

28th February 2019

1 PURPOSE AND SUMMARY

- 1.1 **This report proposes a new 5 year programme of transformation across the Council - called 'Fit for 2024' - with the aim of delivering a Council that is adaptable, efficient and effective, and one ultimately capable of not only meeting the challenges ahead, but of fully optimising outcomes for the citizens and communities for which it is responsible.**
- 1.2 Summary of the main points of the report:
- (a) Context - Beginning with the financial challenge, the report notes the scale and breadth of the challenges the Council faces. It notes the opportunities provided by a coalescence of a number of initiatives, including the South of Scotland Enterprise Agency and the Local Governance Review. It recognises changing citizen and customer expectations, both in terms of operational contacts with the Council, and in a desire for increased involvement in its decision-making processes.
 - (b) Vision and guiding principles – The report sets out a template for Fit for 2024 built on the primary purposes for which the Council exists and guiding principles drawn from international, national and local commitments. This holds that, through delivery of excellent leadership, and top class services, the Council will drive improvements in wellbeing guided by the Christie principles, by principles of Sustainable Development and the necessity of us all playing 'our part' pursuant to the Corporate Plan.
 - (c) Fit for 2024 Forward plan – The report lays out the range of projects and initiatives necessary to the delivery of Fit for 2024, highlighting the importance of a 'whole' Council approach, the cross-cutting nature of what is required, and the need for all elements of the programme to be driven corporately.
 - (d) Council approval is sought for Fit for 2024 on the basis of the vision and guiding principles described, recognising the significant strategic implications of the programme for our organisation, and noting the proposed elements of the programme.
 - (e) As the first of a series of practical issues, which will emerge as a result of Fit for 2024, it is proposed that a range of Council community funds and grants to external bodies is consolidated in a single fund, and devolved across the Council's five Area Partnerships. The background to and rationale for this proposal and related proposals are set out in Annex A to this report, with the resultant recommendations set out below in paragraph 2.2 of this report.

2 RECOMMENDATIONS

2.1 I recommend that Scottish Borders Council:-

- (a) approves the transformation programme Fit for 2024;**
- (b) approves – specifically - the proposed vision for Fit for 2024 and guiding principles to facilitate that transformation journey, namely:
 - i. A Council which through the delivery of excellent leadership and top class services drives improvements in wellbeing across and throughout the Scottish Borders;**
 - ii. A Fit for 2024 Transformation Programme that is guided by the Christie principles, by principles of Sustainable Development and the necessity of us all playing 'our part'.****
- (c) notes the significant strategic implications of Fit for 2024 for the Council, and the proposed elements of the programme as described in paragraph 4.3;**
- (d) approves the preparation of internal and external communications plans to support Fit for 2024; and**
- (e) approves investment in resources to deliver Fit for 2024.**

2.2 With reference to Annex A of this report, I recommend that Scottish Borders Council agrees to:-

- (a) consolidate the Council's Localities Bid Fund, Quality of Life Fund, Community Grant Scheme, Local Festival Grant, Federation of Village Halls Grant, Community Council Grant and the current contribution to the Third Sector and creates a Community Fund for devolvement to the five Area Partnerships;**
- (b) amend in principle the Scheme of Administration to reflect the recommendation at paragraph 2.2 (a) above, with the amendment to the Scheme being the subject of a future report to Council;**
- (c) offer in kind accommodation, in place of the current financial contribution, to the Third Sector; and**
- (d) consider the allocation of a further £445,000 as part of the 2019/20 budget process to the Community Fund (referred to in paragraph 2.2(a) above) across the five Localities based upon head of population, to support communities in taking forward locally agreed community priorities and solutions.**

3 BACKGROUND TO FIT FOR 2024

- 3.1 Over the last decade, financial challenge has become a predominant and pervasive feature of the local government landscape. For SBC, since 2013/14, this has required the delivery of over £40m of permanent cost reductions on a cash basis in order to balance the budget each year. Further and deeper real terms cuts are expected over the period to 2024 and beyond.
- 3.2 To add to this picture, a host of other pressures bear down on the Council, among them:-
- greater demands for our services;
 - the challenges of meeting the needs of our growing older population, with an 80% rise in the number of over 75s in the Scottish Borders predicted by 2041;
 - the need to drive a step change in the economic performance of the area, transforming the Scottish Borders from one of the weakest contributors to national growth to one of the most vibrant rural economies in Europe;
 - far-reaching reforms in Health and Social Care which place the individual at the centre of an integrated and holistic approach to their needs;
 - new requirements in Education, empowering schools, enhancing parental and pupil involvement, and driving improvement through collaboration;
 - rapid digital transformation as a continuous and permanent feature of our environment in general and of customer service and service delivery in particular;
 - new duties under the Community Empowerment (Scotland) Act 2015 and in relation to Poverty and Inequality; and
 - budgetary, legislative and regulatory impacts as a result of the UK's proposed exit from the European Union.

