

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest is a shield divided into four quadrants. The top-left quadrant shows a sailing ship on wavy lines representing water. The top-right quadrant shows a stag's head with large antlers. The bottom-left quadrant shows a beaver. The bottom-right quadrant shows a grizzly bear. Above the shield is a crown with four maple leaves. A banner at the bottom of the shield contains the motto "A NE FOR A".

Agenda Item 12

Council of the Future

Falkirk Council

Title: Council of the Future

Meeting: Falkirk Council

Date: 7 December 2016

Submitted By: Chief Executive

1. Purpose of Report

- 1.1 The purpose of this report is to set out a proposed new framework of change for Falkirk Council. The framework is to provide a business model which builds on current practice to confidently deliver on the Council's key priorities and outcomes in a challenging financial climate.

2. Recommendation(s)

- 2.1 It is recommended that Council agrees to:

2.1.1 Note the work already undertaken by the Council in taking forward change and efficiency;

2.1.2 Adopt the new change framework to implement the 'Council of the Future', to deliver a programme of change over the next 3 to 5 years; and

2.1.3 Note that an update report will be submitted to the Executive prior to the end of the financial year on implementation of the Council of the Future framework.

3. Background

- 3.1 Audit Scotland undertook a best value review of the Council in April and May this year. The findings were reported to Council in September 2016. The key messages were:

- The Best Value follow-up audit has found that despite a significant amount of activity taking place in response to the recommendations of the report, the pace of change at the Council is still slow. The Council has a number of improvement activities working in parallel but it is not clear how these relate to the Council's strategic priorities and the budget setting process. The recruitment of a Change Manager demonstrates awareness of the need to do more but this person will need to be supported at the highest level.

- The Council needs to agree priorities. The Corporate Management Team needs to lead a coordinated approach to deliver them.
 - Performance reporting processes have improved but there is little evidence to suggest that performance management drives improvement within the Council.
 - The financial challenges facing the Council have continued to increase with a 3 year budget gap of £46 million between 2015/16 and 2017/18 increasing to £61 million over the same timeframe between 2016/17 and 2018/19. This is in the context of a rising demand for services.
 - The Council will need to increase its pace of improvement and change the way it delivers services to respond to these pressures. Reliance on small-scale savings and workforce reductions will not be sufficient.
 - The Council's response to the findings of the Best Value follow-up audit will be critical to driving change and improvement in the future.
- 3.2 The Accounts Commission considered a report from the Controller of Audit on the Council's Best Value follow up audit at its meeting in November 2016 and will publish its findings in early December 2016. This report was not available at the time of writing. There is a requirement for the Council to publicise the date on which this report will be formally considered by Members, and give two weeks notice to the public. As a result the report cannot be considered at today's meeting.
- 3.3 The Council has already commenced a programme of change through the work undertaken by the Business Transformation Board and the projects which report to this. The Board was originally established to look at the Council's workforce, assets and working practices, with the aim of transforming service delivery models, to realise savings and efficiencies.
- 3.4 Some progress has been made with key successes achieved in workforce management, asset management and working practices resulting in savings of over £1 million and a £500k saving in capital costs to date.
- 3.5 These successes have given the Council a good start in its journey of change. However the pace of change needs to be greater, particularly to meet the financial climate which is forecast. The Corporate Management Team has considered how to take our change programme forward, taking into account a range of issues such as the demanding budget pressures; demographic demands; policy and legislative changes, e.g., the Community Empowerment Act, Integration of Health and Social Care, Delivery of Excellence and Equity in Scottish Education; changing service delivery models; increased partnership working and increasing expectations of technological improvements.
- 3.6 As agreed by Council in September, discussions have taken place with the Provost, the Leader of the Council and the Leader of the Opposition on a proposed response to the Best Value audit. This group agreed that a more holistic approach was required in moving forward. This approach has been entitled the Council of the Future.

Based on the discussion at this meeting, a presentation of the Council of the Future framework was provided for Members during the first half of a seminar held on 9 November 2016. This report sets out the considerations on the Council of the Future.

- 3.7 In developing the Council of the Future framework, consideration has been given to good practice in other organisations and in particular, discussions have taken place with a number of Councils in Scotland and England.

