



Improvement Service
Business Plan
2008 to 2011



Supporting local government to deliver
better outcomes for communities



Contents

Foreword - the Chair of the Board and the Chief Executive	3
Our story so far	4
The context for our work	7
Our purpose and strategic outcomes	9
Our programme objectives	11
• Improving Performance and Outcomes	12
• Improving Capacity	13
• Improving Delivery	14
• Improving Practice	15
Our values and the way we work	16
People and resources	17



Foreword from the Chair of the Board and the Chief Executive

The Improvement Service was started up in 2005 to meet a need for advice, consultancy and programme support to assist in the delivery of the improvement agenda for local government in Scotland. Focussed on councils and their partners, we work to support their drive for better accountability, quality and efficiency through learning, sharing and delivering improvement solutions.

Events during 2007/8 mean that the next few years will be a period of even greater opportunity and challenge for councils. This Business Plan, shaped by the IS Board and the staff of the IS, sets out how we will work, in collaboration with others, to help councils meet the challenges and seize the opportunities. The plan sets out our role as part of the supporting framework for Scottish councils; the outcomes for councils which we will be seeking to achieve; and how we will work to support councils.

We will be working to support councils to deliver on the Scottish Government's national outcomes for Scotland and on outcomes for local areas and communities. We will also be playing our part in delivery of National Outcome 15 "Our public services are high quality, continually improving, efficient and responsive to local people's needs." Whilst our specific objectives and activities may change over the three year period, the overarching outcomes we are working towards will remain the same.

As we move into our next three year phase we are seeking to further embed the sense of "ownership" of the Improvement Service across all councils partly through changes being made to our governance arrangements.

The Board is committed to offering all Councils member status in the IS with the ability to vote for Directors, help shape the Business Plan, and to hold the Board to account at the company AGM.



Colin Mair
Chief Executive
The Improvement Service




Pat Watters, CBE
Chair
Board of the Improvement Service

Our statement of purpose for 2008 to 2011 is:

'To support councils and their partners to improve the health, quality of life and opportunities of all people in Scotland through community leadership, strong local governance and the delivery of high quality, efficient local services'.

Our story so far...

The IS is now just over two and a half years in operation and we have delivered on the key commitments made in our initial business plan. Specifically, we have:

- Developed a strategy and approach which recognises knowledge management as a key enabler for improvement - supporting collaboration, learning and the development, capture, sharing and re-use of good practice. A key element of this approach is our support for 'communities of practice' and we encourage development of CoPs in all our programmes. Knowledge and learning made available through the IS website has progressively developed and usage of the site has increased.
 - Developed a portfolio of materials to support elected members in their critical governance role. This has included induction packs for every elected member, and induction training materials for councils that have been downloaded over 1400 times. We have developed, piloted and delivered a political leadership programme to 70 council leaders, opposition leaders and senior elected members in the last year. In consultation with COSLA and individual councils, we are developing a CPD framework for elected members and a supporting self assessment tool.
 - Developed and piloted a top executive development programme and an operational management programme that is now used by half the councils in Scotland. We have sponsored and supported training partnerships to use these materials and provided 'training the trainers' support to councils. We are currently, at the request of councils, working on establishing a common accreditation framework for this programme.
 - Developed frameworks, toolkits and research to enhance the achievement of collaborative gain through partnership working. In doing this, we have ourselves worked in collaboration with the Scottish Centre for Regeneration, Health Scotland, Audit Scotland, COSLA, individual councils and the Scottish Government. Some of this work evolved into the Shared Services programme which we designed and managed on behalf of the National Shared Services Board. We have successfully secured financial support, and led development support for the national diagnostic project, the national recruitment portal, the public notices portal, the Planning Development programme and 'Customer First'. We have directly designed and led proposals that brought over £12 million into the council sector.
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- Developed a portfolio of approaches to support councils around Best Value, improvement and efficiency including direct support, tools and frameworks. This includes the development and piloting of a peer review methodology to share good practice and learning between councils. In addition, we have provided direct support to councils who have wished it on improvement planning and development after Best Value audits. We have undertaken research, practice sharing and the development of indicators to monitor efficient government progress by councils. We have given partnership and financial support for the development of the 'Public Service Improvement Framework' to support robust self assessment by councils and their partnerships. More recently, we have developed the framework and format for SOAs, and led the development of the 'menu' of local outcome indicators.
- Delivered over £450,000 through our 'Improvement' funds to support innovation and development in councils. This was equivalent to 15% of our core budget.
- Invested £1.25million in training and development opportunities for planning staff and elected members through the Planning Development Programme. This includes commissioning of new training solutions on a variety of technical topics, support for local action by authorities and other stakeholders linked to skills and knowledge development, research, introductory packs and workshops on planning for elected members and promoting improvements in the management of staff training and development.
- Managed the Customer First Programme which has undertaken significant development work over the last few years, leading to the build, configuration and testing of a new council owned and managed national ICT infrastructure. This has included more than £4m of additional investment to council IT infrastructure - incorporating:
 - the 'first cut' of a national gazetteer, i.e. complete, consistent and accurate addresses for Scotland;
 - a citizen validation service and platform to provide secure messaging, e.g. to deal with death / birth notification messages;
 - agent portal / citizen portal testing work with nine councils - to provide the citizen account / authentication / basket of services model;

