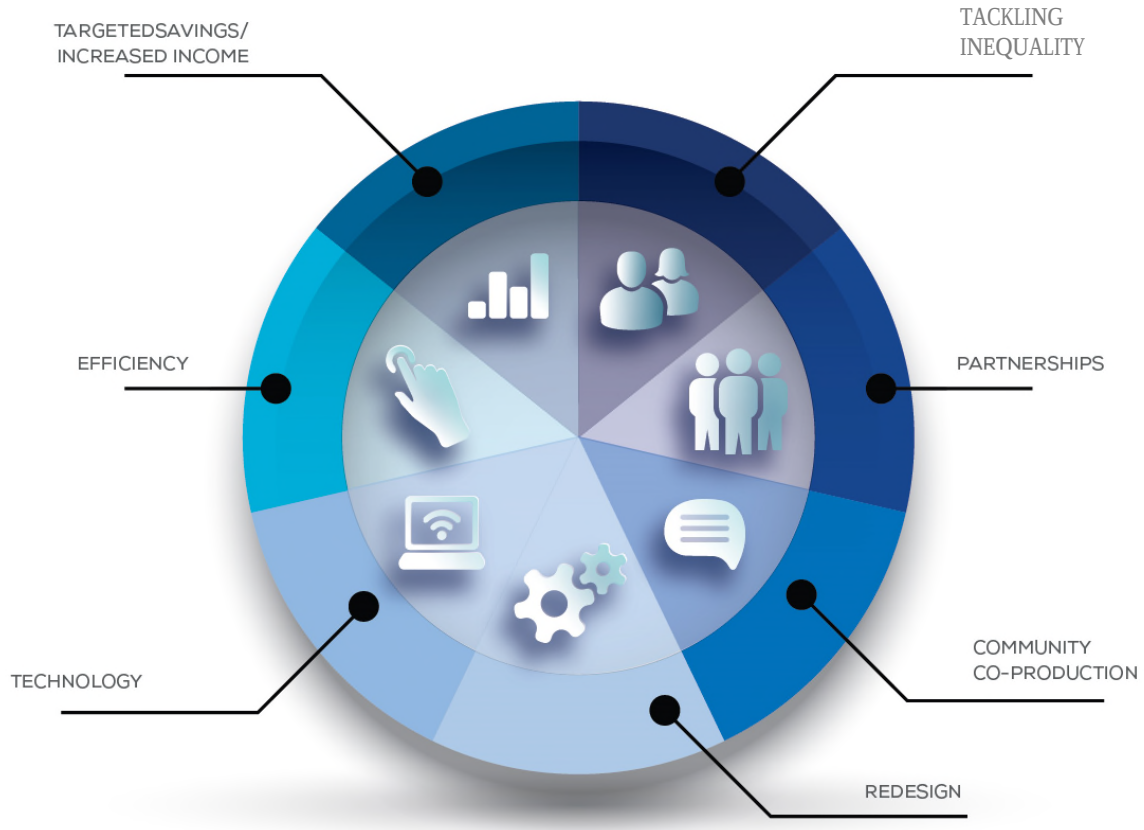
By

we will:

- Be working closely with individuals and communities, to deliver re-shaped and re-designed services, which deliver outcomes required by local people, and support the most vulnerable.
- Be fully integrated in our work, and sharing resources with community planning partners, the private and voluntary sectors, community groups and other local authorities.
- Be an entrepreneurial Council, delivering radical and innovative ideas to revolutionise our customer services and generate additional income.
- Be a dynamic and agile organisation, with the capacity to improve quality despite a reshaped staffing profile, and with reduced central government funding.
- Be a digitally enabled organisation, taking advantage of technology to change the way we do things, transform access to services and reduce costs.
- Be confident that we can deal with the next set of challenges facing the organisation and our communities in the future.

What are our transformation themes?

We have developed a range of transformation activities into an ambitious Transformation Programme (see Appendix A). These transformation activities have been shaped by the following themes:



Efficiency – Embedding efficiency and productivity into the fabric of the organisation to make the best use of our human, financial and other resources.

`Tackling waste, duplication and inefficiency is now a top priority for all those in public service` Renewing Scotland`s Public Services

Redesign – Generating innovative ideas to transform our services, to deliver different ways of working, and to keep us at the forefront of modern Councils.

`The goal must be nothing less than a thorough transformation of our public services. The prize is a sustainable, person-centred system, achieving outcomes for every citizen and every community` Christie Commission on The Future Delivery of Public Services

Targeted savings/Increased income – making the best use of our financial resources, to prioritise services to areas of greatest need, avoid additional future costs and proactively pursue commercial opportunities as a means of generating income, to offset the need to make savings.

'Councils' funding is decreasing in real terms, so it is important that they consider options to increase their income'
Audit Scotland Local Government Overview 2015

Partnerships – participating in effective place-based partnership and integrated service provision between public services, to deliver services which best meet customer needs.

'Effective community planning arrangements will be at the core of public service reform' Scottish Government/COSLA Statement of Ambition

Tackling Inequality – pursuing preventative approaches to tackle disadvantage, prejudice and discrimination.

tackling poverty and inequality are at the heart of the next phase of public service reform' One Scotland: The Government's Programme for Scotland 2014-15

Community co-production - engaging with the energy, wisdom, experience, knowledge, skills and other assets of communities. Recognising the vital role that people have in shaping and improving their own areas – making a difference to the places that they know best.

'a government at any level can't decree that a community is empowered. We can only make it easier for communities to empower themselves. We all have to get better at accepting that local groups often want to deliver on their own priorities, not priorities imposed by us' First Minister, speech to COSLA Conference, 13 March 2015

Technology – Maximise the opportunities for transforming customer services, and improving efficiency through technological advancements

*`Technology provides a foundation for innovative, integrated public services that cross organisational boundaries and deliver to those in most need, and for services for business that promote growth'* Scottish Government Scotland`s Digital Future

How will we do it?

Leadership

Leadership roles in the organisation are evolving, to respond to the increasingly complex landscape. As a result, elected members have a much broader role, overseeing a wide range of service delivery models, and leading on cross cutting issues such as tackling inequality and health and social care.

Leadership capacity is vital in achieving these aims. We will take forward our re-shaped senior management arrangements which will increase senior leader capacity, introduce more flexible arrangements, and enable our transformation to develop new, modern models of service delivery.

