

From: [Foi Enquiries](#)
To: [REDACTED]
Subject: FOI-18-0289 - PWC Workstream Report
Date: 20 April 2018 12:00:00
Attachments: [Further Information - Right to Review & Appeal.pdf](#)
[1.1 BUILDINGACOUNCILOFTHEFUTURE V0.4 \(2\).pdf](#)

Dear [REDACTED]

Please accept our sincere apologies for the delay in responding to your clarified information request of 14 February 2018. Aberdeen City Council (ACC) has completed the necessary search for the information requested.

1. Please provide me with an electronic copy of a PWC workstream report commissioned by Aberdeen City Council in early 2017. The commission was entitled – Provision of services relating to design advice and support. In particular I’m interested in the section that dealt with – “Setting out the overall outcomes and benefits from the future model including the target headcount for each function in the model” .

Please see attached.

This report was the basis for Angela’s Scott’s report to Council in August to launch the Target Operating Model (TOM) and subsequent reports to Council including December and March on the TOM.

Council Target Operating Model (23 August 2017) – Item 17

<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=122&MIId=4326&Ver=4>

Target Operating Model (11 December 2017) – Item 9

<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=122&MIId=4328&Ver=4>

Target Operating Model – Supporting Governance Framework (5 March 2018) – Item 9

<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=122&MIId=5860&Ver=4>

2. Please provide me electronically with copies of any emails, memos or any other correspondence surrounding the communications strategy relating to this report over a time period from 01/01/17 to 10/02/18.

There is no communications strategy document or associated emails in relation to the report mentioned.

ACC is unable to provide you with information on **emails, memos or any other correspondence surrounding the communications strategy relating to this report** as it is not held by ACC. In order to comply with its obligations under the terms of Section 17 of the FOISA, ACC hereby gives notice that this information is not held by it.

We hope this helps with your request.

Yours sincerely,

Information Compliance Team

INFORMATION ABOUT THE HANDLING OF YOUR REQUEST

ACC handled your request for information in accordance with the provisions of the Freedom of Information (Scotland) Act 2002. Please refer to the attached PDF for more information about your rights under FOISA.

Information Compliance Team | Customer Feedback | Customer Experience

Aberdeen City Council, Business Hub 17, 3rd Floor North, Marischal College, Broad Street,
Aberdeen, AB10 1AQ

Tel 03000 200 292

Email foienquiries@aberdeencity.gov.uk

www.aberdeencity.gov.uk

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ABERDEEN
CITY COUNCIL

Building a Council of the Future

*Proposal for a new Operating Model for
Aberdeen City Council*

July 2017

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1 Introduction

The environment in which Aberdeen City Council is operating is changing at a dramatic rate. Ongoing fiscal restraint, rapidly rising demand for key services, changing customer expectations and the emergence of a multitude of new technologies are combining to place an unprecedented level of pressure on the council.

To date, our response to this situation has been to focus on tactical opportunities for efficiency and improvement. While this incremental approach has helped us to buy time and, in certain instances, has been effective, it is becoming increasingly clear that a more radical response is required.

Even without the financial imperative to change our budget challenge provides, we also need to reflect that our current institutional focus does not best serve the city and does not play the dynamic and active role in shaping our region we would like. We have moved forwards in many areas to improve collaboration, to improve outcomes and to work more closely together with our neighbours and with our partners in the city.

But how we are organised, how we work day to day and how we serve our citizens is still inhibited by a series of outdated approaches. Our governance, technology, structure and our relationship with our customers reflect where we have been and are no longer fit for where we are going.

Viewed this way our current challenges present us with an opportunity to build a different future for the City council in Aberdeen. One that allows to better exploit technology, focus our efforts on outcomes and crucially reinvigorates the passion of its workforce. One that is be rooted in a more detailed understanding of the needs and aspirations of the people we serve and aligns everything we do, to make a difference for them.

This paper sets out a prospectus for taking advantage of this opportunity. It describes:

- the challenges the council is facing in greater detail;
- the outcomes we will need to focus on to help the city become a more competitive and successful place;
- the current shape and performance of the council and evaluates the extent to which we are setup to deliver improved outcomes, and to empower our communities and citizens to be more independent and self supporting;
- a vision for a more effective and efficient council and begins to articulate the sort of operating model we will need to adopt to achieve this (and the commitments that will need to be made);
- how leadership will need to change, both in terms of its role within the council but also for the city as a whole;
- the cultural change that will need to be supported and the implications for the council's workforce; and
- finally, it offers a roadmap for turning this vision into a reality.

The journey described in this paper is ambitious and represents a step change from anything the council has done in the past. However, it is difficult to envisage how a more moderate response could be successful, such is the extent of the challenges we and the city are facing.

We must better understand and embrace new ways of doing our business that meet modern needs - the way we think, the way we work, the way we design and deliver services and the way that we interact with customers and communities.

The residents, communities and businesses of Aberdeen deserve to live and work in an environment that helps them to achieve their ambitions. We have a significant role to play in establishing the underlying conditions that will enable them to reach their potential. To achieve this, we need to build a council that is agile, proactive, motivated and externally focussed on the issues that matter for it's people and place.

2 Context and Challenges

Local government, and the public sector in general, is experiencing an unprecedented period of change. Many of the forces driving this change are entirely outside of our control. Nevertheless, we need to be mindful of the sorts of pressures they are bringing to bear on the services we provide, our workforce and the people we serve.

This section focuses on the pressures impacting on the local government sector as a whole, including;

- the financial context and specifically the financial impact on the Council;
- the continuation and acceleration of rising demand for our services;
- the system wide issues that create and exacerbate demand on the Council services such as economic performance, youth attainment, poverty and health and wellbeing;
- internal challenges that impede and impact on the effective operation of the council and the ability to mitigate and respond; and
- new opportunities to develop more efficient ways of working.

2.1 Demands on the sector

The pressures on local government in Scotland are already significant and are set to increase in intensity. For example, fiscal restraint has led to major reductions in the funding available to councils and, furthermore, public spending is not expected to return to 2010 levels in real terms until at least 2030.

We know that demand for public services are increasing. This is largely being driven by demographic pressure - a growing and aging population with increasingly complicated social and health care needs. However, we are also witnessing rising demand from those impacted by the economic downturn.

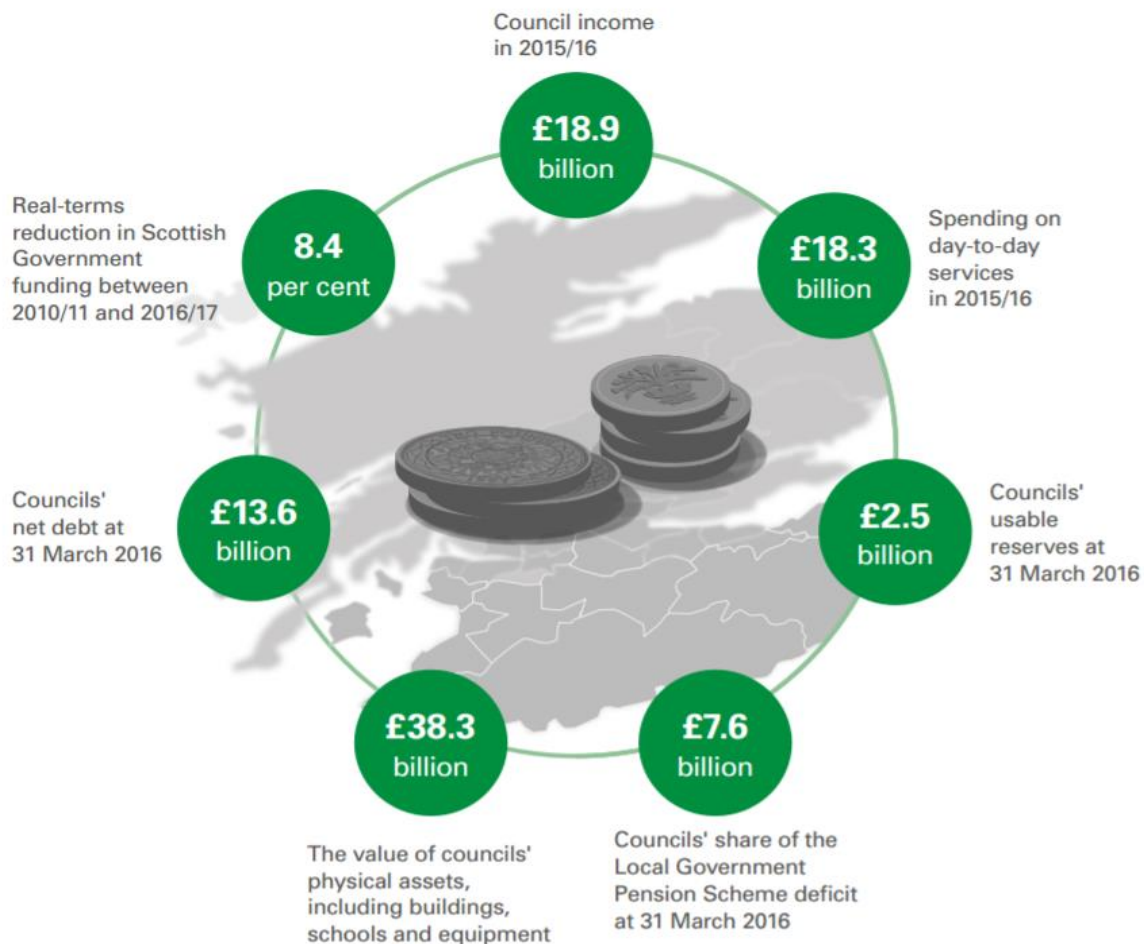
Traditionally, our public services have responded to these sorts of pressures in a fairly reactive way - we have tended to wait until problems manifest themselves in the form of increasing numbers of people coming through the front door before acting or seeking to address their underlying issues.

