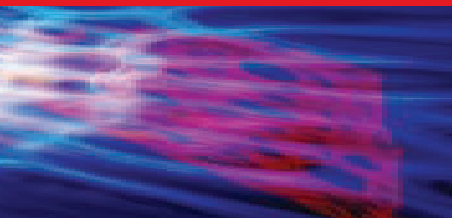


The Improvement Service

Annual Report
2008/2009





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ABOUT THE IMPROVEMENT SERVICE

The Improvement Service was established in 2005 as a partnership between the then Scottish Executive, the Convention of Scottish Local Authorities (COSLA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) to meet a need for advice, consultancy and programme support to assist in the delivery of the improvement agenda for local government in Scotland.

In 2008/9 the Scottish Government stepped down from the partnership and the I.S. became a purely local government directed organisation. The partners remain COSLA and SOLACE but, as part of the change process, membership was opened up to all Scottish Councils. 31 Councils are now members of the I.S.

Our aim 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.


We do this by supporting councils and their partners to work together to develop and deliver their SOAs to achieve collaborative gain; by identifying best practice from the public, private and voluntary sectors in the UK and internationally; by providing learning and development opportunities for elected members, management and practitioners; and by promoting the use of knowledge management within local authorities to support knowledge sharing, learning and business re-design.

FOREWORD FROM THE CHAIR AND CHIEF EXECUTIVE

The last year has been a year of significant change for local government, and for the I.S. For councils and their local partners, there has been the development of second phase SOA's, increasing clarity about the scale of the financial and demand challenges across the next few years, and an ongoing stream of legislation, national policy and service change to progress (Curriculum for Excellence, Adult Social Protection, Early Intervention, Equally Well, etc.).

The IS has also changed. We have changed from being a partnership between COSLA, SOLACE and the Scottish Government to being a partnership within local government alone. We have opened up membership of the I.S. to any Council that wishes to be a member. We have restructured the management of the I.S., taking out two senior posts, and rationalised our project administration and management support through our business support team. As part of this process, we have reconfigured our programme structures with the lead programme, 'Improving Outcomes' being supported by our 'Capacity Building'; 'Shared Services' and 'Knowledge Management' programmes.

Our highlights for 2008-09 include:

- Support for councils and their partners to develop and deliver their Single Outcome Agreements (SOA's) contributing to the work of the Concordat Oversight Group including preparation of the SOA Guidance for CPP's and the Interim Report for Local Government on the 1st phase SOA's in 2008/09. The I.S. has also facilitated the development of advice for councils including critical friend feedback. A significant current activity in support of SOA's is the Improving Local Outcome Indicators Project which will improve and expand the availability of indicators for the measurement of outcomes.
 - Continued support for elected members including the launch of a national development framework strategy and progression of the continuous professional development (CPD) pilot project, with six councils through the first phase. The I.S. have also launched a master-class and member briefing series to engage elected members on current issues relevant to Scottish local government.
 - Completed development of a national shared recruitment portal with the launch of the MyJobsScotland website where over 800 public sector jobs per week are now advertised.
 - Completion of the phase 1 of the workforce planning project to determine the national strategic workforce planning capacity, including design of standard templates, evaluation
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of existing workforce planning data and activity, assessment of existing national workforce capacity and development of links with relevant stakeholders.

- Ongoing development and support for the roll-out of the Public Sector Improvement Framework (PSIF). 21 councils are now using the model with a view to ensuring service delivery is underpinned by robust self assessment.
- Roll out of the national diagnostic approach with the identification of over 200 Business cases presenting opportunities to simplify, standardise and share. The I.S. are playing a key role in driving forward business case initiatives and over £150 million of recurrent savings are being targeted.
- Advancement of a strategy and approach which recognises knowledge management as a key enabler for improvement. A key element of this approach in 2009-09 was the roll-out of the Communities of Practice Platform. At end 2008/9 there were over 60 Scotland-based active practitioner networks using the platform which represents an increase of over 200% on the same time last year. Towards the end of the year a soft launch of a redeveloped website for the I.S. took place which saw usage levels and number of registered users increase by 25% and 37% respectively.

On behalf on the board, we welcome feedback on our work and on this report, and look forward to a progressively closer working relationship with Scotland's councils and their local partnerships.