4. Considerations

- 4.1 The new framework will be more structured, benefits-focused, and set a clear vision of what Falkirk will be as a Council of the Future. Council will set the priorities on which our change must be focused. This will be through the Corporate Plan, which will also link to the Strategic Outcome and Local Delivery Plan (SOLD) which sets out the community planning partnership's commitments for the area over the coming years. The new business model will have sound governance and fundamental service redesign at its heart. It will set out the key enablers in terms of technology, workforce development, sustainable long term financial planning requirements and the level of engagement needed, to make the Council of the Future aspiration, a reality. The framework for Council of the Future is illustrated in the diagram at appendix 1.
- 4.2 The governance arrangements are described below. An illustration of these arrangements is shown in appendix 1.
- 4.3 It is proposed that a Council of the Future Board is set up to replace the Business Transformation Board. The new Board will oversee the projects which will deliver the necessary changes to achieve the Council's priorities. The Executive will receive regular reports on progress, to enable appropriate decision making. The current Board membership includes the Leader of the Council and the Leader of the Opposition, the Chief Executive and Directors. This arrangement has been found to be successful and adds value to the scrutiny and progress of change projects. Members may wish to consider if they would wish any changes to the membership of the Board.
- 4.4 The Board and Services will be supported by a Change Group, comprising Project Managers from across the Council, responsible for the delivery of the cross cutting and enabler projects. The aim of this Group is to find solutions, remove barriers to change including resource / capacity barriers and to enable decision making on project planning on a corporate basis.

- 4.5 Services will be supported by a Programme Management Office (PMO). This team will support the development and delivery of Service level projects, including building internal capacity to deliver ongoing sustainable change delivered at an increased pace, advising on 'art of the possible' for service redesign options and ensuring benefits are identified, tracked and realised. This capacity currently doesn't exist within the Council and is key to increasing the pace of change. It will involve a lead officer, three programme management officers and a business analyst. The team will be in place for an initial period of 12 months and will be funded from within existing resources.
- 4.6 This team will also support the development of a new operating model for the Council. In practice, this will set out principles on how the Council will work with its customers to deliver services, the way this will be done and how the Council as an organisation, is designed to support this, including a review of relevant processes. External expertise may be required to support some of the change process to achieve the Council of the Future and fast-track innovation.
- 4.7 Improvement Groups will continue to play a key stakeholder role in the Council of the Future governance arrangements. The rigour of Council of the Future will ensure that the Improvement Groups are more fully engaged and consulted as a stakeholder group on the impact of any proposed changes. Improvement Groups will include the project lead officers and relevant Trade Union and workforce representatives.

Implementation

- 4.8 To take forward the Council of the Future framework, any critical ongoing projects will be migrated to the Council of the Future programme based on immediate and future priorities and their capacity to deliver change. Work is currently being undertaken by Services to develop the list of these projects which will include those linked to strategic service reviews and delivering budget savings. This list will be refreshed during 2017/18 to ensure a continued link with the priorities set out in the Corporate Plan.
- 4.9 The initial iteration of this programme will be presented to the first meeting of the Council of the Future Board.
- 4.10 The Programme Management Office will be established over the next few months.
- 4.11 Work will be undertaken to finalise the membership of the Change Group and the programme management office, as outlined above, and a range of organisational development work will be put in place to support these arrangements.
- 4.12 A launch of the Council of the Future framework and programme will be undertaken early in the New Year including engagement with the Council's workforce and relevant stakeholders. An engagement plan is being developed to support this.

- 4.13 A report will be submitted to the Executive by the end of March 2017 to provide an update on progress on implementing the Council of the Future change framework and programme.
- 4.14 The Council of the Future business model needs to make a significant contribution towards the 2018/19 budget process and future budget processes thereafter.
- 4.15 A key challenge of this work will be the need to balance the change programme with 'business as usual' requirements. This is particularly challenging at a time where the impact of austerity measures is causing a reduction in the workforce, and all services are being asked to do more with less.

5. Consultation

- 5.1 The Provost, the Leader of the Council, the Leader of the Opposition, Members via the seminar on 9 November 2016, Corporate Management Team, the Business Transformation Board and Service Management Teams have been consulted on the proposals for the Council of the Future framework.

6. Implications

Financial

- 6.1 With a programme as ambitious as this, there are limits on what the Council can deliver through its own internal resources. Initially, a Programme Management Office (PMO) will be established on a 12 month temporary basis from within existing resources. The composition of the PMO is set out in paragraph 4.7
- 6.1.1 A fully developed resource plan and risk register will be prepared to ensure all risks are fully understood with a programme of this breadth and scale, and that resources are in place for taking forward the projects assigned to each financial year.

Resources

- 6.2 As stated, the PMO resource is required to set up and get early traction on the Council of the Future operating model. Future resource requirements will be identified through the resource plan and risk register.

Legal

- 6.3 There are no direct legal implications arising from this report.

Risk

- 6.4 The key risk is the failure to implement Council of the Future effectively. If Council of the Future is not embedded, the Council runs the risk of not being able to meet the challenges of demanding budget pressures; demographic demands; policy and legislative changes; changing service delivery models; increased partnership working and increasing expectations of technological improvements. This risk is further heightened by the potential of being unable to demonstrate a clear and committed approach to addressing the Audit Scotland Best Value findings.

Equalities

- 6.5 At this stage, an Equality and Poverty Impact Assessment (EPIA) was not required for this report. However, equality and poverty implications will be an integral part of the project management methodology instilled as part of Council of the Future.