Evidence from reviews such as the Christie Commission has highlighted numerous shortcomings in the capacity of our public services to deliver better outcomes. Public service provision in Scotland could be considered to be somewhat 'top down' - unresponsive to the needs of individuals and communities. It lacks accountability and is often characterised by a short-termism that makes it difficult to prioritise preventative approaches.

In addition, the relationships that exist between our public institutions is fragmented, complex and opaque, hampering the joint working between organisations which we know to be essential in addressing structural deficiencies in our society.

The cumulative pressures the sector is facing mean the system is already under pressure, and will soon buckle. It is clear that simply doing more of the same will not be sustainable over

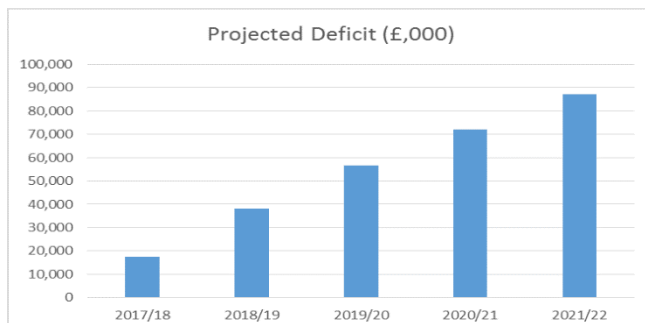
the longer term - a more imaginative and innovative response is required. A recent report from Audit Scotland concluded that *“Councils have managed their finances well but significant challenges lie ahead.... Councils need to change the way they work to deal with the financial challenges they face”* *Audit Scotland: Local government in Scotland Financial overview 2015/16*



Source: Audit Scotland

2.2 Our financial context

Within Aberdeen City Council, the challenging financial context is greater than in many Scottish authorities. The council needs to find savings of £86m over the next 5 years in order to keep within its budget.



Source: Strategic Business Plan 2017/8 refresh

We have already taken steps to drive down costs and secure income, but shoring up our finances to the extent required will mean we need to make many more difficult decisions in the future. Continuing to make efficiencies will help to create financial stability in the short to medium term, but efficiencies will not bridge the gap sustainably. To achieve sustainable local Public Services across Aberdeen we need to think and work differently, with a system wide and regional focus. We must look to all participants from citizens, communities, third sector, to business and beyond.

An indication of the extent of the type of change required is illustrated in our recent move to obtain a bond through the London Stock Exchange, we are the first council to do so. This use of new financial instruments will be increasingly common as we look for more innovative and commercial ways of generating investment for Aberdeen. We will need to be equally revolutionary in our thinking about how we can operate differently as an organisation

Our finance function is well-regarded, award winning in innovation in reflection in part of our work on the bond. However, a number of reviews including internal and by CIPFA have highlighted the need to improve our approach to budget management and value for money. We have historically relied on service and directorate ownership of performance and budget to manage these two issues. We have managed within our existing budget constraints in recent years but this will not be sufficient where the size of the challenge goes beyond the rebalancing of activities within a particular service or directorate, where it needs more collaboration between services such as housing and social services, and where we need to make difficult choices about where we can and can't prioritise performance. The view from our recent independent CIPFA review of our finance function was:

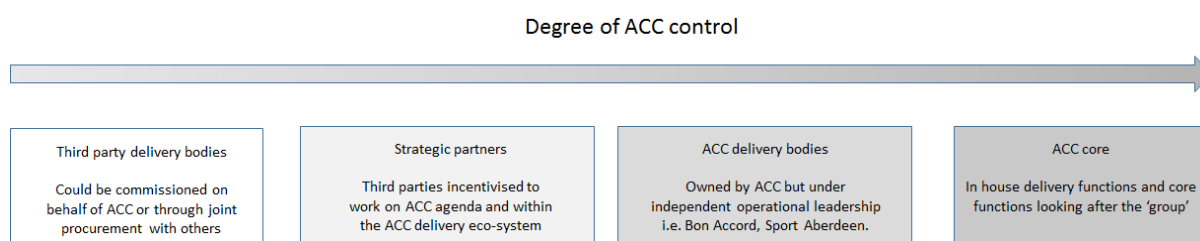
"It would be our considered view that a lack of ownership and accountability over financial performance by budget holders represents the most significant financial management challenge faced by Aberdeen City. For budget holders operational performance appears to have primacy and Aberdeen City Council has much to do to demonstrate that VfM is within

the ‘DNA of the organisation’.”

CIPFA financial services report

This is reflected further in how we approach capital and the £billion investment in the city, where we risk delivery by fragmenting our capability and oversight of the whole.

Finally, it is worth noting that this year we had a forecast underspend convert into an outturn of a significant overspend. Among the drivers for this was a disconnect between our operational performance management and our collective understanding and analysis of the financial implications. As we enter a much more challenging budget environment, in which we need to realise significant savings, we need to have strong capability in budget forecasting, monitoring and analysis and no disconnect between the corporate and service view. This is not just in ACC but across the whole ‘delivery eco-system’ as described in the diagram below:



2.3 Rising demand for services

At the same time as the funding is declining, we are witnessing an upturn in demand for our services. To some extent, this reflects the national and public service systemic issues impacting on the sector as a whole. However, there are particular circumstances in Aberdeen that have the potential to make the impact of this even more acute.

The oil and gas industry has historically been a source of pride and economic growth for Aberdeen. While the city retains an aspiration to become one of the world’s major energy centres, if recent reductions in the price of oil continue, alternative sources of investment will need to be found. We must guard against becoming over-reliant on one industry if we are to ensure Aberdeen’s success long into the future.

Furthermore, and with a more immediate impact the economic downturn is placing additional pressure on our services today. The demand from those who need us most is growing. Whilst overall levels of deprivation remain low, as recently as 2012, 22 of the 267 datazones within Aberdeen were considered to be within the 15% most deprived areas in Scotland. Almost 30% of households in Aberdeen experience in fuel poverty and 18% of children in Aberdeen are categorised as living in poverty.

Demographic trends within Aberdeen have the potential to be particularly problematic. The local pre-school age population is expected to grow considerably over the next two decades. In reality, we are already struggling to meet current demand for early education and child

care services. While it is difficult to disagree with its objectives, responding to the introduction of Scottish government's early education initiative will require the council to double its provision for pre-school children, placing considerable pressure on accommodation, the workforce and the available funding.

Over 65s account for 15% of the population of Aberdeen, and projections are that the profile of the local population will continue to age. By 2037, the population of Aberdeen is projected to increase by 28%, while the number aged 65 or over is expected to rise by almost 56%. The proportion of over 75s is expected to increase by approximately 70%. While the presence of a significant older generation in a community does bring obvious benefits (there is anecdotal evidence that older people are more likely to volunteer, for example), this will place additional demand on some of our more high cost services.

If we fail to plan adequately for these projected increases in demand, we can expect to see our services being overrun. There is simply not enough flexibility within the organisation as it is currently constituted to cope with future demand. Furthermore, because of the interdependencies between the services we provide and those provided by our key partner organisations, if we fail to cope the implications in other parts of the system (e.g. in local hospitals) could be equally catastrophic. We need to change how we are organised.

Our response needs to be part of system wide reform, with clear strategic place based leadership, focused on collective achievement of the outcomes that both prevent need and also reduce escalating levels of need.

2.4 Institutional context

Leaders within Aberdeen City Council and our neighbouring boroughs have not been blind to these challenges. However, the steps taken to date have been incremental and tactical.

For example, the council and its partners have experimented with a range of joint working initiatives. We have successfully established a joint procurement service, brought together health and social care commissioning through the Integrated Joint Board (IJB) and supported practitioners across the health and care community to align around a common set of objectives to improve health and wellbeing outcomes in the city.