We will cascade knowledge and understanding of the dynamic public service landscape, to maintain our shared vision throughout the organisation, over what we want to achieve, and how we are collectively going to do it.

As senior managers support elected members to respond to the emerging strategic challenges, we look to all levels of the organisation to demonstrate a `living leadership` approach to our activities, as we maximise the contributions from all our employees, to have the mandate to proactively make improvements, fix problems, and bring about change in the organisation.

Culture

Cultural change is vital to our transformation and this requires a 'big picture' view, which firstly brings clarity to our ambitions, unearths the assumptions which may hinder progress, and creates the conditions which support employees at every level, to engage with, and deliver the change we need.

Changing the way we think and work must be supported by an organisational system which supports and reinforces the new ways, as it is the system which shapes behavioural change. We will examine our organisational rules (such as policies, processes and procedures) to ensure that they are robust but also flexible to be responsive and focused on supporting what is important. This includes further development of an authorising environment to make changes, a risk positive approach to our activity, a

focus on innovation and improvement, and along with that, an entrepreneurial state of mind to proactively pursue commercial opportunities.

Reinforcing the link between organisational culture and its impact on employee engagement is critical, as people are at the heart of our transformation journey. It is more important than ever that every employee has the opportunity to fully contribute to the evolving programme of renewal and improvement.

Our renewed organisational philosophy, set out in our Organisational Development Framework, will reinforce the cultural vision in a practical and understandable way, with three practical principles reinforcing our ethos for cultural change and transformation; Learn, Innovate, Grow. These principles can be applied at every level across the Council, from individuals to Services. We will promote this approach to support thinking, working and future growth and in doing so, reinforce the mind-set we need to effectively transform our organisation.

We will continue our commitment to maintaining a collective focus on the connection between leadership, employee engagement and organisational culture, in supporting the level and pace of change required.

People

All we are as a Council, and all that we can be is reliant on our people. We know we have a talented and skilled workforce, who demonstrates their passion and commitment to public service, their resourcefulness and their professionalism, on a daily basis. We have been preparing our workforce for the future and this provides a strong foundation for implementing our Transformation Strategy.

Resilience and flexibility are key to becoming a more agile organisation which is essential as the Council explores and implements new ways of thinking and working with partners and communities, and makes the best use of technology. Resilience comes in part from involving employees in transformation and change, encouraging their learning to boost creativity and innovation, and supporting them through corporate change. Our positive and proactive approach to employee health and wellbeing will contribute to having a thriving and productive workforce who are inspired to make a positive difference to the lives of the people we serve.

Corporate resilience also comes from a sustainable approach to workforce development which seeks to build leadership at all levels, to encourage learning and development for the skills and roles we will require in future, and to support people moving around the organisation to take on new roles and positions as the nature of our work

evolves. There will be more importance placed on commercial and business skills, as well as working across organisational boundaries as more services are delivered on a collaborative basis. We will design job roles which are flexible and responsive to the changing needs of the organisation and which provide opportunities for personal and professional development.

As we continue on our transformational journey, our focus will be to secure a high performing workforce with the talent and capabilities to meet the changing demands of public services.

Our Relationship with Customers and Communities

We will go even further in developing our relationship with the people and communities we serve. Our Chief Officers will play a lead role in each of our localities, with all Council Services working with partners, to support communities' requirements and aspirations, including the opportunities presented by the Community Empowerment Bill.

To target reduced resources most effectively, we will extend our knowledge of local peoples' insights and experiences, to understand what their needs are, and work with them, over decisions on how our services will have the best impact on their lives. We will jointly plan, develop and deliver services, which complement their own community activities.

We will meet customer demands for better, faster, more accessible services by offering improved digital offerings which our users can 'self serve' to access anytime of the day. We will do this by acting on customer feedback, and we will ensure that people who are not online are still able to fully access the services they need.

Financial planning

We have a strong track record in managing our finances and delivering efficiency savings, however this will become more and more challenging in the future. We have also prepared for the future by maintaining recurring revenue budget headroom (excess of income over expenditure) that will be available from 2016/17 to cushion the anticipated tough financial settlements over the short to medium term. In addition, we will continue to update and refine the Medium Term Financial Plan to ensure that we are making informed, evidence based decisions on future expenditure priorities.

We will take forward joint resourcing with our Community Planning partners, by sharing the resources to collectively make a difference to people's lives.

Managing Information

The use of data will become increasingly important to ensure we understand local needs, and work with service users and local communities to identify priorities and desired outcomes. We will ensure we are making the best use of information resources jointly with Community Planning partners to achieve value for money, and improve outcomes for people and communities, as part of our duty to work in partnership to plan and improve outcomes for the area.

We will use the Local Government Benchmarking Framework and other comparison opportunities to support improvement, learn from the best, develop more efficient methods, and import innovative solutions into our own transformations.

We will increase the use of digital technology to capture patterns of socio-economic changes, service use and customer feedback, so that, users of public services are more directly involved in service design and improvement, and we can target our resources to the highest priority activities.

We will accelerate the sharing of data. This will open our data to citizens, researchers and developers to access, and make this available for community groups and community planning partners to use - to find new solutions to the area's issues, and create value for wider economic and community benefit. Consistent community information has the potential to transform how we enable public engagement and deliver data to the public and partners, supporting communities to take an active role in community planning.

We will modernise our performance information and service data, to make it easier for Elected Members, our partners and our communities to readily access performance and other Council information across all services. This will improve accountability, scrutiny and also help support decision making.

Creating capacity

We must unlock capacity in the organisation to continue providing services which people rely on each day, whilst responding fully to the public service reform agenda and also implementing our Transformation Programme, to ensure we remain a modern, high performing Council.

Focussing on the best use of our physical assets – properties, roads, vehicles, public space and technology equipment – through an asset management approach will ensure diminishing resources are targeted at priorities and improving our efficiency.

Our focus on technology has great potential to release capacity, with transformation proposals in areas such as mobile working, and citizen accounts, capable of delivering great improvements in productivity and efficiency, with less need for office accommodation, and reduced duplication in data inputting and processing.

With 40% of public service spending absorbed by dealing with social problems and 'failure demand' (Commission on the Future Delivery of Public Services), our continued approach to early interventions and preventative action will be essential to making a difference to our most vulnerable citizens and giving people an equal chance in life, as well as reducing costs.