Patrick Watters, CBE,
Chair,
Board of the Improvement



Colin Mair,
Chief Executive
The Improvement Service

INTRODUCTION

The subsequent sections of the report are based around our major programmes, and spell out programme activities and achievements. An important introductory point is that this covers the planable, planned and formally reported part of our work. Other aspects of our work are properly reactive or concerned with the ongoing brokerage of opportunities and resources. These include:

- **Responding to requests:** from councils, and partnerships, for advice, support, training opportunities, facilitation, presentations, etc.
- **Brokerage:** identifying opportunities and securing additional resources for councils from Government and other sources. This has averaged over £4 million per annum across the last two years.
- **Partnership Building:** Developing key relationships that can enable, facilitate or bring new capacity to councils and their local partners. This includes with Scottish Government; the wider public sector and the audit and inspectorial bodies.

This type of work, 'oiling the wheels', is more fluid and harder to formally report than other work but is often important in creating a supportive environment for future developments and resourcing. Much of what is formally programmed and reported here started informally through networking and relationship building. Overall our work capture system suggests 20% of our total effort in this area.

IMPROVING OUTCOMES

Developing the Outcome Focus

The I.S. continues to work with COSLA, Scottish Government and SOLACE to take forward the SOA agenda. Work this year has included:

- Drafting guidance for second phase CPP based SOA's and securing agreement from Scottish Government that all partners are corporately committed to delivering agreed outcomes and this should be a core part of their performance and accountability framework.
- Developing and managing the 'Improving Local Outcomes Indicators project' to support better local target setting and outcome measurement. The IS facilitated the exercise and undertook much of the underpinning analysis and collation of views from stakeholders to generate the updated menu. This project has now produced a refined and enhanced suite of indicators. The second phase of the project will help identify and meet many of the capacity building activities that local partnerships will require to take SOA's forward.
- Working with Scottish Government Directors and their support teams to offer critical friend and development support for the 2nd phase SOA.
- Participating in, and supporting, the 'Concordat Oversight Group' through the preparation of reports, and undertaking research and KM activities on their behalf.
- Working with SOLACE to develop the 'National Community Planning Group' that brings together local authority Chief Executives, NHS Chief Executives, Chief Constables and Chief Fire Officers. This group provides strategic co-ordination and identifies shared issues between the major local public service partners. The I.S. provides secretariat services, research and development support, and the production of papers and reports.
- Preparing the 2009 'interim' report on phase 1 SOA's on behalf of COSLA and SOLACE, and preparing evidence for the Scottish Parliament on that basis.

Supporting Elected Members

As local government moves into a much more difficult financial climate, the role of the elected member becomes more critical and more challenging. In 2008/09 the I.S.:

- Finalised that National CPD Framework for elected members and piloted it with 6 councils. This has

involved developing a 360° assessment framework, an e-learning platform and training packs and materials. The experience of elected members has been captured at each part of the process, and the framework and materials are being refined accordingly. It will be made available to all councils.

- Provided a series of 16 masterclasses regionally across Scotland covering the future challenges councils face, the issues for elected members raised by increased partnership working, and the governance opportunities and challenges posed by the SOA. Over 250 elected members attended the masterclass which were free of charge and hosted by partner councils. They were very positively evaluated by elected members, and a further series is being offered in 2009/10.
- Provided £300,000 to councils to support the introduction of Local Review Bodies in Planning through training and development opportunities for elected members.

Self Evaluation, Scrutiny and Improvement

Post Crerar, self evaluation and more proportionate external scrutiny have been emphasised. Working with councils, Quality Scotland and IIP, the I.S. has supported the development of the 'Public Service Improvement Framework', a self-evaluation framework now shared by 21 councils and 4 Fire and Rescue Services. During 2009/09 the I.S.:

- Working with Audit Scotland, HMIE and SWIA to ensure PSIF mapped onto their audit and inspection frameworks so that self-evaluation would fully meet the requirements of external scrutiny. This diminishes the burden of external scrutiny and facilitates a move to common criteria.
- Worked with the EHRC to integrate equality and diversity elements into PSIF, and to avoid a separate evaluation framework being put in place. This means that equalities are built into the core self-evaluation framework, rather than being an extraneous and separate requirement.
- Engaged with the Police, NHS and Scottish Government to begin the journey towards a fully partnership approach to self-evaluation, and self evaluation of partnerships.
- Created a 'Community of Practice' for those co-ordinating and leading self-evaluation in councils. This allows 'face to face' and online sharing of good practice, problems and solutions, and tools and techniques to facilitate self-evaluation and improvement.
- Restructured the governance of PSIF to take account of enhanced membership and to improve collaborative working.