Similarly, in 2014 the council committed to an organisational redesign that was largely focused on bringing into effect the implications of the Joint Working (Scotland) Act, alongside some additional realignment of portfolios. It has been some time since the council conducted a fundamental review of its strengths and weaknesses.

Tackling inequality in education is a priority in both the Scottish Government and Aberdeen City Council's agenda. Children from poor background are known to have poorer performance and attendance at school. We responded to the challenge by collaborating with other Northern Authorities, including Aberdeenshire, to lead and develop their approaches to the Scottish Attainment Challenge. Locally, we also run breakfast club and offer a clothing grant to eligible pupils. However, analysis indicates that more work needs to be done to help all children young people in the City to reach their full potential. In 2014/15, analysis shows that schools where more than 60% of the pupil population that live in the 20% most deprived areas, score the lowest for reading skills. Similarly, the schools where more than 50% of the

pupil population that live in these areas, have the lowest school attendance rate. Overall, the proportion of pupils gaining 5+ Awards at level 6 in the City has been steadily increasing since 2012. However, the proportion of pupils from deprived areas gaining 5+ Awards at level 6 is the lowest against other major Scottish boroughs, has dropped to just below 6% in 2014/15, which is less than half of the Scottish average of 13%. Although the proportion of pupils enter positive destinations after school has increased from 85.6% to 90% from 2013/14 to 2014/15, this is nearly 3% lower than the Scottish average.

The recent economic downturn and falling oil price have an adverse impact on the economy of the Aberdeen City, reflected by the increasing unemployment rate and reduced employment opportunities. It is expected that the rate will be adversely impacted by the decline of energy sector, which accounted for over 17% of all employment in the City. It is clear that creating employment opportunities and improving participation in the labour market will be a key driving force for sustainable economic growth. Also, there have been challenges in recruiting and retaining skillful workers in Aberdeen over recent months, partially related to the lack of affordable housing, which is generally 30% more than the national average in Scotland. The skill shortage needs to be addressed, particularly in the education, care and health sectors.

While North Sea oil and gas remains a key part of our economy, we recognise the need to diversify our economy to obtain sustainable economic growth. To support economic growth, we have invested heavily in expanding the City's infrastructure, including the current harbour in Aberdeen in to Nigg Bay, and the Aberdeen Western Peripheral Route, to ensure that the City remains an attractive and competitive place.

2.5 New opportunities

Many of the factors outlined above can be characterised as 'pushing' the council towards the need for more fundamental transformation. However, there are also a range of new opportunities that are now 'pulling' us in the same direction.

In terms of the national policy context, it is clear that there is greater enthusiasm for the devolution of functions and responsibilities to local government (or to partnerships of accountable bodies) than has ever been the case before. This presents a golden opportunity for the council, working with its partners, to make a strong case for taking more decisions about Aberdeen in Aberdeen. We must be mindful of this when considering any potential changes to our governance arrangements.

In addition, there is a further devolution of decisions to a community level embodied in the Community Empowerment Act, which will see the empowerment of community bodies through the ownership of land and buildings, and by strengthening their voices in the decisions that matter to them. This presents opportunity to look to them as partners in delivery, and therefore to build resilience into our services and communities. However, this requires a change in the way we work and think, we need to redefine our operational practices and governance model that ensures that local service providers work together even

more closely with each other to meet needs, and facilitate different models for democratic participation.

Separately, but no less significant, the way in which councils are beginning to use digital and data is also worthy of more detailed consideration. Digital is disrupting the way that we consider public service provision. Increasingly, citizens expect services to be digital by default. However, the leading councils are going further, using digital to support community participation and engagement and promote independence.

Councils have always held vast quantities of information. However, recent advances in our ability to analyse and present data is affording new opportunities to generate insight. The leading councils are already developing their analytic capabilities to take greater advantage of the information they hold and, in the most advanced cases, anticipate and manage demand for services more effectively.

Digital councils have greater potential to innovate at pace not only because their technology is knitted into the fabric of a digitally enabled future, but also because their business operations are agile enough to adapt to change fast. They also typically understand, gather data on their customers, and create ecosystems to build additional value and services. In order to survive, digital laggards need to rethink the investments they make today to digitally enable their business and improve their capacity for innovation.

2.6 Conclusion - context and challenges

Whilst the context that we operate within may appear stark, it also creates an opportunity for significant and meaningful change; a change that will see us not only become financially stable, but a change that will contribute to the creation of sustainable public services across Aberdeen as a place. The circumstances in which we find ourselves calls for brave, strong and capable place based leadership. In summary it is clear:

- The financial challenge means we need to fundamentally change how the Council operates
- The demand challenge means we need to rethink how we understand and respond to demand in new ways
- The sectoral and legislative drivers towards outcomes focus, collaboration and community empowerment need to be reflected firstly in the shape of the future ACC, but also in our approach to urban leadership;
- The ability of technology to support the new shape of ACC and to allow us to innovate and transform how we work is a key dependency
- Our 'delivery eco-system' and its workforce needs to be fully aligned to this new way of working and will need to change in order for ACC to get the best from them and them to get the right support from ACC

To respond effectively to the circumstances described above, we need to examine our entire 'operating model'. This should include a review of our overarching organisational design, our approach to leadership and governance, the capabilities of our workforce, our approach to

dealing with customers, our processes and performance, how we use technology and information and our relationships with our partners.

However, the foundation for this new operating and governance model is our collective vision for the future of Aberdeen and our understanding of the outcomes we need to address as articulated in the Local Outcome Improvement Plan (LOIP).

3 Our Strategy: Outcomes We Seek to Achieve

Working with our partners through the Community Planning Partnership (CPP), we have developed a city wide, Local Outcome Improvement Plan (LOIP). The LOIP is based on an analysis of the key issues across four themes: economy, place, children and adults. It is supported by three locality plans, which provide further detail on how we, collectively, plan to achieve our strategic ambitions.

The vision included in the LOIP is of Aberdeen as: ***‘A place where all people can prosper’***.

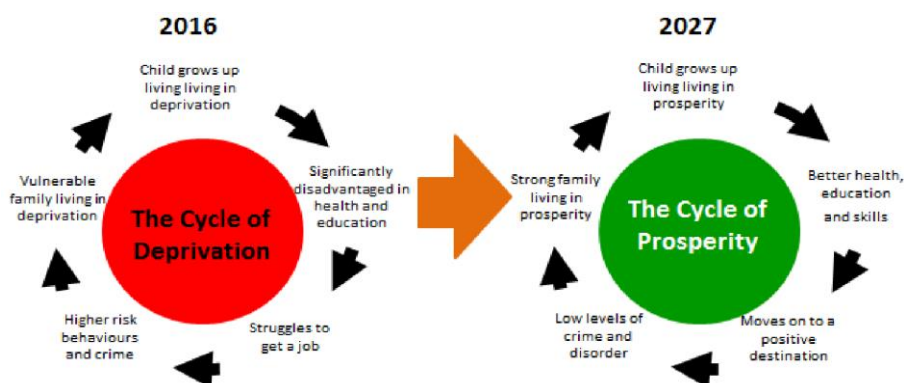
3.1 Working together

As individual partner organisations, we do our best to serve and protect the public. However, we have recognised that we will not be able to address the city’s underlying structural issues

working in isolation. Through the CPP, we are testing new ways of working - doing things we haven't done before to deliver real and lasting transformational change for our communities.

Our overarching ambition is to tackle some of the more deep rooted inequalities present in Aberdeen, flipping those communities where this is an issue from a cycle of deprivation to one of prosperity:

Figure 1: Shifting from a cycle of deprivation to a cycle of prosperity



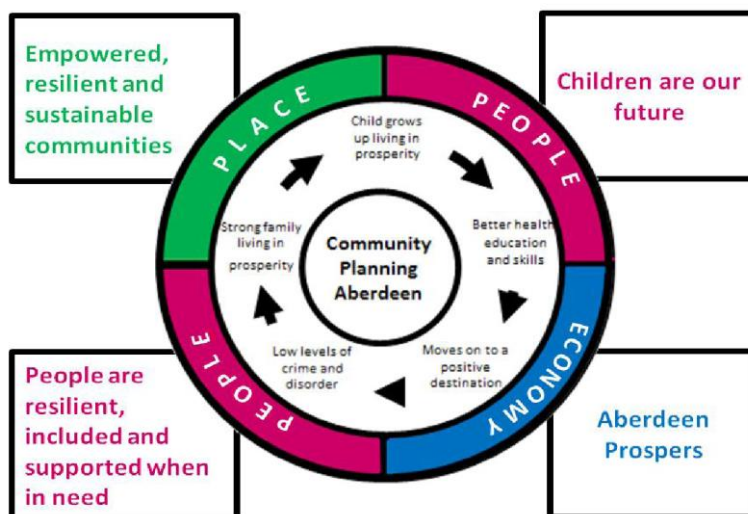
This focus should remain a key driver for the council as it moves forwards. The transformation of its operating model must be pursued with this in mind.