We will release capacity through revising our approach to procurement, rebalancing procurement and commissioning from cost efficiency, to effectiveness - taking into account the power of effective procurement to lever community benefits, to generate sustainable economic growth, and drive economy of scale savings, through collaborative procurements with other organisations.

Governance and Risk

We can only deliver the changes we need through the commitment of our people, and we need to instil people with a sense of freedom and the confidence, to make improvements and manage risks.

We will need to be prepared to be bolder in our innovation and creativity. The scale of the challenges in public service are such that taking a risk adverse approach is no longer appropriate. Instead we need to be risk aware. This does not translate to ignoring risks, or taking an irresponsible approach to risk. To ensure decisions are made with risk in mind, when we develop and decide on options and proposals, we will be clear about the risks associated with each option.

With the Council leading on an increasingly diverse range of service delivery models and with major changes to our staffing and management arrangements, it is important that we continue to maintain strong governance. We will ensure that governance arrangements are reviewed as part of our change processes.

Balancing the creativity and confidence of individuals, with the controls of strong governance with risk management, will create an authorising environment where decisions and responsibility are devolved to the most appropriate level in the organisation.

Making sure we get it right

Governance of Transformation

> *'There can be no compromise on the importance of good governance, particularly where there are significant changes in personnel and systems'*
> Audit Scotland Local Government Overview 2015

The need for strong, effective governance in these changing times is reflected in the governance arrangements for this Transformation Strategy, to ensure the productive delivery of the outcomes, and that elected members are able to oversee and engage with the progress being made. See Appendix B for governance arrangements.

Resourcing the Change

Evidence from local authority transformation programmes in England shows that creating the capacity to deliver transformation initiatives – whilst delivering valuable daily public services - is the single largest obstacle to successful transformation. Potentially transformative innovations are not progressed due to lack of time and space to take them forward.

In recognition of this challenge, the Reserves Strategy approved by Council in February 2015 earmarked £9 million towards supporting the Transformation Programme (including Workforce Management).

Risk Management

We will manage risks through effective business case and project management arrangements, with key risks being reported to senior management and elected members to consider the implications of options presented. As part of the ongoing delivery of the transformation programme, risks will be regularly monitored and reviewed.

Sharing the Improvement Expertise

The Centre for Innovation and Improvement (established in 2013) aims to support the delivery of our Transformation Strategy. Branded '*Learn*, *Innovate*, *Grow*' the Centre's focus to date has been about placing innovation and improvement at the heart of everyday business. Building on our progress to date, we will continue to use this platform to support sustainable change, and build capacity and capability for innovation and improvement at all levels across the Council, through our Organisational Development Framework.

As learning is fundamental to change, we will continue to increase opportunities for people to learn and gain new skills, share knowledge and broaden their network of useful connections. The Leadership and Learning Network will work to maximise available resources and expertise, and ensure a collective a joined up focus on all matters related to learning and development.

An Improvement Practitioners Network has been established to collectively build capacity for improvement across the Council, by developing a shared approach to the use of the wide range of improvement methodologies and expertise in existence within the Council, and across the Community Planning Partnership. We will maximise available resources and build capacity to support the Transformation Programme. We will also identify and action areas which require further exploration and investment, such as supporting innovation in service design and delivery, changing customer behaviour, growing our capacity for commercialism, and building skills in areas such as project management, community engagement and empowerment.

Next steps

From proposal to outcome

At this stage our transformation proposals are outline estimates of benefits, savings and impacts. The next stage will be to develop projects into full business cases, to develop the evidence, allow us to plan for change, and give more confidence about successful outcomes. See Appendix A for more details.

Communication

We will communicate this strategy and Transformation Programme to colleagues to develop our collective understanding, to build support for the Programme, and inspire further transformation activity.

The Transformation Programme 2015-2020 (at Appendix A) is just the beginning. Staff have an ongoing opportunity to share their good ideas with each other and with their managers, and decide the best way to make the improvements happen. The Council's Organisational Development Framework will support this ethos.

Learn, review, improve

We are a learning organisation. We will therefore ensure that quality assurance, self-evaluation, ongoing review and monitoring processes are built into our plans. We will share our learning and experience with colleagues.

We will prepare for Council, as part of our annual reporting process, an account of our progress on this strategy.

If you want to know more about our transformation strategy and programme and how we are addressing the major challenges facing public services, you can find information on www.pkc.gov.uk

June 2015

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.
You can also send us a text message on 07824 498145.
All Council Services can offer a telephone translation facility.

Appendix A

Programme of transformation reviews 2015-2020

1	**Corporate Property Asset Management Review** - Developing a portfolio strategy to ensure future investment areas are prioritised, providing fit for purpose accommodation.
2	**Procurement Reform Review -** Achieving further savings from procurement activities – through more collaborative procurements, closer management of suppliers, reducing demand, and avoiding unnecessary expenditure.
3	**Smart Perth and Kinross: Perth and Kinross Open Data Review** - Exploring the publication of Council's data and information on the web, and allowing others to share their data, making many aspects open and transparent, to foster collaborative working.
4	**Strategic Commissioning with the 3rd sector** - Review of funding to all 3rd sector groups and their respective contributions to our strategic priorities and outcomes.
5	**Corporate Digital Services and my Account Review** - Adopting digital services for our customers to access Council services online anytime, anywhere, and from a device of their choice.
6	**Mobile Working Review** - Investigating a mobile working programme to transform employee culture and working styles, and enable PKC staff to be truly mobile.
7	**Communities First Review** - Strengthening the services provided through communities, and reduce the reliance of citizens on Council services.
8	**Review of Older People's Services** - Assisting people to remain at home for longer in their localities, and shift the balance from traditional services to community focussed services.
9	**Review of Community Capacity and Empowerment** - Exploring the feasibility of pooling all PKC community development skills and resources, to unlock more resources for communities.
10	**Home First: Review of Homeless Service** - Providing options for direct access to settled accommodation for homeless people, missing out the temporary stage where possible.
11	**Review and remodelling of residential care services (children and young people)** - Avoiding escalating costs of residential care for children through alternative and innovative models for local provision.