- underpinning the Customer Relationship Management (CRM) programme within a national framework - including a national contract - and putting in place management arrangements to coordinate the roll out of the contract with a number of lead councils.
- two new projects - web service access to the gazetteer for eplanning and the new National Personal Licensing system and National Personal Licences Register and Database (NPLD);
- work to deploy the national infrastructure to underpin a new Scottish public services portal (the OneScotland portal) and start to integrate the citizens' portal into 'OneScotland';
- the roll out of more than 3,000 smartcard readers across councils to support the national entitlement card scheme and to include amended interfaces (e.g. for library, leisure, cashless catering) to support the card.
- undertaking a national entitlement card re-branding exercise to replace the Scottish Executive logo with the new 'OneScotland' brand.

The achievements outlined above demonstrate a not insubstantial achievement in under three years, particularly as the organisation has, at the same time, been required to develop itself from start across the period, to recruit staff and to develop and embed internal systems and processes. However, a number of aspects are evident in our initial approach that need to be improved as we go forward. In future we need to:

- be more realistic in reconciling our ambition and capacity; focus on overall purpose and not take on too many disparate projects and initiatives;
- fully engage, as opposed to merely consult, with our stakeholders;
- exploit the full potential of partnership in resourcing developments and innovations of benefit to the whole sector.
- be clearer about defining and focussing our activities on the strategic outcomes for our work.

To increase our utility and impact, this business plan has to be firmly anchored in a clear, and agreed, understanding of the pressures and challenges which councils and their partners will face over the next three years. It requires a clear statement of the outcomes the IS specifically wishes to focus on achieving in that context and a clear link between that and our programme prioritisation and resourcing.



The context for our work

Local government is undergoing considerable change. There is on-going debate about the role and functions of local government, the way it engages with local communities and its relationship with central government. With the establishment of the Concordat between the Scottish Government and local government, the sector now has a real opportunity to take even greater control of its own development. Councils have the capacity to lead their own improvement by demonstrating ambition, being open to challenge, innovation and scrutiny and by committing to learning and sharing good practice.

The major challenge for councils and their partners over this period is fully embedding an outcome focus in their governance, planning, performance management and resourcing processes. Progressing and developing Single Outcome Agreements (SOAs) will require that, and audit interest is also likely to focus on whether councils and partnerships have the systems, processes and capacity in place both to deliver on outcome commitments and to know they have delivered on them.

This reorientation of planning and performance approach will coincide with limited real growth in resources available. At the same time, demographic change and expectations for rapid, personalised service will put increasing pressure on councils.

Pressure for continued efficiency improvement will therefore be substantial and the established emphasis on collaboration, partnership and shared services will continue. More, and more effective, shared capacity and resourcing will be required to ensure that core services and outcomes can be resourced and delivered.

Post Crerar developments will offer opportunities and challenge in the context of a stronger emphasis on outcomes, and continued emphasis on collaboration, shared capacity and efficiency improvement. A more proportional, streamlined and integrated approach to external scrutiny may reduce the burden for councils and partnerships but there will be higher expectations of rigour and clarity in self assessment. A particular challenge will be to ensure that partnerships and shared arrangements are fully included in self assessment and improvement.

Finally, there will be continued challenges from expectations that leading practice will be quickly identified and adopted. The challenge is to identify truly leading practice, and to ensure that a simple one size fits all approach does not apply across the very different local contexts in Scotland. Adaptation to local needs will be as important as straight adoption.

The challenges pose a range of issues for councils in terms of governance, capacity building, resource management and customer/stakeholder relationships. The implementation of SOAs will require the development of internal and partnership processes to better focus and target outcomes. This in turn will require the development of performance measurement and management processes, but also the strengthening of governance arrangements to both set and be accountable for delivery of outcomes.