3.2 Our priorities

To help us achieve this vision and the step change for communities described above, we have identified four high level, thematic priorities, along with a fifth cross-cutting and enabling priority. These priorities are as follows:

1. Aberdeen prospers.
2. Children are our future.
3. People are resilient, included and supported when in need.
4. Empowered, resilient and sustainable communities.
5. Creating a digital place.

Figure 2: Local Outcome Improvement Plan priorities



We have been using these priorities to galvanise and focus our collective efforts. In particular, we have been examining how best to facilitate a shift of resources towards early intervention and prevention, with the overall aims of tackling equality, unemployment, crime, violence and poor health that has existed in some families for generations.

Our priority for creating a digital place recognises the key enabling role digital can play in helping to establish innovative and integrated public services.

3.3 The National and Regional Context

It is important to recognise that our plans and strategies fit within a national and regional performance framework. The council and the CPP make a valuable contribution to a range of sub-regional (north eastern) and regional strategies. For example the recent announcement regarding educational reforms which will not only see the increase in powers given to head teachers over the curriculum, the hiring of staff, and in closing the attainment gap. It will establish the creation of “regional improvement collaboratives” which will see councils share resources to support schools. The Northern Alliance is seen as an exemplar of this and perhaps heralds a model that can be applied beyond Education, given the range of arrangements already in place to support the regional delivery of services. These strategies

and structures are described in more detail in the annexe of this report. The key messages are:

3.4 Conclusion - our strategy and outcomes

The articulation above of the vision and strategic outcomes that we seek as a Council will form the foundation that determines the new operating model that will best equip us to deliver against them. The vision and outcomes create the following requirements:

- If we truly wish to focus on the Council's priority outcomes we will need to work with others with a shared interest and ability to influence these outcomes
- The future operating model will therefore need to prioritise the delivery of outcomes and the ability to work with others, as distinguished from ongoing management of operational services
- The Council needs to play its part in a complex chain of public sector delivery that will continue to evolve, and so will need to be agile as this develops
- The concept of 'urban governance' and the role ACC wishes to play in driving its agenda will mean rethinking our decision-making and governance

In conclusion, the future operating model needs to clearly deliver against these requirements. We therefore need to establish the principles against which any future operating model proposals can be tested.

4 Principles for the operating Model for the Council of the Future

There are a number of different change agendas within Aberdeen City Council which we can draw on in setting out the design principles. The Strategic Business Plan sets out how our programmes of work on Stewardship, Operational Excellence and Enterprising Council aim to improve our day to day ways of working, consolidate and modernise how we do business and get the best return on investment from our income, our assets and our third party spend.

In addition the 'Being Digital' strategy sets out the longer term plan for how digital technology will enable a transformed Council and improve our capability in automation,

insight, how we support customers and communities to self-serve and how we continue to innovate and keep pace with the development of modern technology.

Finally we have put in place a programme for cultural change that recognises that a motivated, bought-in, skilled workforce is a vital ingredient for whatever form the future organisation takes.

These strategies and plans set out range of principles and parameters for the future organisation, which have been distilled into the following:

STRATEGIC PRINCIPLES
ACC will focus its resources on delivery of priority outcomes as expressed in the LOIP 2016-2026
ACC will work in partnership with others to achieve its priority outcomes
ACC will focus its efforts on prevention and early intervention to reduce level of need
ACC will aim its interventions towards increasing independence of citizens and communities and supporting the Community Empowerment Act
ACC will change our operating model to act as the 'commissioner' of services, organising around the outcomes we seek to achieve and separating this commissioning function from delivery

CUSTOMER PRINCIPLES

ACC will use data and technology to better predict, understand and respond to customer needs

ACC will align what we do around customer including how we join up with other organisations – we will not have a directorate or service view of the people we support and we will recognise we are only a part of the customer experience

ACC will be transparent, open and accessible to our customers.

ACC will promote self-management and independence - whilst recognise that some of our people will still require our support and offering channel choice

ACC will use data about how we perform for our customers to learn and improve

ACC will set out the standards and the customer journey expected for our customers regardless of who provides the service on our behalf

OPERATING PRINCIPLES

ACC will be technology and digitally led and embrace that this will disrupt the established ways of doing things

ACC will be a data and intelligence led organisation meaning we will have the flexibility to adapt what we do in light of the insight about what best contributes to outcomes

ACC will be open and transparent in how we operate and willing to expose this to challenge and change

ACC will organise our teams around functions rather than organising around particular services or professions.

ACC will have a 'one team' approach – we will move away from service based mindset

GOVERNANCE PRINCIPLES

ACC decision making will adapt to reflect the focus of the organisation on outcomes and the shift from service to functional leadership

ACC governance will reflect our strategic agenda for increased partnership working and place based planning

ACC will align our budget setting process with the commissioning cycle so we can demonstrate how our resources are aligned to outcomes and are better able to make joint decisions with partners

These principles drive the description below of the capability we need in these key areas - strategy, customer and operations. The section below explores the capability we will current have against the capability we need to deliver on this agenda.

4.2 Conclusion - Operating Model principles

In summary:

- The future operating model needs to be aligned and facilitate the strategy ACC wishes to follow and the context in which ACC will operate
- The principles have been distilled from work to date on a number of fronts to be used to assess the current and target the future state

The table below sets this out in more detail:

Principle	What this means in practice
Strategy	
ACC will focus its resources on delivery of priority outcomes as expressed in the LOIP 2016-2026	We will continually challenge whether what we do and how we do it is the best way of contributing to the outcomes. We won't simply carry on providing services we have always done, in the same way.
ACC will work in partnership with others to achieve its priority outcomes	We will base our decisions about what we do and how we do it, in the context of the Council as one of a number of parties aiming to drive the LOIP outcomes
ACC will focus its efforts on prevention and early intervention to reduce level of need	We will move more of our resources towards the prevention agenda and spend less on treating current demand and 'acute' need as a result
ACC will aim its interventions towards increasing independence of citizens and communities and supporting the Community Empowerment Act	We will challenge how we do things to put more decision-making and more ownership in the hands of the communities and people we serve, and make fewer decisions on their behalf. For example, promoting models like self-directed support.
ACC will change our operating model to act as the 'commissioner' of services, organising around the outcomes we seek to achieve and separating this commissioning function from delivery	We will distinguish the organisational responsibility and accountability for the strategic choice about what we do and who does it, from the responsibility for delivering. This intentionally creates a relationship between the team 'specifying' what will be delivered and team accountable for delivery.
Customer	

ACC will use data and technology to better predict, understand and respond to customer needs	We will put more emphasis on accessing leading edge technology and data capability to support a shift to prevention and self-service
ACC will align what we do around customer including how we join up with other organisations – we will not have a directorate or service view of the people we support and we will recognise we are only a part of the customer experience	We will build our future customer journeys on the basis of the ACC role within the partnership that delivers the LOIP rather than as a single service or organisation view.
ACC will be transparent, open and accessible to our customers.	We will publish information about what we do, improve our community participation in decision-making and make our digital services available outside of normal working hours
ACC will promote self-management and independence - whilst recognise that some of our people will still require our support and offering channel choice	We will continue our ‘channel choice’ policy but recognise that we can reduce costs and better serve vulnerable people by supporting those who can self-serve to do so
ACC will use data about how we perform for our customers to learn and improve	Part of our shift to a more functional model means empowering the customer function to improve how we do services from the customer perspective
ACC will set out the standards and the customer journey expected for our customers regardless of who provides the service on our behalf	ACC will always have a network of delivery bodies but needs to be responsible for the customer experience and obtaining the data to help understand need, performance and outcomes across the whole.
Operations	
ACC will be technology and digitally led and embrace that this will disrupt the established ways of doing things	We will be flexible to change how we do things as the underlying technology and digital capability changes. This will mean looking at things through new perspectives, not just professional development and learning.