Collaborative Gain

The development of a better understanding of how to achieve improvements in partnership working by focussing on 'collaborative gain' within partnerships, and on how to design 'collaborative gain' into partnerships is an important activity for the IS. This strand of work supports the further development of SOA's.

- Delivery of an action research report on 'collaborative gain' within a range of local partnerships identified by 3 participating councils. The report provided an overview of the collaborative gain literature and linked this into research into a range of local partnerships. The research conclusions resulted in general guidance being produced setting out how councils and their partners can pursue collaborative gain through their existing and future partnership arrangements.

CAPACITY BUILDING

Workforce Planning

As a consequence of the combined impact of the evolving outcome agenda and financial projections, councils are rethinking both service prioritisation and delivery methods and recognise that associated changes are likely to impact on the size, scale and structure of their workforces. To assist councils respond to these challenges, in 2008/09, the IS, in conjunction with COSLA, Solace and SPDS have: -

- Completed the national workforce planning project and, in conjunction with COSLA and SPDS agreed recommendations and indicative deliverables relating to workforce requirements across Scottish local government.
- Undertaken a stakeholder mapping exercise and initiated discussions with key agencies involved in workforce planning including Futureskills Scotland; Asset Skills; Skills Plus UK; Alliance of Sector Skills Councils; Relevant individual sector skills councils (including SSSC, Skills for Justice, Energy & Utility Skills); Finance Directors and CIPFA; Scottish Government; NHS Scotland; and ACPOS.
- Engaged with Audit Scotland to explore and clarify the BV2 expectations in relation to councils' workforce planning provision.
- Identified and mapped links between the data gathering and analysis activities of the various agencies that currently collect workforce data from councils.
- Identified and evaluated workforce planning analytical and modelling tools.
- Developed and piloted training materials and resources to help build workforce planning capacity within councils.
- Established a network across councils to share good and promising practice and resources.

Leadership, Learning and Development

The significant leadership challenges arising from the current and anticipated changes within the public sector will affect managers at all levels of local government. Councils need to respond to and address the evolving skills and competency requirements, but as importantly, they need to do so in a more cost effective, collaborative and creative way. In support of this, in 2008/09, the IS: -

- Developed and initiated piloting of the Public Sector Leadership framework, which will be available for use by all 32 councils. The framework, which has an optional
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academic accreditation to Masters Degree level, provides councils with:-

- » Sufficient flexibility to adapt both the materials and structure to local circumstances and requirements.
 - » Standard and consistent learning and development materials relating to the ongoing strategic changes across the Scottish public sector.
 - » Opportunities to develop capacity within and across councils.
 - » A blended learning approach incorporating face to face delivery, e-learning, action learning and self learning.
 - » Opportunities for collaborative development of learning and development interventions.
 - » A pragmatic and cost effective means to exploit and share existing capacity and resources.
- A framework for regional partnership groups to identify good and promising practice and resources.
 - In conjunction with the Scottish government and other major public bodies, developed a leadership programme ‘collaborating for outcomes in the public sector’. The programme is designed to engage emerging leaders from across the public sector explore the leadership challenges of the new environment and develop a common understanding of the government’s purpose, the leadership challenges it presents, and their organisations’ roles within it.

Planning Development Programme

The planning development programme continues to address the training and development requirements of staff and elected members with planning responsibilities. In addition to the ongoing activities and events developed in previous years, in 2008/09 the programme focused on the significant regulatory changes relating to the planning modernisation agenda. In the 12 month period £392,586 was invested in a range of activities and resources, which included:-

- Provided flexible materials and resources for staff and elected members to address the varying and diverse local arrangements for local review bodies.
- Carried out a detailed survey with planning authorities to determine:-
- The extent to which the activities commissioned by PDP previously have addressed the learning and development requirements identified at the outset of the programme.
- Highlight new and or previously unidentified learning needs.