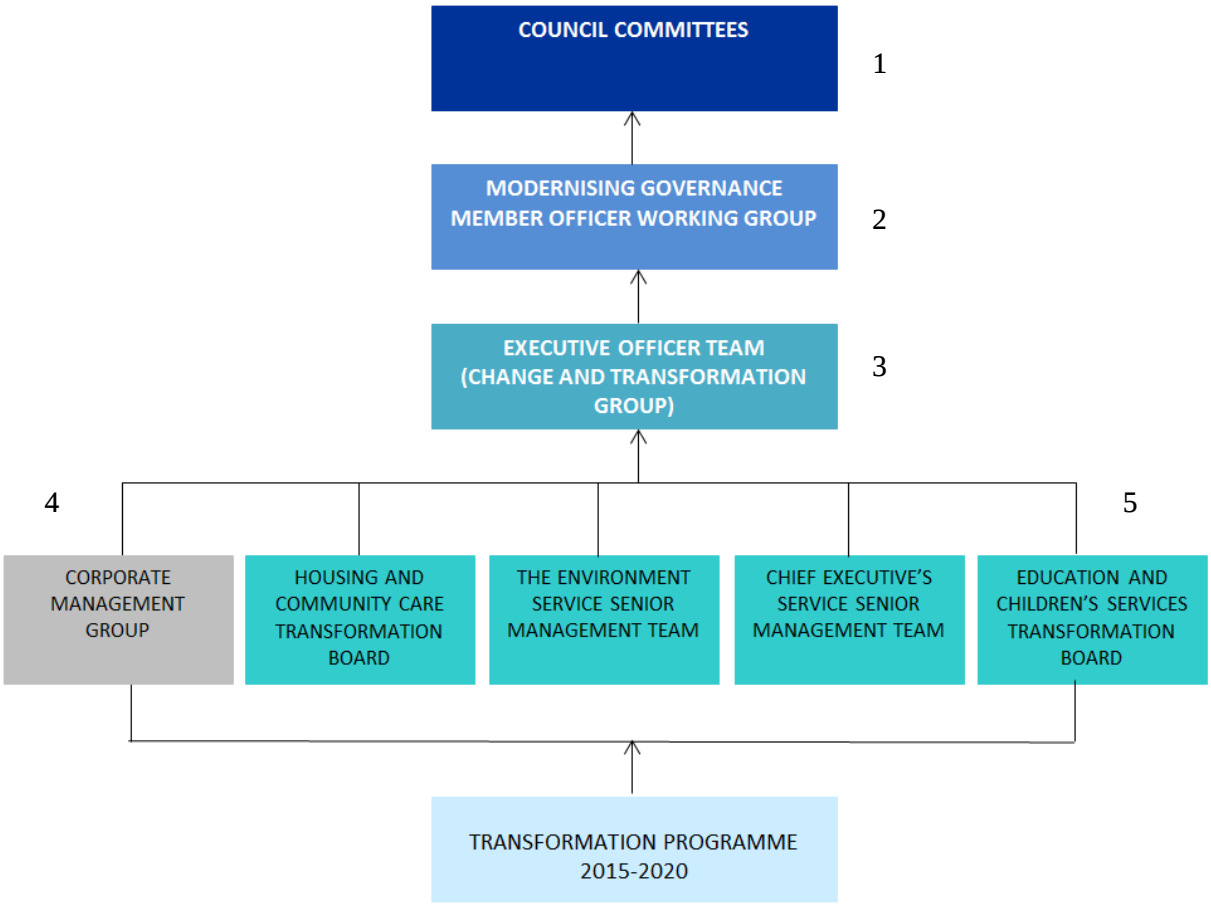
12	**Building for Communities Review** - Supporting communities to take a more active role in managing and maintaining Council owned community buildings, unlocking access to funding which the Council is unable to access.
13	**Review of School Staffing Standards** - Reviewing current staffing standards currently used to inform the different annual staffing exercises linked to schools. Gather benchmarking information from other Education Authorities to inform this work.
14	**Review of HCC Repairs Service** - Reviewing options for repairs in localities, to improve services and maximise cost savings.
15	**Review of Facility Management (FM) Service arrangements (including Tayside Contracts**) - Reviewing the role of the Facilities Management Service, and its partnership and management arrangements
16	**Electronic Document Management** - Investigating implementation of Sharepoint as the corporate electronic document management solution for the Council, with "back scanning" of existing paper documents, to allow digital access to all relevant documents.
17	**Review of Community Campuses Contract Arrangements** - Reviewing Community Campus contracts and charging to identify efficiency savings and commercial opportunities
18	**Review of Catering Services** - Examining optimum production, menu and service arrangements and looking at options for area based kitchens and partnership working with other organisations.
19	**Early Years Strategy Phase 3 Review** - Ensuring services continue to align with the Perth and Kinross Early Years Strategy
20	**Review of Inclusion Services** – Examining Inclusion Services to take a fresh look at Additional Support Needs service provision and determine how we can deliver a more focused delivery model.
21	**Securing the Future of the School Estate** – Modernising the school estate by making efficiencies and more effective use of all existing resources.
22	**Review of Community Care Packages for People with a Learning Disability** – Maintaining as many people with a Learning Disability as possible in a community setting, in accordance with the Learning Disability Strategy.
23	**Review the Delivery of Class Contact Time** – Exploring the re-design of Reducing Class Contact Time (RCCT), to give schools more flexibility to be responsive to delivering the curriculum.

24	**Expansion of Family Based Care Review** – Examining expanding the numbers of foster carers and increasing the range of family based options for young people, reducing the costs of placements outwith the Council area
25	**Council Vehicle Fleet Utilisation and Optimisation Review** – Investigating the use of technology and telematics in the Council's smaller fleet vehicles, and reviewing the use of personal vehicles for Council business, to identify greater efficiency opportunities.
26	**Review of Efficiencies in ICT** – Investigating how we can deliver quality ICT services more efficiently and at a reduced cost, through 'cloud' storage and partnering with neighbouring public bodies.
27	**Review of Council Assets for Commercial Sponsorship** – Exploring a variety of advertisement/sponsorship opportunities on a wide range of assets and sites.
28	**Review of Roads Activities** – Examining potential efficiencies, including joint working arrangements with Tayside Contracts.
29	**Review of Recycling Service** – Identifying the range of recyclables accepted through the kerbside lidded bin, while reducing households general waste capacity.
30	**Review of Structure of the School Week** – Investigating options using a range of benchmarking information and other relevant data, to assist schools to plan and deliver teaching and learning in a more efficient way.
31	**Community Greenspace Review** – Engage, Equip and Empower our Communities – Identifying grounds maintenance sites not owned by the Council which could be adopted by local communities, with support from the Council.
32	**Public Toilet Best Value Review** – Considering options for provision of public toilet facilities within Perth and Kinross, including more Comfort Scheme Partnerships.
33	**Modernising Performance Reporting Review** - Using technology better to transform the presentation of performance management information, allowing instant access to Council performance data.
34	**Optimising our Peripheral Workforce Review** – Examining management of our peripheral workforce – i.e use of agency, supply, consultants, part time additional hours and overtime.
35	**Modernising Licences, Permissions and Approvals Processes Review** – Streamlining and digitalising the process for all applicable licences and permissions.