ACC will be a data and intelligence led organisation meaning we will have the flexibility to adapt what we do in light of the insight about what best contributes to outcomes	We will use data to drive the direction in which we change and will therefore need to have more emphasis on our capability to capture, analyse and derive insight from data.
ACC will be open and transparent in how we operate and willing to expose this to challenge and change	We will need to have a culture that is open to the challenges that come from other principles to be flexible and do things differently.
ACC will organise our teams around functions rather than organising around particular services or professions.	We will not have service based directorates and will organise around key capabilities that map to the commissioning process
ACC will have a 'one team' approach – we will move away from service based mindset	Our leadership, management and staff performance and day to day management practice will reinforce the message that we are one organisation and avoid functional siloes replacing service siloes
Governance	
ACC decision making will adapt to reflect the focus of the organisation on outcomes and the shift from service to functional leadership	Our member and committee structure is anticipated to change to align to the change in the shape of the ACC organisation
ACC governance will reflect our strategic agenda for increased partnership working and place based planning	Our member and committee structure is anticipated to change to align more closely to our operational change in focussing on city wide agenda such as public protection – building on the Good Governance Institute recommendations
ACC will align our budget setting process with the commissioning cycle so we can demonstrate how our resources are aligned to outcomes and are better able to make joint decisions with partners	We will over time more our budget setting process so that is fully incorporated into our commissioning cycle i.e. commissioners will hold the budget and specify the services that will contribute to outcomes

The following section examines each aspect of the operating model against these principles.

5 Building the Council of the Future Capability Required

In this section each aspect of the operating model is examined against the principles described in the earlier stage.

The aim is to describe the capability needed in order to deliver on this principle, the gap that exists in the current state and the implications for our future organisation design by moving from our current to the target model.

5.1 Alignment with design principles: STRATEGIC

5.1.1 Capability required

The Council needs to be able to translate the LOIP into practice. This means having a clear, 'golden thread' between the outcomes we are prioritising, the decisions we make about where to invest our resources, and the choices about who delivers what services to deliver positive change in these outcomes. Establishing the right service in the right place.

At it's most logical this therefore means being able to take more of these choices on a partnership basis and having the flexibility to move resources within, or outside of, any one institution to where it will have the greatest impact.

It also means being able to demonstrate that the process of setting outcomes and objectives is driving the subsequent budgeting and service planning activities, and not the other way around. This means being able to align budgets and activity to the outcomes being sought rather than retrospectively aligning what services had planned to do anyway, against a set of disconnected outcome objectives.

The capability needed to take the long term, evidence based view of demand is an essential component of the principle of being self-sustaining. It is only by understanding the longer term demand, and the Council's ability to intervene and address it, that the Council can justify investing resources in intervention and other measures to prevent escalating needs manifesting later.

Finally, the other aspect of financial self-sustainability is about having the insight around the Council's income and expenditure, to confidently control and direct the allocation of resources. This means being able to secure investment from elsewhere, credibly argue for increased revenue raising powers and making a better commercial return on the existing assets and investments.

5.1.2 Current state

The Council has aligned its strategic plan to the LOIP. Work is underway to ensure directorate and service plans are also aligned to the LOIP and locality plan outcomes.

However, there are a number of specific strategies which sit outside the LOIP and have yet to be reviewed to ensure full alignment. Equally, as is the case in many large complex organisations, our plans tend to reflect the services and activities we have delivered in

previous years and do not all support the strategic focus on prevention and early intervention that the LOIP seeks to establish.

The Council has made progress in understanding demand and regularly carries out strategic assessments on a city, wider regional and national basis to collect and analyse relevant data. This information is part of the process for establishing and monitoring the LOIP, creating and monitoring service plans and holding the Council to account for performance.

However, this has tended to be disconnected from the financial management and allocation of resources, which makes it harder for ACC to truly be a 'value for money' organisation. Equally the structural and organisation parameters means that service plans tend towards reinforcing doing 'more of the same' services regardless of the strategic assessment information, as opposed to genuinely driving new activities or removing services that do not contribute to the outcomes sought.

Decision making is governed by the current scheme of delegation, the overarching presumption of which is that decisions are largely reserved for council/committees, unless specific delegations are in place.

The relationship between the Council as a 'parent' and its delivery eco-system is a mixed picture. In some cases the delivery body is an external part of the Council, such as Bon Accord, or a third party supplier. Here the distinction between the 'commission' to deliver and the responsibility to deliver is most clear. For internal services, there is not the same tension. The service plans both set out the 'commission' for what is to be achieved and the plan and management responsibility to execute. This means there is not the required focus on challenging whether the service is justified in terms of its contribution to outcomes and the LOIP.

Much progress has been made in the financial self-sustainability principle. The authority was the first to obtain a bond through the London Stock Exchange and has a track record of innovating in finance. However, there are still a number of income areas and Council assets which are not given sufficient commercial rigour. For example, for many of our services which obtain an income from fees or charges, we do not systematically understand the cost of provision and therefore make sure we are recovering the full cost of the service. We have also operated practices such as delivering work for others' before we have secured a deposit

or full payment that has contributed to unrecovered debt. Finally, we do not have full control and corporate oversight of some areas of major spend such as our £1bn capital programme.

An overall assessment of the current state against these principles is below:

Strategic principles	Assessment
ACC will focus its resources on delivery of priority outcomes as expressed in the LOIP 2016-2026	Partially met. ACC has an outcome focussed strategic agenda but we do not systematically align our resources to it
ACC will work in partnership with others to achieve its priority outcomes	Partially met. ACC is an active and in many cases lead participant in partnership and collaboration but there is not a mature focus on demand management and securing outcomes
ACC will focus its efforts on prevention and early intervention to reduce level of need	Partially met. Individual services have moved on this agenda with some successes and this has also formed the basis for the 'Reclaiming social care' work. However, we are not systematically challenging what we do across the whole organisation.
ACC will aim its interventions towards increasing independence of citizens and communities and supporting the Community Empowerment Act	Not met. The majority of our services are traditional, paternalistic and we do not have the community participation and individual ownership of decision making we are aiming toward
ACC will change our operating model to act as the 'commissioner' of services, organising around the outcomes we seek to achieve and separating this commissioning function from delivery	Not met. Our model is based on service provision and does not have the intended level of challenge around how different services and different ways of doing things will better deliver outcomes.

5.1.3 Implications for our future organisation

The key implications for our future organisation are:

- We will need to **split commissioning and delivery** responsibility and therefore these should be in **separate functions**
- We will need a **place based leadership** capability that sets out the ACC role in delivering LOIP outcomes
- We will need to **adapt our budgeting process over time** to manage the transition from a service-led to a commissioning led resource allocation model
- We will need to **improve our focus on prevention** by having better capability in data collection, analysis and insight to support different choices
- We will need to **reinforce a ‘one Council’ culture** in which the new model does not recreate siloes across functions
- We will need for our delivery functions to be **prepared to operate against a specification** to which they are contributors, rather than producing their own service plans

5.2 Alignment with design principles: CUSTOMER

5.2.1 Capability required

The Council needs to modernise and meet increasing customer expectations for how we will do business. Whether they are individual, families, businesses or visitors they expect to be able to deal with us at a time that suits them, in ways that personalise the service and that empower them over their own lives.

As a Council we need to move beyond seeing the customer function as part of every service to a specialist function in itself, able to help the customer to do as much as possible by themselves. This means that individual services and specialisms all work within a consistent customer journey and experience that challenges any paternalistic or professional silo behaviour. This means removing any ‘directorate’ specific communication and engagement with customers, in favour of a relationship with the Council as a whole.

Part of the story for the Council of the future will be how it uses the improved data that comes from this consolidation and professionalisation of the customer function to continuously learn and adapt its services based on the information obtained. This means having the capability to collect, analyse and act on the customer information provided.

What this means in practice is being better equipped to understand and forecast, and in the longer term reshape, demand on a whole-Council basis rather than within individual services. This includes understanding the distinction between avoidable, preventable and failure demand and how they can be intercepted and negated.

It also means moving away from being a ‘delivery agent’ of particular services, to a passive population, to offering ways to connect individuals and communities to do more themselves and with each other. This includes aspects of public services such as participatory budgeting, personal budgeting and community self-help. For example, the Council can have a role in bringing together parents of children with special educational needs or brokering between

suppliers of care products and those with personal budgets, rather than always being the provider itself.

In the longer term, we need to move towards seeing the council as more of a 'platform' through which many different types of interaction take place. The council has a key role to play in brokering arrangements between different groups, as much as it has being a provider of services itself. It is likely, if not inevitable, that in the not too distant future, the majority of these interactions are processed automatically or are facilitated via online self-service arrangements.

This is consistent with the wider strategic direction of seeing ACC as part of the regional and city delivery agenda and in the longer term will mean having a consistent customer journey across the public sector rather than focussed on ACC as an institution.

5.2.2 Current state assessment

Although we have created a corporate contact function and an enhanced Council website, we are some way away from even having a single entry point to the Council and as such we are not well equipped to understand the existing demand, drive consistency in the customer experience and take measures to support self-service.

For example, our corporate service centre only receives 20% of the organisations incoming calls and we do not have the ability to analyse the make-up of the remaining 80%. Our literature and promotional material often reinforces the 'departmental' view of the organisation and also continues to push traditional, paper based forms as the way for people to do business with us.