It is a fair assessment to suggest that the outlook for the Council remains extremely challenging.

- 3.3 At the same time, a number of potentially transformative opportunities have arisen, which the Council must seize if it is to deliver for the communities and citizens of the Scottish Borders. These include:-
- The South of Scotland Enterprise Agency;
 - The Borderlands Inclusive Growth Deal;
 - The Edinburgh and South-East Scotland City Region Deal; and
 - The Local Governance Review, which presents an opportunity to design a public service approach which responds directly and effectively to the place-based challenges of our region.

- 3.4 Lastly, what citizens and communities expect of their Councils is also changing:-

(a) **The customer experience**

Customers expect and we must provide both customer service and service delivery of the highest standard. At the same time, rapid technology enhancements and customers' digital expectations have all acted as a catalyst in the demand for (and ability to deliver)

online public services. From registering the birth of a child, to providing an environment for customers to interact 24/7 with the Council, there are increased and growing expectations of services. The keynote is minimising customers' time and effort and delivering exactly what they want when and where they want it: a customer-first mind-set.

(b) **Enhanced community engagement, participation and empowerment**

In 2015 the Scottish Parliament passed the Community Empowerment (Scotland) Act 2015 to give new rights to community bodies and new duties to public sector authorities. The Act, derived from the principles set out by the Christie Commission, envisages proactive support from Councils (and Community Planning Partners) to help communities to do more for themselves and have more say in decisions that affect them. The establishment of Area Partnerships and the development of Locality Plans is an example of our response to that.

In 2017 Council leaders agreed that at least 1% of local government budgets should be subject to participatory budgeting (PB) by the end of 2021, giving communities more influence to make decisions on how funding is spent in their localities. We have piloted PB here in the Scottish Borders with the first round of the Localities Bid Fund (LBF) completed in early 2018, and the current round of LBF open for applications.

In the Scottish Borders Household Survey 2018, 64% of respondents indicated they would like greater involvement in decisions the Council makes about their local area.

Better community engagement and participation leads to the delivery of better, more responsive services and better outcomes for communities.

We recognise the important contribution that local communities make to the quality of life in the Scottish Borders. We also recognise that both improved customer experience and community empowerment are integral to the future configuration of the Council, and its activities, as well to interactions with the Council.

- 3.5 It is clear that as our strategic and operating environments change, so the Council must change, especially so if we are to continue to deliver the high levels of service that citizens expect

A Vision and guiding principles

- 3.6 'Fit for 2024' is Scottish Borders Council's response to these challenges. It is a vision for the future, guiding principles, but robust in its assessment and execution of the actions needed to deliver a Council that is adaptable, efficient and effective.
- 3.7 In setting out our 'Future Council', it is necessary to return to first principles and ask the question 'what is the Council for?' In answer, the Council's activities may be said to fall into three main categories: representing the local community; delivering services to meet local needs; and striving to improve quality of life and community well-being. Of these, the most important is 'wellbeing'. Leadership and services are essential, but ultimately contribute to the objective of improving wellbeing.
- 3.8 Over the last few years, in Scotland, as in other parts of the world, there has been increasing interest in a 'wellbeing' approach to government, which focuses on societal progress through measuring wellbeing as a

function of improvements in quality of life, material conditions and sustainability. In Scotland, this has found its principal expression in the Christie Commission and the National Performance Framework now enshrined in legislation through the Community Empowerment (Scotland) Act 2015.

(a) **The Christie Principles**

To tackle deep rooted, and highly complex issues like poverty, poor health and educational attainment, the Christie Commission advocated a joined up approach in which public services are viewed as a whole system. The Commission report (2011) recommended that public services should: prioritise prevention; involve people and communities; promote partnership working, and increase the efficiency of public services. Above all, it contended the focus should be on outcomes rather than process and inputs.