36	**Review of Administrative Support Services –** Identifying options to deliver a more efficient and effective support function across the Council.
37	**Inveralmond Reuse Shop Review** – Investigating the creation of a reuse shop to capture householders' unwanted items that are still in good, reusable condition to divert waste from landfill, and reuse household furniture/white goods
38	**Grounds Maintenance – Continental Shift Working Review** – Investigating a 7 day week provision of Council wide grounds maintenance service.
39	**Review of Event Management** – Investigating options for enhanced event management services to raised increased income

Appendix B – Governance

The following diagram represents the governance arrangements for the Transformation Review Programme, for Category A Reviews.



1. Progress on the Transformation Strategy and Programme will be reported at least annually to Council. Matters related to financial management of budgets associated with the Transformation Programme will be dealt with by Strategic Policy and Resources Committee. Service issues will be reported to relevant themed Committees.

2. The Modernising Governance Member Officer Group will provide elected member oversight on the Transformation Strategy and Programme at each meeting.

3. The Executive Officer Team (Change and Transformation Board) provide an officer level Executive Board for the Transformation Programme. It will receive progress reports on the Programme every 8 weeks.

4. Corporate Management Group manages the interface between Services in relation to cross cutting reviews.

5. Individual Service Management Teams manage and monitor Service- specific reviews, or where the Service takes the lead on a corporate project.

APPENDIX 3 ORGANISATIONAL DEVELOPMENT FRAMEWORK

Visual 1: Our Ethos

Visual 1 (Our Ethos): Narrative

As we embark on the next stage of our transformation journey, everyone needs to be pulling in the same direction, if we are to negotiate the many challenges emerging for public services. The right mind set will be key, because *'how'* we do things, is as important as '*what*' we do.

The '*Learn, Innovate, Grow*' brand is well established within the Council, and building on this positive association, a simple Organisational Development Framework has been created which sets out an ethos for thinking, working and future growth, around the existing three principles of '*Learn, Innovate, Grow*' – these principles help us to articulate *how* we will evolve our organisational culture, and also act as enablers for transformation and continued growth.

The Framework is purposely visual, aiming to be easy to relate to and understand, at a glance. It can be applied at any level within the organisation, and to any business activity. It offers a shared point of reference and understanding, setting out what is expected at individual, team and Service levels.

Visual 2: At the Core

Visual 2 (At the Core): Narrative

The core of the Organisational Development Framework identifies a focus on our organisational story, purpose and ambitions, as this is what connects us with our communities and employees. Clarity around our employer brand is also critical, and we have constructed an employee value proposition which sets out the purpose of our work - '*to enhance every life we touch'*. This aspiration applies at an individual level, as well as within the collective groupings of team, Service and organisation – it applies whether the customer group is internal or external. What really sets us apart is our ongoing commitment to acknowledging and maintaining a collective focus on the connection between leadership (setting the tone and direction), employee engagement (ongoing contribution and additional discretionary effort) and organisational culture (the way we do things round here). These elements also sit at the core of the Framework, as intrinsic to reinforcing the organisational story and employer brand.

Across the Council, a wide range of professional groups work with an equally wide range of client / customer groups. Whilst there is a significant amount of variation in terms of what people do, there are also a number of common themes, and these are relevant to everyone in the organisation. For example, going forward it will be important that the working environment:

- supports innovation and creativity
- recognises the importance of relationships
- nurtures an authorising environment
- is risk positive
- helps people focus on what '*can*' be done, and not what '*can't*'
- places the client / customer at the centre
- encourages employees to be advocates of the Council, and to be ambitious in terms of the work they do for their client/ customer group
- enables people to work on whatever offers the most value, without getting caught up in layers of bureaucracy which hinder progress

However, it's not enough for us just to tell our employees what is important – we have to make sure that the organisational system makes it possible. Therefore surrounding the core, the Framework brings attention to organisational infrastructure - governance arrangements and cultural conditions (or organisational 'rules'). This element aims to keep a focus on what *can* be done, and invites all those involved in creating / implementing governance, policies and procedures etc. (within any part of the Council), to ensure that what is in place is enabling, and supports people to do what adds the most value. The organisational infrastructure needs to evolve to support new ways of thinking and working – the system reinforces the organisational culture, and ultimately drives behaviour.