- Emerging learning and development requirements related to the modernisation agenda.
- More generic management skills and competency requirements within the planning system.
- Carried out a scoping study to explore leadership in planning within the corporate context and relative to other professional groups across local government and considered appropriate development support and interventions.
- In conjunction with the Scottish Government, Scottish Public Service Ombudsman and COSLA developed an action plan, which aims to improve complains handling in relation to planning matters in Scotland.
- Developed and piloted a community engagement in planning programme.

SHARED SERVICES

Significant progress has been made on shared services over the last year. There are a significant number of local initiatives and examples of wider collaboration in place across local government and its partners - Scotland Excel, Customer First, myjobscotland, Glasgow Access. The bleaker financial outlook means that efficiency savings achieved through the full exploitation of current and future collaborative and shared services will be even more important. Key achievements this year include:

- Successful completion and launch of myjobscotland. Support service established and day to day management successfully handed over to COSLA. Around 800 jobs are advertised event week on myjobscotland, saving councils £6 million per annum in reduced advertising charges, which can be re-invested in front line delivery.
- Development of the Public Information Notices portal solution. Worked with Scottish Government to identify legislative change for enabling electronic publication. The portal will save over £2.5 million per annum in advertising charges and improve information provided to the public.
- Managing the 'pensions pathfinder' review to establish if there are opportunities to improve the cost effectiveness and performance of funds in an increasingly complex investment market.
- Programme managed the delivery of a common approach, toolkit and knowledge management for completion of diagnostic review by all councils. The programme has had a significant impact on the majority of councils, leading to the establishment of new, corporate, cross cutting change programmes targeting net annual savings of between £1.7 and £10m per council (average of 2.5%, ranging between 1 and 5% GAE. Pro-rata across councils at least £150 million per annum.)
- Successfully launched and built up active, national online community of practice for programme and change management and flexible and mobile working (each with over 100 members). This supports the capacity building and knowledge sharing in delivering change arising from the diagnostic review.
- Provided financial support for the 'shared services electoral project' which supported the highly successful conduct of the European elections, and will now be continued into the Westminster, Scottish Parliament and local elections.
- Ongoing management of the Customer First programme including:
 - i. The national gazetteer, i.e. complete, consistent and accurate addresses for over 2.3 million properties across Scotland; The gazetteer is now used to support new national applications in ePlanning and for issuing Energy Certificates for the new Homebuyers packs.
 - ii. The Citizen Account System which allows councils to keep accurate, up to date, records of their customers. Basic accounts now exist for all national entitlement card holders (1.5m). User testing is complete and work continues with a group of pilot councils in respect of registration and

authentication services and the local services to be delivered via the national ICT infrastructure.

iii. Underpinning the Customer Relationship Management (CRM) programme within a national framework - including a national contract - and putting in place management arrangement to co-ordinate the roll out of the contract with a number of lead councils. There are now 15 Councils adopting the product.

iv. A National Personal Licensing system and National Personal Licenses Register and Database (NPLD); The NPLD web portal went live in May 2008 and use of the system continues to grow with input into the system rising by 120% since January 2009. This figure is expected to continue rising significantly during the run up to 1st September 2009 when personal licenses granted under the Licensing (Scotland) Act 2005 take effect.

v. 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'.

vi. Continued support of the national entitlement card scheme and development of a Scottish public sector card management system (CMS). There are now over 1.5 million card holders using their NEC to access the Scotland-wide concessionary travel schemes. March 2009 saw the launch of the new CMS able to deliver a full online solution for registration, processing and issuing of the NEC.

- vii. Roll out of a Customer Service Professional qualification across Scotland partnership with SQA and endorsed by COSLA and SOLACE over 100 staff are currently undertaking the training and October 2008 saw the first graduates of the scheme.

viii. Work to develop the Customer Satisfaction and Experience Measurement project. A project manager was appointed in January 2009 and work is progressing to establish common standards and a question bank for the project.

KNOWLEDGE MANAGEMENT

Knowledge management (KM) has long been recognised as an enabler of local government improvement. Effective sharing of ideas, experiences and good practice can save councils time, money and effort in developing solutions to problems, can increase innovation and skills within and across councils, and strengthen partnership working. In a time of limited growth in resources and increasing demand for rapid, high quality services, its role in helping drive efficiency becomes even greater.