Through the Operational Excellence programme we have continued and will be accelerating the process of consolidating customer contact. We also need to build on the 'Being Digital' strategy and put in place the technical enablers to support the shift to a 'platform'. This is

still some distance from where we aim to be and a long way from the concept of shared customer journeys across the public realm in ACC.

The summary assessment against the customer principles is set out below:

CUSTOMER PRINCIPLES	ASSESSMENT
ACC will use data and technology to better predict, understand and respond to customer needs	Not met. We have plans within the 'Being Digital' strategy and roadmap but this will need accelerating. Our existing customer channels lag behind others and does not do enough to help us understand, forecast and prevent demand
ACC will align what we do around customer including how we join up with other organisations – we will not have a directorate or service view of the people we support and we will recognise we are only a part of the customer experience	Not met. We do not systematically consider our customer's journey from their perspective, we have no single point of accountability for customers and we do not place as much emphasis as intended in the future on the role of other parties to the customer experience
ACC will be transparent, open and accessible to our customers.	Partially met. We have begun and are investing further in making our data available and publishing performance against standards.
ACC will promote self-management and independence - whilst recognise that some of our people will still require our support and offering channel choice	Not met. Our website and other channels are not at the same maturity as others in supporting individual or community self-service. Our mindset is still overly provider focussed and does not empower our communities or citizens to take more control themselves.
ACC will use data about how we perform for our customers to learn and improve	Not met. We have not set out the standards across the ACC delivery group and we do not have ownership of the data, experience and other aspects of the customer journey

ACC will set out the standards and the customer journey expected for our customers regardless of who provides the service on our behalf	Not met. We have not set out the standards across the ACC delivery group and we do not have ownership of the data, experience and other aspects of the customer journey
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5.2.3 Implications for our future organisation

The key implications for our future organisation are:

- We need to **rapidly improve our technology** to support a transformed customer function. Specifically this will mean the development or procurement of a digital platform that is customer and data centric, as opposed to being focussed on applications and processes.
- To do so we will need a **new relationship with the technology sector** and specifically enter into partnership with a provider to give us this access and capability
- We need to accelerate and extend our plans to **bring together customer activity** within ACC to encompass all services and to challenge on an ongoing basis the cut-off points between the customer and service delivery function.
- We need a **single point of accountability** for the customer experience empowered to make this happen and to drive more customer centric behaviour from ACC.
- We will need **increased data insight capability** to unify and make use of customer data with which to challenge and change performance.

5.3 Alignment with design principles: OPERATIONS

5.3.2 Capability required

Structure

The design principles set out a number of structural drivers. Firstly, the separation of commissioning and delivery into exclusive functions. This is a vital ingredient to ensuring there is a challenge and distinction between the focus on the strategic outcome and the selection of the services to deliver against them (commissioning) and the execution of the services towards that outcome (delivery).

Secondly, the principles enforces the need for a service-neutral champion for the customer, charged with the capture of information, consistent application of ACC customer standards, and the ability to challenge other parts of the organisation on the customer journey and how far a service specialist is needed within it.

Thirdly, the principles push ACC towards a structure which is more flexible, less hierarchical and better able to flex larger pools of resource to address complex challenges. It therefore drives a future state in which the workforce is organised in fewer management layers and is

less 'static' to one particular role or service, instead moving where resources are needed and with the expectation of ongoing learning and change throughout their career.

Technology

The speed with which technology and processing power is evolving and the sheer quantity of data available to us presents some significant opportunities. Some of these opportunities will relate to how we receive, process and record requests for service. Others will be more geared towards helping our staff to work more effectively. The advent of cloud computing is changing the role of in house IT in many organisations. The cloud is making it more cost effective for organisations to withdraw from system ownership. Data, rather than the systems that hold the data, is being viewed as the key asset in most organisations. The focus of our IT function in the future must be on the security of that data rather than the development and maintenance of outdated systems.

The data we hold could help us transform our approach to decision making as well as recasting our relationship with the communities we serve. We need to develop the business intelligence capabilities that will help us to understand and influence patterns of behaviour, forecast demand for services, help us to allocate resources more effectively and provide us with the insight we will need to plan for the future.

The council's approved digital strategy distinguishes between emergent and deliberate technologies. Other organisations are already using technologies such as artificial intelligence, 3D printing and remote sensors. Our utilisation of such existing technologies is practically non-existent and yet the technologies have the potential to unlock capacity within the organisation which could become vital as the funding available to us continues to reduce.

Customers, partners and suppliers will be able to use any service digitally. They will be able to access services more easily and receive a more consistent level of service. We need to provide customers with a choice of channels, and make sure whenever they do contact us their experience seamless.

Staff will be able to work from anywhere, with anyone and at any time. This will ensure that they have the right tools and training to do their jobs. We can automate our administrative tasks to allow our staff to focus on higher value activities.

Our investment in technology will deliver savings and allow us to work better with our partners. In delivering this we will seek to minimise costs by exploiting existing frameworks, sharing programmes either locally or nationally and using our existing capabilities better.

Processes

The design principles are for highly consistent, standard, simple and shared processes. This makes it easier to deliver the kind of flexible working that the structure requires, as it

reduces the learning curve needed for the activities and tasks common to the whole organisation.

It also means it will be easier, over time, to support these processes through a more unified and simple suite of IT applications.

This in turn requires organisational discipline and the buy-in from service specialists to a consistent way of doing things rather than continuing to adhere to a 'departmental' way of carrying out the same activity.

Finally, this will mean more consistency in the roles and responsibilities across the organisation.

Workforce

The principles drive us towards a model of employment which enables staff to work across functions, to develop their skills in a range of disciplines and to become problem solvers as much as they are service deliverers. A move to more generic responsibilities will be needed to act in the new model in which we will resolve a much higher proportion of requests and enquiries without needing to concern our technical specialists, freeing up their capacity to focus on the more complex issues that require specific expertise.

We also need to move to a more agile way of working (facilitated by an investment in mobile technology). This means establishing the physical environments that will enable staff to work more flexibly, reduce their requirements for physical space and make new connections with colleagues in different parts of the business. This may require a modest investment in our estate, but this would be more than outweighed by the benefits it would help us deliver and the receipts we would gain by releasing surplus property.

Above all, we need to consider how we empower our workforce. We are too reliant on traditional notions of leadership - on command and control. Our hierarchical structure has evolved over time, but we now need to consider how we can distribute leadership right across our workforce. We need to build a culture in which our colleagues feel they have the freedom to make a difference, to be entrepreneurial and to take appropriate risks - put simply, we need everyone we employ to be a leader.

In requiring staff to adopt a different approach to their work, we will also need to consider our approach to reward and recognition. It may well be the case that the balance of remuneration currently will not help us achieve some of the objectives described above. We will need to assess the extent to which a more detailed review of these arrangements will be required.

Performance management

It's important that all of our delivery activities are explicitly aligned to the place outcomes and that there is robust performance management framework in place. At a high-level we have created a golden thread between the political priorities and the strategic and directorate plans. Now that the 17/18 strategic plan and directorate plans have been aligned to the place outcomes set out in the LOIP, the quality of our performance metrics needs to be

improved, as well as the data which underpins them and our approach to holding each other to account for poor performance.

5.3.2 Current assessment

Structure

Our organisational structure reflects our services and the statutory duties we have to deliver. Related and complementary activities are grouped together, but we have a relatively hierarchical management structure with at least five layers of management - with more in some areas.

Our leadership roles and responsibilities are described through the lens of directorates, the titles of which do not reflect the outcomes we are trying to achieve. The coordination of activities either within directorates or within teams is focused on discharging the duties relevant to that directorate. The coordination of activities across directorates is less structured or clearly defined.

We are beginning to take more corporate ownership of what has hitherto been a largely devolved model. Similarly, in Finance there is a need for increased clarity of responsibility and accountability for spend against budget given the challenging financial position.

However, our alignment of spend against priorities as expressed in the LOIP is well behind our ambitions. We do not budget against outcomes and we find it hard to see our portfolio of investments, income generation and subsidies in one place, let alone in the context of the outcomes they are intended to support.

Our structure, systems and skills reinforce a single-service approach to management, monitoring and control rather than being outcome or person-centred. In common with other public bodies, we struggle to share data and truly work as an integrated team with other CPP entities, even where the IJB has been created to better enable this level of joint working.

The impact is that we are less well equipped to adapt our processes and ways of working to a more outcome-centred, joint way of working. Both within the council itself and in partnership with others.

Technology

This directorate fragmentation is reflected in our supporting IT. There are currently over 300 systems within the council and approximately 19,000 access databases. Each line of service has a system which is highly specific to its particular needs but in many cases has grown to become an inseparable part of the service itself. Some IT systems are the only ones we have ever used in certain areas and we are highly reliant on external suppliers.