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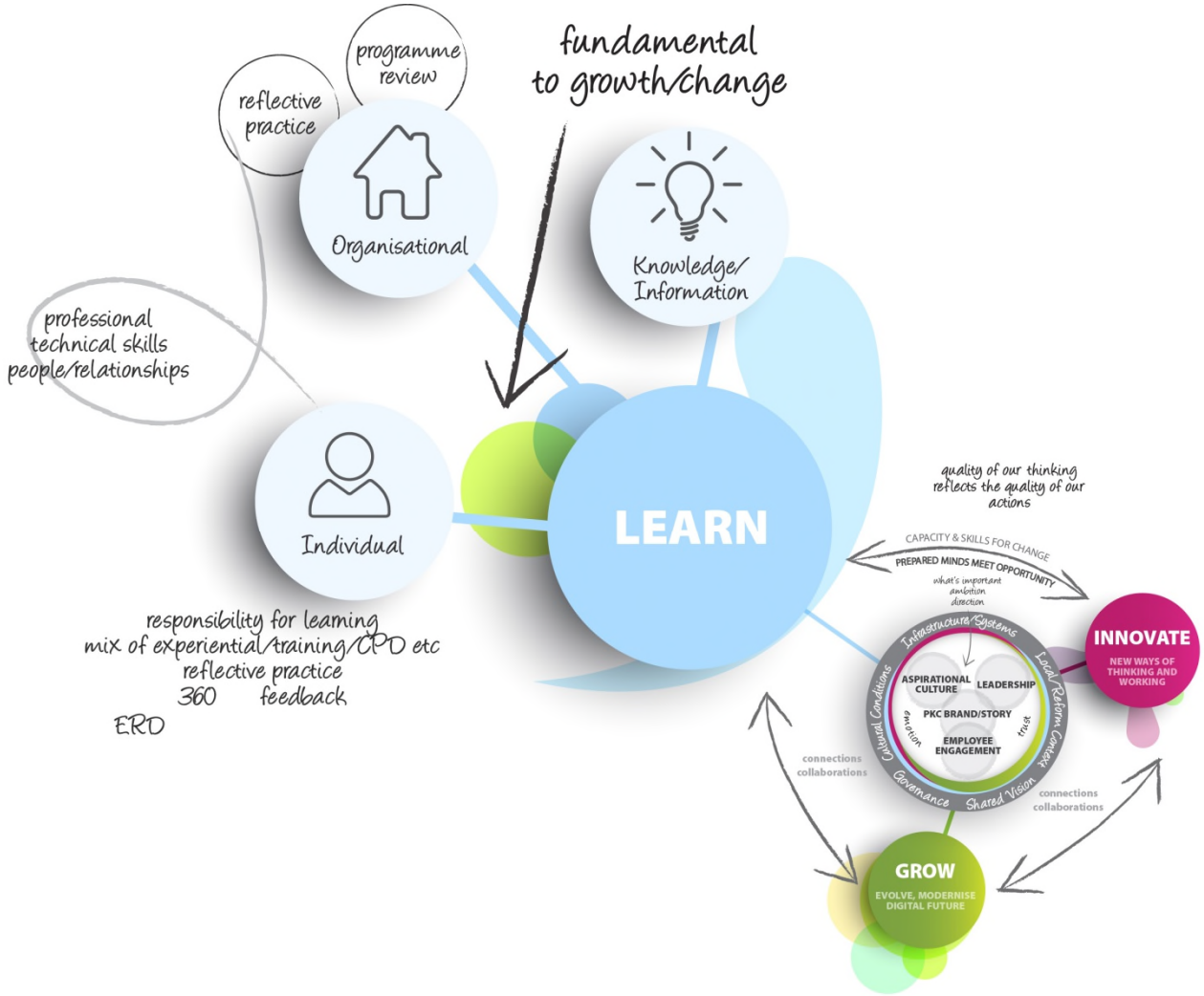
Visual 3: The Learn Principle



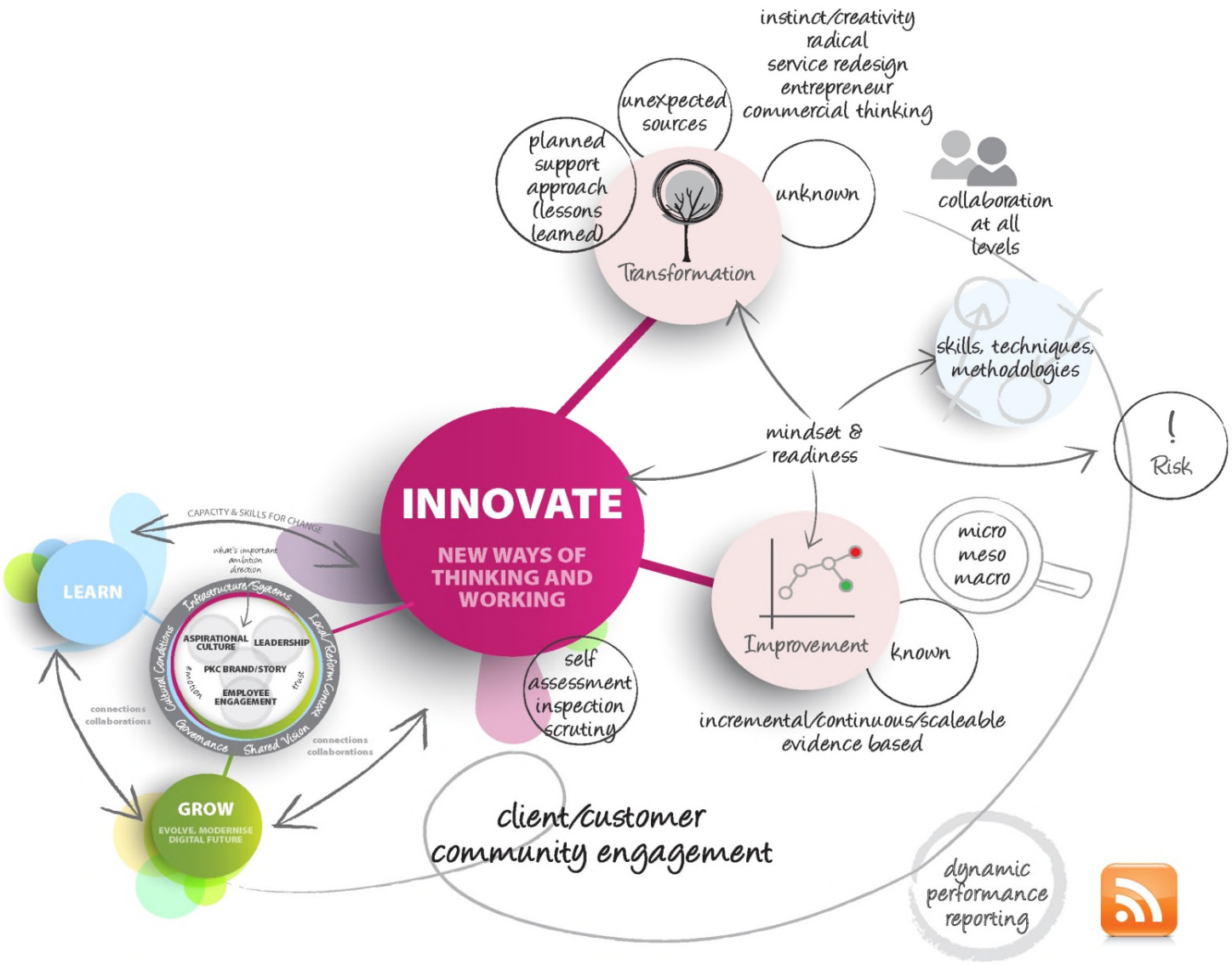
Visual 3 (The Learn Principle): Narrative

Whilst it is not necessary to view the principles in a linear way, the *Learn* principle is a good place to start, because learning is fundamental to growth. It is also a critical factor in cultural change, because in order to learn something new, it is generally true that something has to be 'unlearned' before progress can be made.