Successfully dealing with these challenges will require a substantial change and development capacity - the knowledge and understanding of what needs to change, and the ability to design and develop new structures, systems and processes. This applies particularly to partnerships as achieving outcomes will require well designed, integrated and effective partnership structures. Strong change leadership will be essential as both cultural and technical change will be necessary. A substantial organisational learning and development capacity will also be necessary to support and embed change.

Continually improving resource utilisation will also be required across all the key resources deployed. Corporate efficiency systems are well entrenched but will need to deliver more to meet rising demand and costs for core services. The capacity to effectively target and monitor efficiency improvement will be critical as will sharing leading practice in key areas where gains can be made (for example asset management, attendance management, etc).

The shared service/shared capacity approaches developed in the last two years need to become embedded and fully exploited. To date, the development of shared capacity has been supported with national funds. The challenge across the next three years is to ensure that momentum can be maintained by councils themselves working in collaboration. Significant opportunities will arise from the national diagnostic programme and the 'Customer First' infrastructure being completed, but it will take commitment and focus to realise these benefits.

The development of an external scrutiny framework that is proportional and linked to robust self assessment poses challenges and opportunities. How do we develop the required frameworks, tools and capacity to deliver rigour in self assessment? How will it apply to partners and partnerships if they are critical to delivering outcomes? Should this be done x 32, or on a shared capacity basis? A substantial effort will be necessary individually and collectively to take this forward.

Interaction with customers is central to both the quality and reputation of local services. Rising expectations not only apply to the service delivered but also to the accessibility of services and the quality of reception. Councils have led the way in Scotland in creating new channels for access, reception and transaction of service through 'Customer First' and it will be critical to ensure that this is fully exploited. The improvement of CRM systems, the training of customer service staff and the more effective monitoring of customer satisfaction will also be necessary to ensure councils are seen to offer quality service. A key issue that councils face is maintaining their commitment to offering a range of access channels simultaneously to reflect the diversity of customers they have: face to face in local offices; through telephone contact centres and online. This contrasts with the private sector trend of directing customers to the access channels that most suit the business needs of the provider.





Our purpose and strategic outcomes

The Improvement Service, in its role as part of the supporting framework for improvement and efficiency in local government must focus its efforts on enabling councils to rise to these challenges.


We must help to ensure that the governance, organisational and partnership capacity of local government is capable of delivering improved health, wellbeing and opportunities for individuals and communities. We must locate our forward strategy in that context and for that purpose. We intend to do this in a way that is realistic and makes the best use of our capacity and the capacity of both current and potential partners. We want particularly to do it in partnership with councils. To date the statement of IS purpose has been ‘to work with Scottish councils and their partnerships to improve the efficiency, quality and accountability of local public services’. This purpose remains important but makes no explicit reference to the end outcome we and our partners and stakeholders want to achieve.

Our statement of purpose for 2008 to 2011 is:

‘To support councils and their partners to improve the health, quality of life and opportunities of all people in Scotland through community leadership, strong local governance and the delivery of high quality, efficient local services’.

This puts the end outcomes at the heart of what we want to support and recognises both the key local governance role that councils have and their service delivery functions.

During 2008-2011 all IS Programmes and activities will, therefore, seek collaborative gain in working with partners towards the following outcomes:

1. Councils that organise their governance, planning and performance management around the outcomes they want to achieve for their areas and their communities.
 2. Councils that are recognised and respected for the excellence of their governance and their leadership of place.
 3. Councils that have the capacity, skills and knowledge to recurrently review and refine their services, their organisations and their partnerships to deliver improved outcomes for communities.
 4. Councils that have the competence and confidence to improve their impact through partnership, shared service and shared capacity.
 5. Councils that are recognised and respected for the efficiency with which they use the resources available to them.
 6. Councils that are committed to innovation and improvement, and are excellent in the management of change.
 7. Councils that routinely identify, adopt or adapt leading practice from elsewhere, and share their own knowledge and good practice internally and externally.
 8. Councils that offer customer choice and convenience in how services are accessed and are able to demonstrate that they deliver exceptional customer service.
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Our programme objectives

The IS has progressively rationalised and focussed its programme structures to better fit the changing context that councils face.


We will have four core programmes from 2008/09 onwards: Improving Performance and Outcomes, Organisational Development and Capacity Building, Shared Services/Customer First and Knowledge Management. However, as noted above, the key unifying theme across all programmes is supporting improvement in the ability of councils to set, monitor and deliver improved outcomes.

The following sections detail the objectives we will be working on in order to deliver the outcomes outlined previously. We have provided an indicative categorisation for the objectives, but in reality all of the strategic outcomes and objectives are closely interconnected. To a greater or lesser extent, all of our activities have a contribution to make to all of the outcomes.