Sustainability/Environmental Impact

- 6.6 At this stage, an Environmental Impact Assessment (EIA) was not required for this report. However, sustainability and environmental implications will be an integral part of the project management methodology instilled as part of Council of the Future.

7. Conclusions

- 7.1 This report sets out a new change programme for the Council: Council of the Future. It is vital to driving forward change and improvement in the future as well as the pace at which this happens. The implementation of the Council of the Future is in direct response to the recommendations and comments from Audit Scotland and is also considered to be an essential business model for the Council to adopt, if it is to constructively move through a period of significant change in a sustainable way with a robust framework.

Chief Executive

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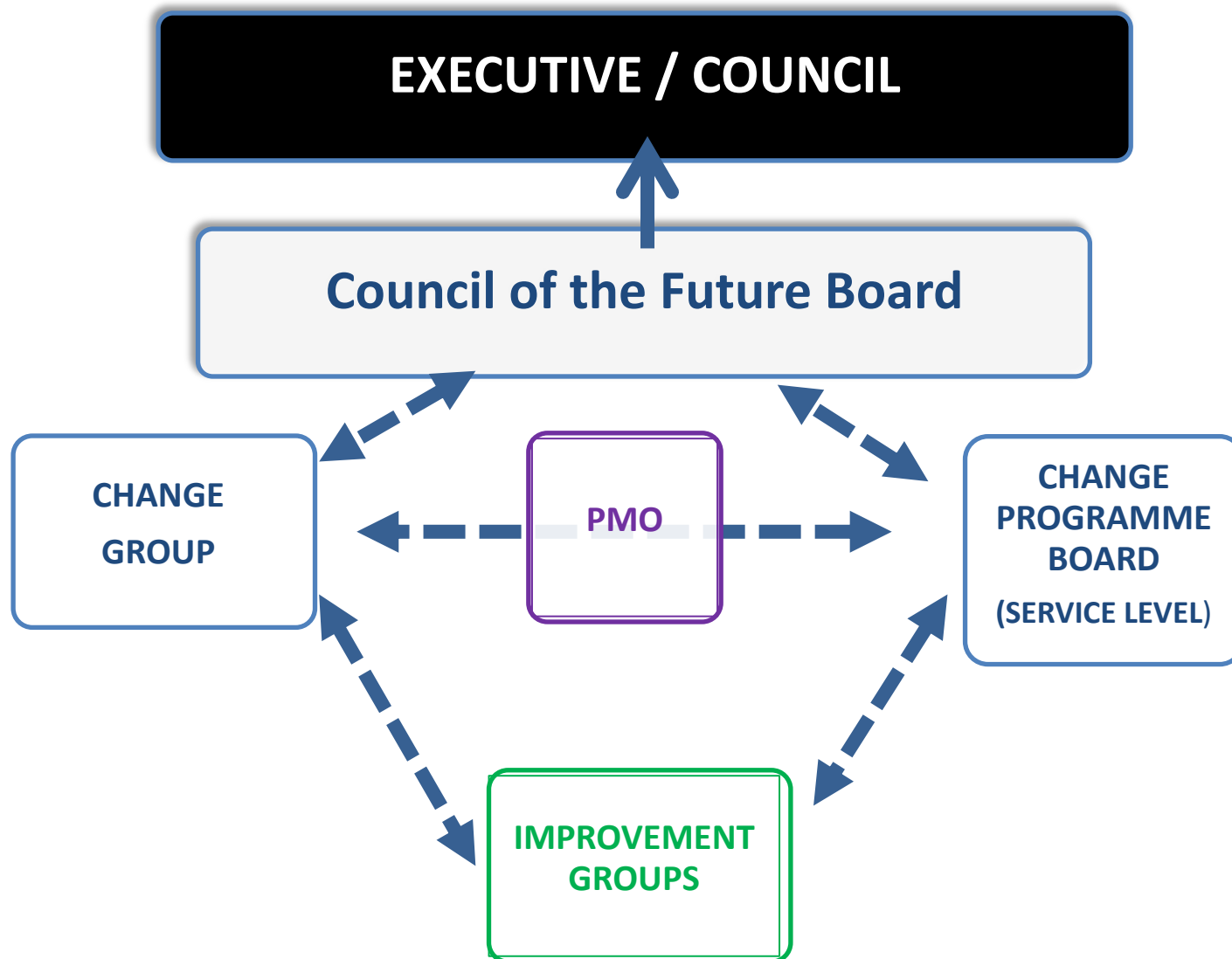
Date: 29 November 2016

APPENDICES

Appendix 1 – Diagrams showing the governance arrangements and framework for Council of the Future

List of Background Papers

None



Council of the Future Framework - Scrutiny and Priorities Context