The quality of our thinking impacts on the quality of our actions, and at its simplest, this principle sets out the expectation that employees are open to, and willing to learn, and apply any learning to their work. It also reinforces the shift away from 'training' to learning, and invites us to be creative in the pursuit of opportunities to learn and develop. This very much supports a lifelong learning approach, and has strong parallels with the Curriculum for Excellence which is about supporting people to maximise their potential, and have confidence in their own skills and abilities. The *Learn* principle is also applicable at team and Service level – a key question is 'what do we need to learn, in order to deliver what we are setting out to do?'. Equally, individuals, teams and Services also need to think about how they can help others learn – this recognises the significant internal expertise we hold within the Council and aims to capitalise on this resource. Sharing (and accessing) skills, knowledge and information will be central to our progress, and this is identified within the organisational element of the *Learn* principle which aims to ensure that we pay attention to our successes and challenges, and consciously apply collective learning to future work.

Again, it is not enough just to ask people to be open to learning – we need to make sure that the organisational system supports this approach. For example, the *Learn* principle has been 'front loaded' into the Business Management Improvement (BMIP) process - this year Services were asked to think about what needed to be learned in order to deliver the aims set out in the BMIP. Similarly, a revised version of the ERD is being piloted – this aims to create a shared focus on what is collectively important. And this approach will be extended into other areas.

Visual 4: The Innovate Principle



Visual 4 (The Innovate Principle): Narrative

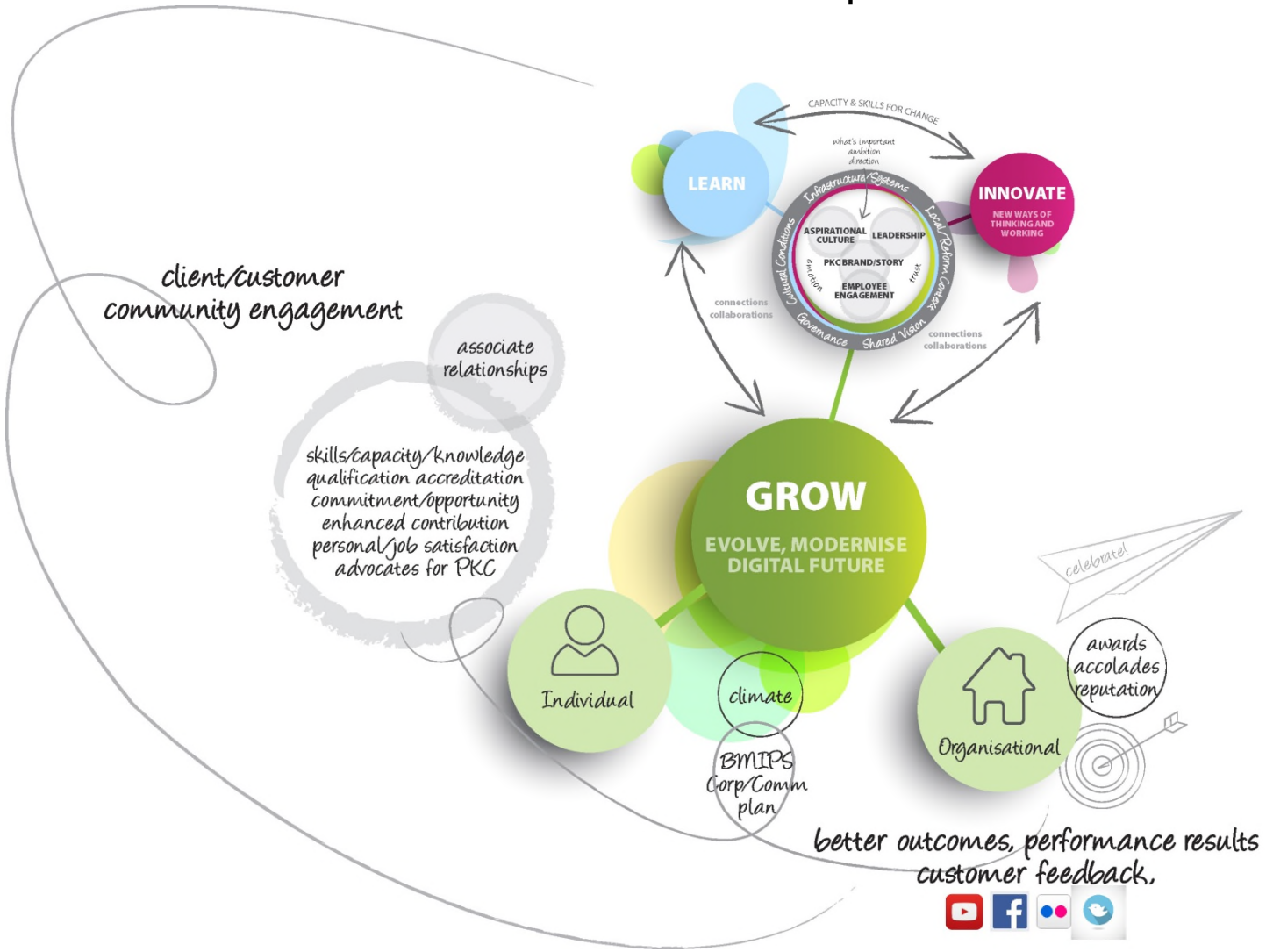
The *Innovate* principle is about prepared minds meeting opportunity. It sets out the expectation that every single person in the organisation should always be thinking about ways to improve what they do (for the benefit of their client / customer group), and be prepared to share their ideas for consideration and action. This might be a small change, or it might be something more radical, and there are a wide range of improvement techniques and methodologies which will support people to test out and implement their ideas. The improvement journey focuses on what we already know works, and this applies at individual, team and Service levels – a number of existing activities such as self-assessment, inspection and scrutiny reinforce this approach.

However, incremental change is only part of the story, and our transformation journey recognises the need for a more radical approach to change. As well as our Transformation Programme, which promotes a planned approach to change, we recognise that we need to keep the focus on innovation and creativity in our daily work, and develop a more entrepreneurial and commercial mind set. Whilst there may be evidence for the challenges our citizens and communities are facing, evidence for the solutions may not yet exist, and we need develop the confidence to take a leap of faith in pursuit of new ways of working, where it is appropriate.