(For detail about specific deliverables related to these objectives please see our Annual Operational Plan.)

IMPROVING PERFORMANCE AND OUTCOMES

To support achievement of the outcomes we will:

- Support councils in improving the specification and measurement of outcomes as a basis for decision making and performance management.
 - Provide support for embedding the outcome focus in partnerships through the promotion of effective collaborative working between local government and its partners.
 - Support the roll out of the Public Service Improvement Framework (PSIF) to a broader range of councils and partnerships to ensure the outcome focus is underpinned by robust self assessment.
 - Work to enhance the capacity of Local Government to further strengthen governance and political leadership.
 - Support a culture of continuous improvement and effective performance management and efficiency within local government.
 - Continue to develop the Scottish Equalities Improvement Framework (SEIF) and integrate that fully into the PSIF.
 - Continue to support councils in developing their response to climate change and to carbon and resource management.
 - Continue support for 'Communities of Practice' focused on developing outcome agreements and support the development of 'Communities of Practice' around thought leadership in key outcome areas: health improvement; supporting children to achieve their full potential, and reducing poverty and inequality.
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IMPROVING CAPACITY

To support achievement of the outcomes we will:

- Support CoSLA and councils in implementing strategic workforce planning and moving towards local government in Scotland being an employer of choice.
- Support councils to undertake the Diagnostic Pathway projects - consolidating and nurturing expertise within councils as part of the programme.
- Work in partnership with councils and other key public organisations to consider how best to support the need for development of strategic leaders across the wider public sector, sharing knowledge and development initiatives.
- Review and upgrade our Operational Manager Programme allowing flexibility to reflect the characteristics of individual councils and with an increased focus on the local delivery of outcomes and collaborative leadership at local level.
- Create an OD network across councils and partnerships to develop and share leading practice in organisational design and development and change management capacity and expertise.
- Ensure that the widest range of OD-related materials are available in an e-learning format and on a responsive basis, i.e. can be accessed around the particular needs of the individual using it.
- Continue to deliver the Planning Development Programme, acting as a catalyst for improvements in the availability of relevant skills, knowledge and capabilities within planning services and establishing a basis for embedding better training and development practices.

IMPROVING DELIVERY

To support achievement of the outcomes we will:

- Work with the Local Government National Shared Services Board, partners and councils to develop a strategy and framework for sharing across local government. Building and delivering collaborative opportunities that make best use of limited resources and ensure effective, joined up delivery.
 - Establish an agreed governance model for Customer First that can ensure the delivery of the programme and can promote the improvements in customer services.
 - Establish an IS programme development team that will work with councils (and other stakeholders) to exploit the products and services that have been created by the Customer First implementation.
 - Deliver a council owned and managed national Information and Communications Technology (ICT) infrastructure.
 - Work with all councils to implement and support live operational services from the national infrastructure.
 - Work with pilot councils to specify a 'basket of local services' that will be delivered through the national infrastructure, including portal services that will require online authentication.
 - Work with councils to deliver a local/ national Customer Relationship Management (CRM) programme that can support 'first time services' and measure increased customer satisfaction.
 - Improve council customer communications through the delivery of an effective public information notices portal.
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IMPROVING PRACTICE


To support achievement of the outcomes we will:

- Deliver a strategic KM approach which encourages knowledge sharing and the uptake of processes, tools, techniques and skills which will support self-improvement and self-assessment in local government.
- Encourage and support active Practitioner Networks/Communities of Practice which will enhance and accelerate uptake of leading practice across Scottish local government.
- Provide a robust and useful website which provides relevant content and is a gateway to knowledge and tools of value to Scottish local government improvement and delivery of outcomes.
- Increase the national and international knowledge resources and web content which we offer to enable access to a broader range of practice, experience and contacts for Scottish councils.
- Create and support a network of practitioners who are engaged in process improvement and change within councils and ensure that this is effectively linked with wider organisational development and knowledge management initiatives.
- Ensure that the IS leads by example as a KM-enabled organisation by incorporating good KM leading practice into all our programmes and activities, internal as well as external.

Our values and the way we work

We are a small organisation working in a flexible and outward-focussed way. We believe that we can add value by working collaboratively with others – combining our expertise, approach and understanding of the sector and of the needs of individual councils with the skills and experience of other organisations or individuals. It is important for us that we do not duplicate the work of others but that we concentrate our activities where we have a distinctive role and where we can be of most value and impact.