We have made strides towards self-service and automation but we lag behind others, particularly in requiring a high amount of manual processing between a number of our

systems which do not interface directly (such as between line of service systems such as CareFirst and corporate systems like Covalent and e-Financials).

For example, currently eligibility assessments tend to be carried out via a mix of telephone and face-to-face interactions. These enable personal judgments to be made about the extent to which a customer or client meets a set of predefined criteria. In many other walks of life, algorithms, artificial intelligence and machine learning are being used to make similar determinations - it will not be long before this type of capability matures to the point that we will be able to consider its use. We must be ready to take advantage of these types of opportunity as they appear.

Our own staff would also benefit from some strategic investments in technology. For example, 30% of the calls to our IT helpdesk are made because staff can't reset their own passwords. We need to build or buy more intuitive systems that will actually help our staff, rather than forcing them to find ways around the solutions we would like them to be using.

Processes

We know our processes are overly complex and that much of our activity is fragmented and/or duplicated. Phase 1 of our Operational Excellence Programme involved carrying out an "activity analysis" to assess these issues.

It found our costs are high in relation to other public sector organisations (this is particularly the case in our back office support function). The proportion of "service delivery" we undertake is relatively low when compared with other councils (which is counter-intuitive given that a higher than average proportion of our services are delivered "in-house"). Although the costs of our customer facing activity is broadly in line with other councils, these costs are highly distributed across the organisation. There is a relatively low degree of consolidation and standardisation across our departments. Fragmentation is high across the organisation, with many teams covering a range of customer, middle office, support and strategic activities. Finally, our general administration, HR, management and supervision, master data management and health and safety costs are particularly high when compared to others.

Workforce

Like many councils, we employ staff to perform a range of specific functions. Our staff tend to specialise in one service area, perhaps having qualified into the field via a dedicated training course or postgraduate qualification. Typically, our employees tend to work in their chosen field for the duration of their careers.

This model of employment is no longer fit for purpose. It prevents us from using our resources flexibly and creatively, breeds a culture of silo working, inhibits our ability to

innovate, offers limited opportunities for progression and, increasingly, bears no resemblance to the sort of careers the majority of our workforce actually want.

<p>The summary assessment against the design principles for operations are:</p> <p>OPERATING PRINCIPLES</p>	<p>SUMMARY ASSESSMENT</p>
<p>ACC will be technology and digitally led and embrace that this will disrupt the established ways of doing things</p>	<p>Not met. Whilst we have set out the intent in the 'Being Digital' Strategy we do not have access to the level of transformative technology we need</p>
<p>ACC will be a data and intelligence led organisation meaning we will have the flexibility to adapt what we do in light of the insight about what best contributes to outcomes</p>	<p>Not met. Whilst there is a shared online 'strategic assessment' vehicle we do not collect the data in a unified way and so cannot perform to the desired level in understanding and acting on demand data</p>
<p>ACC will be open and transparent in how we operate and willing to expose this to challenge and change</p>	<p>Not met. We operate largely within services and there are relatively view mechanisms in the organisation to encourage cross-service challenge and change on the outcome or customer behalf</p>
<p>ACC will organise our teams around functions rather than organising around particular services or professions.</p>	<p>Partially met. We have made some ground towards this principle through the Operational Excellence programme and previous work on self-service. However, much of our organisation drives us to work in directorate and service focussed rather than common ways, and it is fragmented across the organisation</p>
<p>ACC will have a 'one team' approach – we will move away from service based mindset</p>	<p>Not met. The relationship between suppliers and end users of internal services is not mature and is often based on what has been delivered in the previous year rather than a meaningful dialogue about what each party needs from the other. We have tended to see our services as the 'home' with their own sub cultures and these are often stronger than the Council as a whole.</p>

5.3.3 Implications for the Council of the Future

There a large number of implications arising from this analysis, in summary:

- Structure - the future model will need to **explicitly separate commissioning and delivery roles**. It will need to have an enhanced role for a customer lead empowered to take ownership of the customer platform and drive a consistent set of customer standards. It will have fewer management tiers.
- Technology - the future model is highly dependent on improved technology and accessing skills and knowledge which we struggle to attract and retain in sufficient depth in ACC. We will therefore need to **seek a strategic partnership** in this area to provide the capacity and capability needed and a shift to cloud-based, service contracts that reduce our need for in house expertise and support.
- Processes - the future model will need to support the consolidation of common processes and activities and help **remove the service/departmental approaches**. It will need to be reinforced by a structure that makes it easier to work flexibly to meet the demand for the skills required and technology that will support more of our processes being delivered on an automated basis, removing them from services altogether.
- Governance - the future model will require an overall governance framework which supports effective performance management - **holding the organisation to account for the outcomes it is committed to achieving**. This should include the establishment of a delivery board/committee chaired by the council leader, modelled on the Citistat and a Public protection committee to implement the recommendations of the GGI review of public protection, and to provide scrutiny of local police and fire services.
- Workforce: The model will need to **accommodate new skills and experience** particularly in areas such as commercial behaviours, incubation, data analytics and commissioning. We will also need to rethink our approach to less hierarchical career path development and recognition
- Performance management: the model will expect **a stronger link between the overall LOIP, target outcome objectives, and ultimately individual contribution**.

5.4 Conclusion

In this section the link between the context, our ambitions for Aberdeen the the design principles that will shape the future operating model has been used to understand the future characteristics of the organisation.

The following section translates this into the 'sum of the parts' - what does the overall operating model look like and how is management and governance best organised to lead it?

6 Building the Right Organisation

In the previous section the key characteristics of the future operating model, adhering to and building upon our established design principles, has been set. In this section the overall picture for that this will look like is set out.

6.1 Blueprint for the Council of the future

The blueprint for the future aims to set out the key functions for the future operating model and how they will be organised.

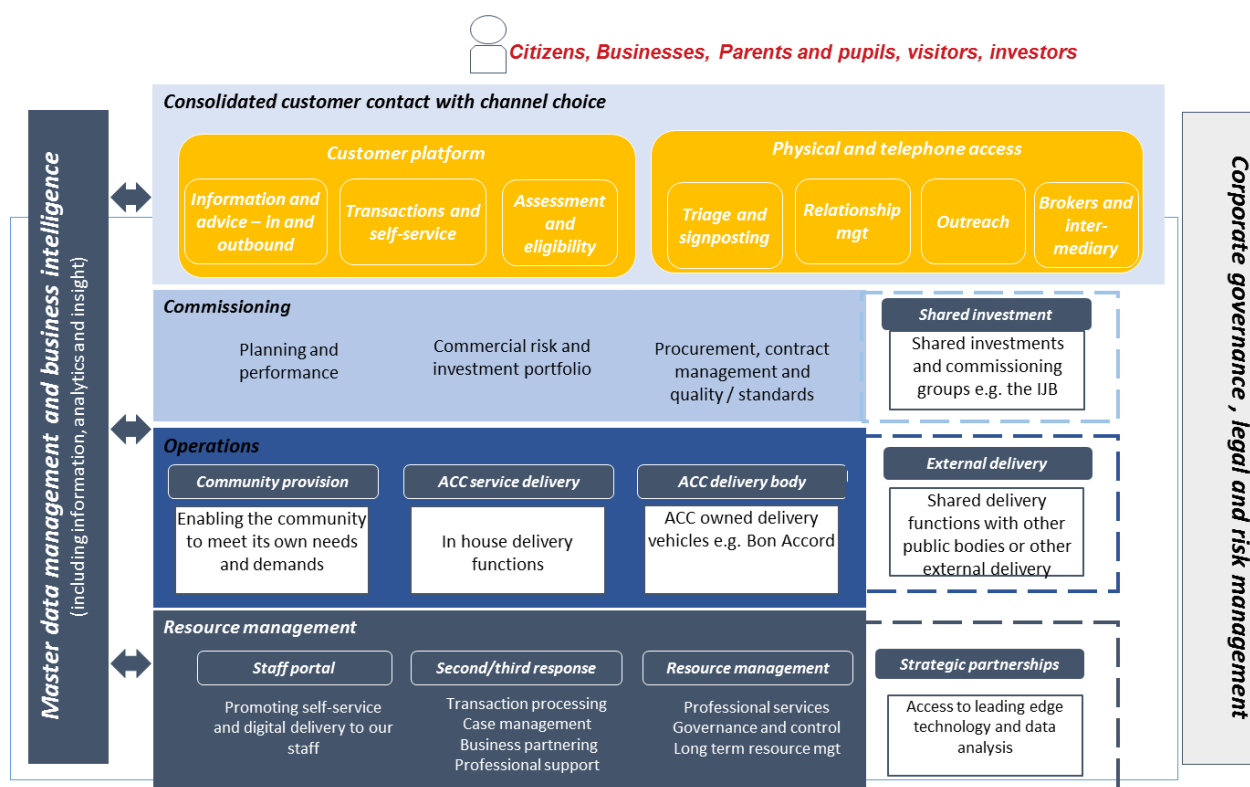
The blueprint for the future is that there will be a shift away from directorates based on services to a more 'functional' model in which our capability is organised by function. This does not mean the structure will directly reflect the functions set out below but that ACC will have co-ordinated, single resource pools delivering these functions in standard ways.