Our approach to risk is therefore key – staying in the comfort zone won't take us where we need to go, but equally we need to be clear about how we expect people to go about taking calculated risks, and to which level. An authorising environment is built on trust and relationships, and a shared understanding of what we are trying to achieve, as well as the consequences of decisions and actions. This will be a cultural shift for a hierarchical organisation, and will necessarily begin at an individual level – between manager and employee. The revised ERD aims to support the types of conversations which need to take place to develop our approach to the authorising environment.

The *Innovate* principle also aims to reinforce the Council's story (at the core of the Organisational Development Framework) – people access information in different ways, and we need to further develop creative approaches to reporting our performance and sharing our successes.

Visual 5: The Grow Principle



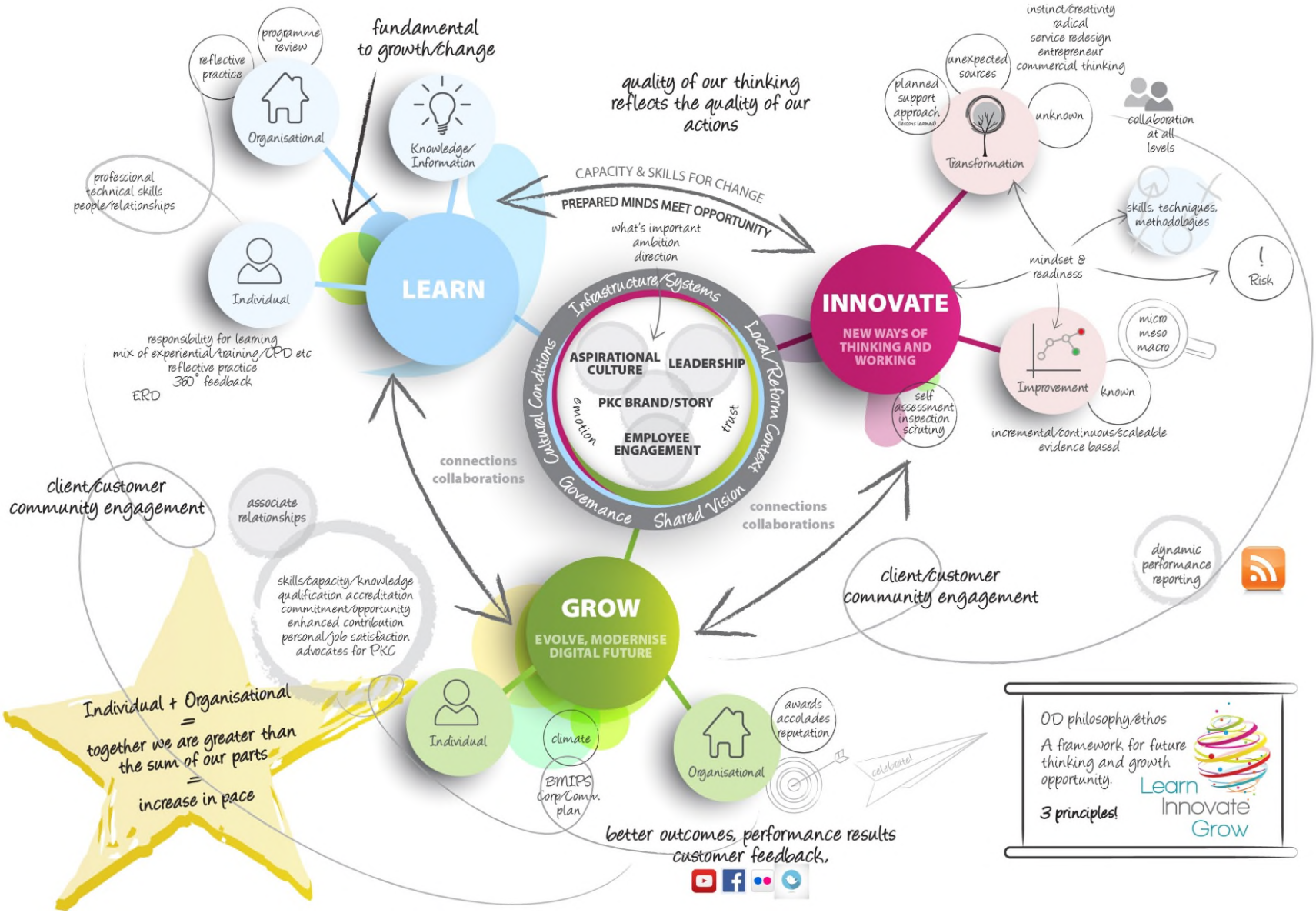
Visual 5 (The Grow Principle): Narrative

The *Grow* principle is the outcome of *Learn* and *Innovate* – it is expected that employees will apply learning to their work, and make improvements / innovations within their area of influence – and that this will naturally result in a benefit to the client / customer group. At an organisational level (team and Service), we will see better outcomes for citizens and communities, improved performance results, and great customer feedback. Equally at an individual level people will have developed their skills and expertise, and will be able to apply their experience to other areas of the business – this is a form of succession planning.

The *Grow* principle recognises the Councils aspiration to become a learning organisation*, by creating the conditions to support learning, at individual, team and Service levels, and in doing so, supporting the ongoing process of transformation and change.

*(*A learning organisation is an organisation where people continually expand their capacity to create the results they desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together. Senge 1990)*

Visual 6: Organisational Development Framework (Full)



Visual 6 (Organisational Development Framework - Full): Narrative

This Framework aims to illustrate *how* we will support cultural change within Perth & Kinross Council, articulating what is expected of employees, and equally articulating how the Council will support people's contribution to transformation. It is a dynamic and flexible approach which can be interpreted at different levels – it will mean different things for individuals, for teams and for Services - it also works for different professional groups, and has meaning regardless of people's work role. It has the added benefit of being easy to remember.

Importantly, the Framework recognises the need to ensure that the organisational system and culture supports the principles, so that they become embedded in everyday life, for every member of the organisation.

This simple approach sets out to underpin the delivery of Transformation Programme by encouraging a positive and opportunity focused mind set. It is anticipated that a shared understanding of *how* we will go about our business (via the *Learn, Innovate, Grow* principles), combined with collective effort, will have a cumulative effect.

Together we are greater than the sum of our parts.