We aim to work in ways which ensure that we:

- proactively engage with our customers and stakeholders so that we really understand the sector and, as a result, have a good reputation and level of engagement with all councils
 - provide valued support and encouragement to councils on their improvement journey
 - provide services which are of value to our stakeholders and customers and also demonstrate value for money
 - are regarded, strategically, as the first port of call for independent local government improvement information, support, advice
 - are proactive in the identification and dissemination of effective practice from across Scotland and beyond
 - fully integrate equalities into all IS projects and initiatives and into all IS working practices
 - demonstrate good practice, Best Value and continuous improvement in our own governance and corporate policies and practices. (In line with the Principles of Good Administration produced by the Parliamentary and Health Services Ombudsman in March 2007).
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People and resources

The Improvement Service is committed to using its resources as efficiently and effectively as possible in the pursuit of supporting local government improvement.

Our people are our key resource. It is their expertise, knowledge, and commitment that enables us to deliver a high standard of support for councils. We value our staff and we invest in them to ensure that we stay at the forefront of developing best practice and improvement.

In 2007/08 we strengthened our team by increasing our core staffing capacity in order to retain expert knowledge and skills and deliver more effectively our longer term plans. As well as employing staff directly we continue to make effective use of peers, secondments and short term project support. To further strengthen our delivery capacity we are actively procuring a “network of associates”, which will also be made available for use by our local government partners

Our staff of 26 are organised into programme teams led by Heads of Programme and the IS Business Manager. We continue to rigorously review our Business Support costs to ensure maximum synergy and efficiency. To supplement our in-house team we have made best use of existing good practice by operating a service level agreement with our local Council and will continue with this approach in the forthcoming year. This year we have made a 25% saving on our corporate and running costs

Where our money comes from:

Our major source of income is a share of the top slice of the Revenue Support Grant (RSG), which funds local government. The Improvement Service budget of £1.7M per year over the next three years with an inflationary increase is less than .001% of the total RSG. In addition to RSG we have a number of specific Grant Agreements in support of particular programmes. Provided below is a fully integrated Budget Plan for the next three years:

Improvement Service 3 year Budget Plan

	2008/09	2009/10	2010/11
INCOME			
RSG funding	(1,700,000)	(1,742,500)	(1,785,000)
Specific Grant funding	(2,182,798)	(1,125,000)	(300,000)
Local Government contribution (MGF)**	0	0	(675,000)
	(3,882,798)	(2,867,500)	(2,760,000)
EXPENDITURE			
Staff			
Chief Executive	131,739	139,439	145,714
OD & Capacity Building / Planning Development	206,227	219,658	229,543
Performance & Outcomes	328,956	337,458	352,644
Knowledge Management / Communications	280,743	294,008	307,239
Shared Services / Customer First	516,610	391,049	408,647
Business Support	141,672	148,047	154,709
	1,605,948	1,529,661	1,598,496
Corporate			
Corporate & running costs	446,460	435,500	435,500
Corporate Events, Communications & Marketing	50,000	50,000	50,000
Website KM	70,000	70,000	70,000
	566,460	555,500	555,500
Programme			
Programme Development Fund	233,529	180,395	177,248
Recruitment Portal	103,257	0	0
Public Notices Portal	349,050	0	0
Workforce Planning	171,991	0	0
Customer First	355,930	346,073	335,770
Planning Development	566,633	364,231	211,722
	1,780,390	890,699	724,740
Cost sharing/recovery	(120,000)	(140,000)	(140,000)
Contingency Reserve Provision	50,000	40,000	30,000
	3,882,798	2,875,860	2,768,736

Our Specific Grant Funding can be broken down as follows:

Specific Grant Funding

	2008/09	2009/10	2010/11
Shared Services			
Recruitment Portal	114,257	-	-
Public Notices Portal	360,050	-	-
Workforce Planning	171,991	-	-
National Diagnostic	211,500	-	-
	<u>857,798</u>	<u>-</u>	<u>-</u>
Customer First	675,000	675,000	-
Planning Development	650,000	450,000	300,000
	<u>2,182,798</u>	<u>1,125,000</u>	<u>300,000</u>

** The Efficiency and Reform Fund support for the Customer First programme across all Councils ended in March 2008. The Scottish Government has made a further provision to support some parts of the programme over the next two years. Currently it is proposed that the programme will also introduce a cost recovery model which can sustain the programme over the longer term, which will allow for funding the IS Customer First programme in year three. It should be noted that this proposal is at the consultation stage; alternative options for funding will be explored if the proposed model is not agreed.



Westerton House, Westerton Road
East Mains Industrial Estate
Broxburn EH52 5AU

T. 01506 775558

F. 01506 775566

E. info@improvementservice.org.uk
www.improvementservice.org.uk