(b) **Sustainable Development**

Without engaging the public sector, sustainable societies will be undeliverable. The UN's agreement of 17 Sustainable Development Goals, and Scottish Government's incorporation of the UN SDGs in the new [National Performance Framework](#) highlight the increasing urgency of this agenda for the world and for national governments. In its 2005 Sustainable Development Strategy – Securing the Future, the UK Government said: 'The goal of sustainable development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations.' This short description is also used by Scottish Government, and provides a useful encapsulation of a concept, which is a pervasive element of public policy in Scotland and is increasingly expected to shape the Council's decision-making, policies and service delivery. A detailed Report on Sustainable Development is in preparation, though it should be noted that the principle already features in Connected Borders' commitment to 'a future that delivers economic growth and sustainable development', in the Community Plan and in the Council's Corporate Plan for 2018-2023.

(c) **#YourPart**

The Council's Corporate Plan promotes a further concept vital to understanding 'Fit for 2024'. This is the notion (expressed in the #tag) that, to meet the scale of challenges now faced by public bodies generally and Scottish Borders Council specifically, all of us have a part to play - as individuals, families, businesses, partners and communities. Taking one example from the many examples set out in the Corporate Plan, this means using the services we put online whether 'applying for Housing Benefit, [or] reporting a complaint to help us to reduce costs' and enabling us to direct resources to where they are most needed.

3.9 This then is the Council's template: through delivery of excellent leadership, and top class services driving improvements in wellbeing guided by the Christie principles, by principles of Sustainable Development and by the necessity of us all playing 'our part'.

3.10 It should be recognised that Fit for 2024 raises fundamental questions about the future shape of Scottish Borders Council. This is an issue for Elected Members, Council management and staff, partners and stakeholders, businesses, communities and citizens. The Council will need to interrogate aspects of its business, how it is configured and how and what it delivers. This will challenge everyone. It follows from this that

effective and timeous communication of the context for decisions and what the Council is aiming for is essential. Indeed, fundamental to this is the notion that our communication is not merely passive, but engages all of the groups referred to in our efforts to transform the Council. All of these considerations necessitate the development of both internal and external communications plans and this forms a specific recommendation of the report.

4 FIT FOR THE FUTURE – THE FORWARD PLAN

- 4.1 Fit for the Future is about the 'whole' Council, and all aspects of how the Council delivers will be under intense scrutiny and subject to change – structure, management, workforce, business processes and productivity. Repeating the theme of first principles referred to in paragraph 3.5, we must ask ourselves in relation to each service or business process we review – 'what is it we are trying to do?' The approach is sometimes referred to as 'purpose-led transformation'. Its significance is that it compels an approach which focuses not on the narrower interests of a service or department, but on optimising intended outcomes. At a strategic level, this means improving wellbeing. At an operational level, it may mean, for example, ensuring that social workers are armed with appropriate mobile technology, so clients require to provide their details only once, and the required information is available to be used by the Council and its partners for all relevant and related purposes.
- 4.2 Taking a purpose-led approach, furthermore, invokes important subordinate principles:-
- It ensures business is focused on the customer end-to-end journey rather than internal silos
 - It ensures business (process/operational) metrics focus on customer benefits
 - It ensures staff accountability is built on delivering the 'right' metrics
 - It promotes lean processes, focused on delivering value to the end user/customer, and freeing up resources to be re-directed into driving outcomes
 - It draws on facts and evidence and upon best practice from across the public and private sector, understanding why it is best practice and how it could deliver benefits to the Scottish Borders.
- 4.3 To make the vision, and guiding principles of Fit for 2024 relevant, our framework for transformation must be applied to the actual business of the Council. Planning transformation only in theory will not deliver what the Council or those we serve require. In this respect, Fit for 2024 will be a challenging and exacting exercise.

A series of inter-connected areas of focus will be taken forward as part of the Fit for 2024 Programme. Resources will need to be prioritised in order to deliver this ambitious programme on many fronts. However, this programme allows the consolidation & co-ordination of large areas of existing work, and will ensure consistency of purpose and direction.

4.3.1 Service by service review/restructure

Whilst many of the Council's services have undergone review over recent years which delivered financial plan savings, there is now a need for a more consistent approach across every SBC service that is designed to meet future demands. This will be sponsored by the relevant Service Director but will be led by an objective review team, which includes officers from key corporate services and other

non-service specific challenge.

A comprehensive plan/timetable for these reviews will be developed, which prioritises those services which offer the greatest scope for change, improvement and financial savings based on:

- Key indicators, including cost & performance comparisons with other local authorities;
- Time elapsed since a comprehensive review of that service; and
- Evidence-based analysis of good practice and opportunities from around the country.

Every service review will have clear targets in terms of anticipated benefits, including financial savings, service improvements and capacity to meet future service demands.