Communities of Practice

- In July, Communities of Practice for Local Government, is I.S./IDeA online collaboration site, won the prestigious Government Computing Award for collaborative working. Scotland is now the fastest growing region in the UK, outside London, in its use of the communities of practice. In the past six months, 1707 people have registered (compared with 1143 in the previous six). We now have 400 active members participating in 87 Scottish communities.
- In November, we launched the Customer Service Professional qualifications community of practice. This means that all Customer First projects have now adopted communities of practice as their preferred method of knowledge exchange.
- We encourage and support councils in using collaborative technologies to increase knowledge sharing. We have been assisting the Mobile and Flexible Working community (an I.S./Nomad Scotland-led community with 153 members) to pilot online hotseats. Other active communities include the Scottish Programme and change management activities in Scottish Local Authorities and the wider public sector to share and access relevant documentation, network and share experiences of realising and implementing major change.
- We continue to offer training and advice to councils on the effective use of Web 2.0 technologies, including advice on how to facilitate online groups. Throughout the year, we held a number of events to provide training on the use of the online platform and advice on getting the most out of it.

Improvement Service website

- In addition to the communities of practice, the Improvement Service website continues to be one of our key KM tools. In March, we re-launched the website after a significant re-design. Enhancements to the site include clearer navigation across the site and document library, new content on 'hot topics' of relevance to local government, a new conferences section, an advanced search facility and new sections on key information resources and professional networks. The website receives over 10,000 separate visits per month.
- Ongoing developments include an improved Communities sections which will provide easier access to, and a higher profile for the Scottish communities on the I.S./IDeA platform, an enhanced section on self

evaluation and toolkits on shared services and continuous professional development for elected members.

KM Networks

- **Social Services** - We helped produce a knowledge management strategy and action plan for social services. Its aim is to enable individuals and social services organisations to manage and share knowledge to help to improve outcomes for service users and carers.
- **Scottish Knowledge Management Network** - The I.S. Knowledge Management team has supported the development and facilitation of the Scottish Knowledge Management Network. We have worked to raise the profile of the community within the private sector. In April we held a conference in Aberdeen for north-east councils. Our next workshop will be held in January 2010.

Partnership Working

- In October, the I.S. Head of Knowledge Management chaired the first “Better Connected” conference in Scotland, in conjunction with SOCITM. This conference on council websites specifically targeted Scottish Council web managers.

The KM team, working with the Scottish Government, re-aligned the governance and content of the electronic service delivery toolkit to better reflect the needs of Scottish local government.

LOOKING FORWARDS

The gravity of the financial situation councils will face is now much clearer and COSLA, SOLACE and the Directors of Finance share a common planning assumption of a 12% real reduction in current spending across the next spending review, combined with a 50% reduction in the public capital programme in Scotland.

At the same time, it is accepted that demand will increase substantially across the period due to demographic pressure and policy commitments (1.5% - 2% per annum). The I.S. needs to make itself useful in that new context. Work already in progress includes:

- Researching and preparing reports on financial scenarios, and their policy and service implications. This was done in June and September of this year to support developing a common planning assumption. A detailed update report will be provided in December examining the implications of the “Pre-Budget” report for planning assumptions about the next spending review.
- Developing a resource with government to support capacity building, change and innovation around the SOA. This will support local partnerships to maximise the use of the total public budget in their area, and to eliminate barriers to efficient collaboration. The resource will be available in the New Year and will include analytical support, support to remove policy and accountability barriers to collaboration, and change and development support. This will be controlled and directed by local partnerships themselves.
- Developing benchmarks that allow councils to target areas for efficiency and productivity improvement. This includes corporate and back-office services, but also the major frontline services, and will focus on cost/output ratios and resource utilisation. The aim is to identify a small number of key indicators which, calculated in quartile terms, can act as a corporate ‘can opener’ in identifying areas for improvement. In the absence of such a framework, transformation and shared services initiatives are harder to focus, and tend to be positioned against our own past rather than our relative efficiency.
- Developing benchmarking relations between Scotland’s councils, and the most comparable English councils. Already, disadvantageous high level comparisons are being made with England, and the overall figure of Scotland spending 125% per capita, on comparable services, relative to England, is well established. If English Councils are spending much less, then how they deliver services and outcomes is worth exploring. Like for like benchmarking with the most comparable English councils will allow the extent and nature of differences to be more fully explored.
- Securing additional resources for local government from government, charitable and private bodies. The focus with government is on support for shared capacity projects going live (Customer First; Recruitment and Public Notices portal) where national funding will encourage the whole public sector to share capacity. This will substantially enhance outcomes, maximise capacity utilisation and prevent the cost burden falling on councils. With charitable and private bodies, the focus is on better aligning their support for community and

voluntary organisations with that of councils. A key target for the I.S. is to annually bring in more than we cost.