4.3.2 **Enhanced community engagement, participation and empowerment**

As noted, evidence suggests that there is a strong appetite for strengthened community empowerment, engagement, and participation in the Scottish Borders. While recognising the leadership role of the Council, to maximise the impact of limited collective resources, there must be a greater focus on supporting communities to participate in the shaping and enhancing of community resilience and quality of life across the Scottish Borders.

This will require a different approach: building capacity and supporting communities' participation in local decision making, with further investment and greater co-ordination of efforts and resources across SBC and all our partners and local communities.

Fit for 2024 will require us to work collectively and collaboratively with communities and partners to:

- Reflect current and future legislative and policy requirements that call on greater community engagement and involvement (including the outcomes of the Planning Review and Local Governance Review)
- Better understand our communities' capacity in participating in local decision making and taking forward actions/projects which meet the local priorities they identify (for example, through Area Partnerships and Locality Plans)
- Provide the appropriate level of support, tools (e.g. participatory budgeting) and resource to those communities that wish to use it

Further detail is available in Annex A.

4.3.3 **Best use of physical assets – including reducing the Council estate**

The Council makes significant investments in properties across all localities in the Borders, either through the creation of new assets such as the Schools Estates Review or through the Property Maintenance Fund which ensures that SBC assets are maintained in a safe and functioning condition. Over the past 5 years SBC has spent, on average, over £14m per year in the running costs of property including refurbishing and repairing the estate. The sheer size of the SBC estate means that investment is spread thinly and makes it challenging to sustain an estate that is fit for purpose into

the future.

Fit for 2024 will drive innovation and creativity in how investment is used to best effect. The Council will need to be bolder and braver in its estate decisions, engaging communities and partners in dialogue about how, together, we meet changing customer needs and community demands.

Along with our partners and the communities, a joint approach is required to rethink and reshape the collective property portfolio, not just that belonging to SBC, to ensure that it:

- meets current and future needs of service users, communities and service providers;
- maximises and make best use of investment opportunities of both existing revenue and capital resources as well as external funding opportunities; and
- is sustainable and affordable in terms of both ongoing funding and energy efficiency

4.3.4 **Investment in well planned & designed Digital Solutions**

SBC is invested in an ambitious programme of Digital Transformation, which seeks to underpin new ways of working and to ensure that customers and services can fully exploit the opportunities that new technology can offer. Digital investment is an enabler for change but will require a shift from traditional ways of doing things so that all benefits around customer choice & convenience, service improvements and financial benefits can be fully realised.

Working with SBC's strategic IT partner, CGI, Fit for 2024 will take a long-term approach to develop future proof digital solutions that offer greatest value and maximum benefits. New Systems such as Business World and ParentPay have acted as a catalyst for service redesign activity particularly in Financial Services and Business Support. However, SBC recognises the need to realise more benefits from the investment made in new systems such as through the Digital Customer Access project and the roll-out of Office 365 across all IT users in SBC.

Fit for 2024 will ensure that the full Digital Programme will align with corporate priorities to enable the changes, improvements and savings set out in the Financial Plan to be achieved.

4.3.5 **Development of Workforce skills, flexibility and working patterns**

SBC invests in the development of its workforce across all services. Recognising future challenges, including the potential risks posed by an aging workforce, SBC has developed a range of courses aimed at developing leadership across all levels of the organisation. SBC has also increased the numbers of Modern Apprenticeships available within the Council.

The recent development of a Competency and Behaviour Framework provides clarity for all SBC staff on the expectations the Council from each individual. This is helpful for both officers and managers in setting out the part everyone has to play in meeting the Fit for 2024 challenge.

A significant amount of review work has led SBC towards a truly corporate model for support functions, which has reduced costs,

silos and has led to a greater opportunity for sharing resources for the greater good. Further Workforce Transformation to create behavioural change has already been successful in changing long-established practice e.g. in reducing staff travel through changed policy, management scrutiny and the introduction of pool cars.

Fit for 2024 will seek to build on all of the above activity, maintaining:

- Demand-led working – a comprehensive look at demands for all SBC services and a re-alignment of resources and working patterns based on evidence.
- Talent management & development to increase flexibility for individuals and collective staffing resources.
- Increased opportunities for cross departmental & inter-agency sharing of skills and officers.

4.3.6 **Optimise partnership resources**

SBC is engaged in a range of partnership working with a variety of partners, including neighbouring authorities, other local public services and the 3rd sector. The benefits of this way of working include better outcomes and greater co-ordination of efforts & resources. However, as financial pressures increase, there are significant opportunities for still greater sharing of resources, assets and expertise with a range of partner organisations. Fit for 2024 will develop a clear framework for shared services with partners, coupled with targets for tangible benefits and savings to be achieved from these arrangements.

Specific areas that will be further explored immediately are:

- Options for shared back-office services with local partners;
- Increased co-location of key staff, particularly those in joint services; and
- Income opportunities for SBC delivering key functions for others.

Opportunities to 'commission' key functions from partners.

4.3.7 **Process Improvement & Productivity**

Building on existing activity, Fit for 2024 will set out an ambitious programme of process improvement and productivity work that enables SBC to sustain or enhance both service delivery and quality levels, while requiring less input of resources. This Council-wide programme will include streamlining back-office activity and increasing the productivity levels of frontline services. Much of this work will be underpinned by digital investment and automation opportunities but it will also aim to stop activity that adds no value to SBC's customers. This work will use both internal & external skills to:

- Systematically review every resource-intensive or high volume back-office process across SBC;
- Explore areas of potential increased productivity in all services, particularly those areas with greatest spend or resource requirements.
- Automate processes wherever possible and cease activities where no value is ultimately added to customers or services.

4.3.8 **Ongoing exploration of ideas & good practice elsewhere**

SBC actively seeks ideas for savings & improvements from customers, elected members, staff and managers. Customer surveys, committee decisions, analysis of comments & complaints received, staff surveys and ongoing dialogue with managers are all methods currently used to identify options for positive change.

Fit for 2024 will enhance SBC's ambition to be a learning organisation and will encourage officers and managers to embrace good practice from both the public & private sector. There will be a more formal approach to research into good practice and how this could benefit SBC. This evidence will shape the development of future improvement projects to ensure that efforts are focused on work with the maximum level of success, and will include:

- Analysis of award-winning services, projects and practice from elsewhere;
- Ongoing identification & considerations of successful improvement and savings delivered by other local authorities; and
- Systematic surveys of customers, staff, managers and partners for ideas – with a clear route for consideration and implementation.

5 IMPLICATIONS

5.1 Financial

Key objectives of this report are to drive improvement and financial savings. The Council will require to save almost £17M by 2024 if it is to be able to deliver on the ambitions of Fit for 2024. Detailed savings will be reported in relation to the individual elements of the Fit for 2024 Programme as the intensive work associated with each project or initiative is developed.

5.2 Risk and Mitigations

At this stage, there are two broad categories of risk:

- (a) Failing to deliver on Fit for 2024 would mean that the Council fails to deliver the financial efficiencies which are integral to driving the improvements in outcomes and wellbeing sought, and essential to delivering an organisation that is sustainable, adaptable, efficient and effective.
- (b) There are specific risks associated with failing to deliver operationally on those projects which make up the Fit for 2024 Programme. These projects will require detailed analysis of impact and likelihood, and rigorous management.

5.3 Equalities

An Equalities Impact Assessment has not been carried out in relation to this report, which establishes a framework for a business transformation programme over the next 5 years. However, Equality Impact Assessments will be required and undertaken in relation to the individual elements of the programme described in paragraph 4.3 of the report.

5.4 Acting Sustainably

No direct economic, social or environmental effects flow directly from this report, but economic, social or environmental effects will follow from implementation of the Fit for 2024 Programme, and will require to be

highlighted in relation to individual projects which make up the Programme.

5.5 Carbon Management

No carbon management issues flow directly from this report, but such issues may flow from implementation of the Fit for 2024 Programme, and, where identified, will require to be highlighted in relation to the relevant individual projects which make up the Programme.

5.6 Rural Proofing

There is no direct rural proofing impact as a result of this report, but impacts may result from implementation of the Fit for 2024 Programme, and, where identified, will require to be highlighted in relation to the relevant individual projects which make up the Programme.

5.7 Changes to Scheme of Administration or Scheme of Delegation

As noted in paragraph 2.2(b) of the report recommendations, a change will be required to the Scheme of Administration to facilitate the consolidation of grants in a Community Fund pursuant to recommendation 2.2(a). It is proposed that the required amendment to the Scheme of Administration will be set out in a subsequent report to Council. Any further changes required to either the Scheme of Administration or the Scheme of Delegation as a result of the Fit for 2024 Programme will be identified and reported to Council.

6 CONSULTATION

6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR, and the Clerk to the Council have been consulted and comments received have been incorporated into this report.

6.2 Work is being undertaken with Corporate Communications to develop both internal and external communication plans around the Fit for 2024 Programme.

Approved by

Tracey Logan
Chief Executive

Signature

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