The final development is to improve our consultation and engagement with councils in developing our programmes and services. Many of our projects and programmes have Boards or Steering Groups drawn from member councils, and almost all have been developed in partnership with COSLA or professional bodies. Our engagement around strategic and business planning, however, has been much less good. Members and partners get the opportunity to advise us on 'doing the thing right' but much less chance to comment on whether we 'are doing the right thing'.

From this year, the proposed business plan for each forthcoming year will be circulated in draft to all members for comment, critique, refinement and improvement. Each member of the I.S. Management Team will liaise with a group of councils to capture their expectations and requirements as part of this exercise.

CONTACT US

We are part of the supporting framework for Scottish councils and work with them to set, monitor and deliver improved outcomes for communities in Scotland. We work directly with individual councils to conduct Critical Friend Reviews, Peer Reviews and Senior Management Reviews, all underpinned by the principles of Best Value. We also facilitate in a wide range of local and national programmes and projects to meet political, social and economic agendas, host events, give conference presentations and attend workshops.

Please get in touch if you are keen to be involved in any of the projects or if you have ideas for new areas of work.

Tel: 01506 775558

Fax: 01506 775566

Email: listen@improvementservice.org.uk

Web: www.improvementservice.org.uk

The Improvement Service
Westerton House
Westerton Road
East Mains Industrial Estate
Broxburn
EH52 5AU

Key contacts in 2008-09

Colin Mair, Chief Executive, colin.mair@improvementservice.org.uk

Mark McAteer, Performance Management, Efficient Government, Support for Elected Members,
mark.mcateer@improvementservice.org.uk

Paul Dowie, Shared Services, paul.dowie@improvementservice.org.uk

Kate O'Hagan, Leadership and Management Development, kate.o'hagan@improvementservice.org.uk

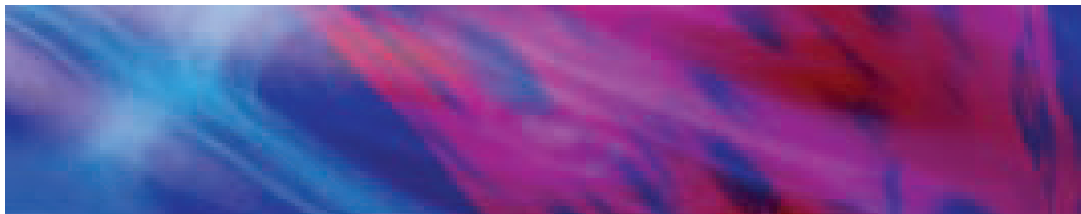
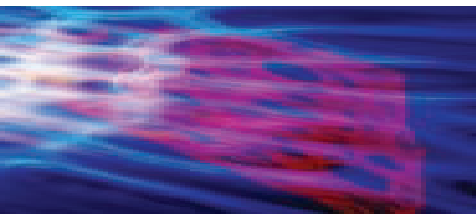
Jim Kinney, Customer First, jim.kinney@improvementservice.org.uk

Mike McLean, Knowledge Management, Communities of Practice, IS Website,
mike.mclean@improvementservice.org.uk

Martin Brown, Customer Relationship Management, martin.brown@improvementservice.org.uk

Lorraine Higgins, Business Support, loraine.higgins@improvementservice.org.uk

Fiona Dick, Events and Communications, fiona.dick@improvementservice.org.uk



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

Tel: 01506 775558
Fax: 01506 775566

E-mail: info@improvementservice.org.uk
www.improvementservice.org.uk

The Improvement Service is devoted to improving the efficiency, quality and accountability of public services in Scotland through learning and sharing information and experiences.