This means five key functions in the new model:

1. **Customer** - covering both the single customer platform and physical and telephony based contact. This will include providing a customer contact point within our physical infrastructure such as libraries and community centres, which offers the same breadth of services as in our main customer contact function.
2. **Operations** - covering the whole suite from community provision, in house service delivery, delivery by bodies within the ACC group such as 'Bon Accord' and external delivery bodies. These functions will be 'commissioned' by the Council i.e. rather than generating their own strategic plans for delivering services, they will be expected to deliver against a specification and to define how they will support the priority outcomes.
3. **Commissioning** - this will replace the existing strategic planning regime and create a new function holding Operations to account for delivery against targeted outcomes. The commissioners will hold the budget and take responsibility for how ACC fulfils its commitment to delivering the LOIP. This function includes the procurement, contract management and setting of standards as well as the capability to manage ACC joint investments in commissioning activity.
4. **Resource management** - this will cover corporate services including finance, people and management of enabling technology. This will include the provision of corporate services to the ACC 'group' and could also include provision to other councils on a shared basis. Equally, this will be the 'client' function for suppliers to ACC as an institution such as supporting the move to cloud technology.
5. **Business intelligence** - this will cover the data collection, analysis and insight across the Council's information. This is not a new capability but it will be new for the Council to put this in one place and to generate a significantly greater amount of

information. It will have a greater use in the organisation and more demands will be placed on it.

This is set out more clearly below (and in more detail in the he Annex diagram).



6.2 Leadership for the Council of the Future

The maxim ‘form follows function’ means that the organisation structure and the leadership positions should be determined by the form of the operating model, not vice versa.

The blueprint clearly establishes a new set of organisation demands on the Council than currently exist. It requires a fundamental shift in leadership positions to reinforce and drive the new organisation towards this target state, rather than pull it back into the current organisation model and the siloes that result.

The future leadership structure is therefore bold and represents a fundamental shift from how we have organised our people and decision-making to this point. The proposed

leadership model for the future maps to our key functions whilst respecting the operational and statutory demands placed upon the Council.

In summary the current directorate model will be entirely removed in favour of a leadership team which is bound by functional responsibility, but that can only deliver on our priorities and ambitions by working together.

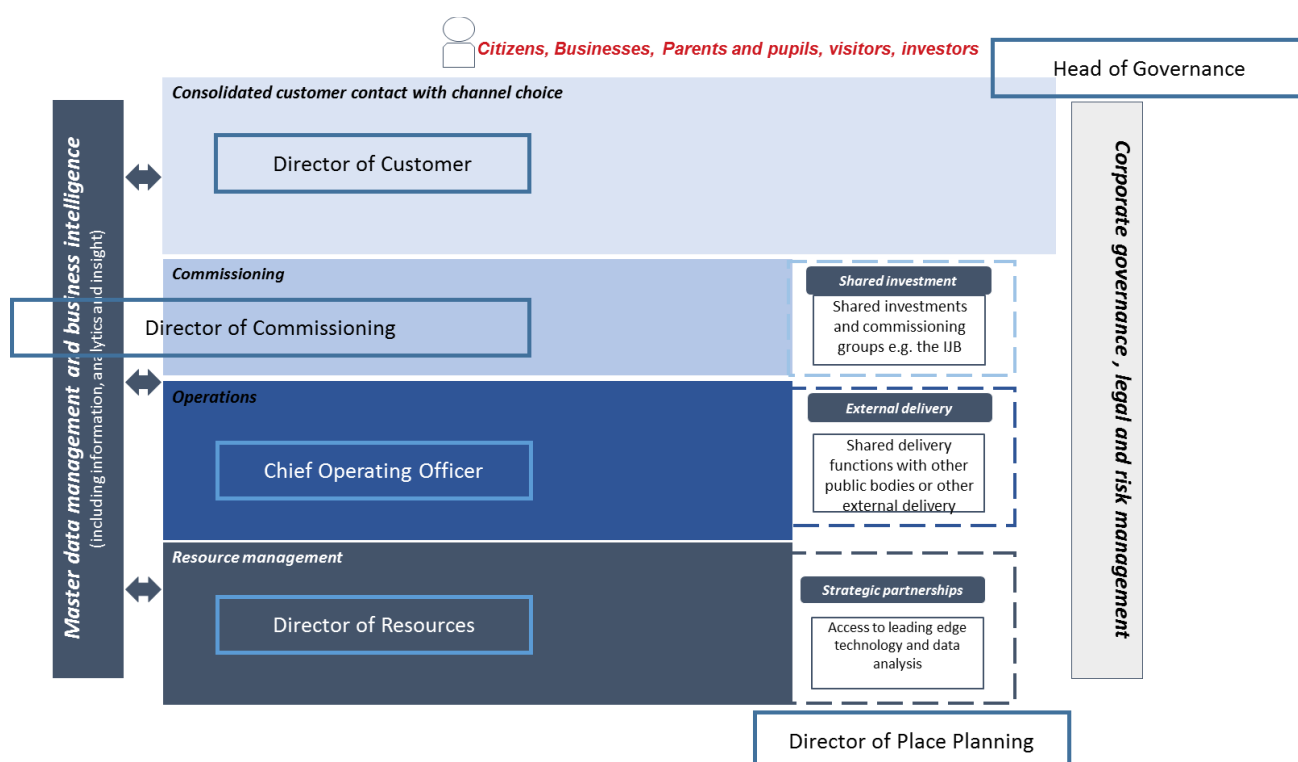
The future leadership will

- Align delivery to outcomes, breaking down directorate and service silos
Retaining a consistency and focus on agreed outcomes, but agility around the choice of delivery model
- Creating organisational capacity to enable an external and strategic focus to contribute to shaping Aberdeen as a place, and in terms of regional public services

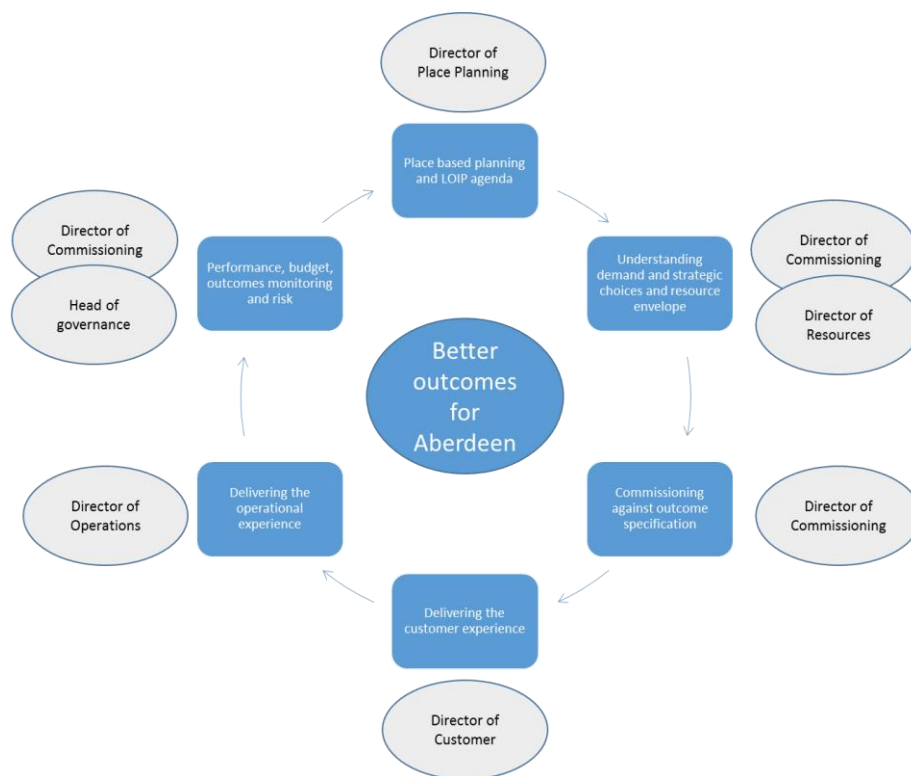
recognising the need for multi-disciplinary/ multi organisational responses to challenges, and facilitating a response

- Enabling the investment decisions to be made about the best use of the collective Aberdeen pound
- Putting customers at the heart of operations, and creating a culture of customer excellence and community empowerment
- Creating an environment to support a 'self-sustaining' and sustainable future, enabling us to live within our means.
- Supporting a 'one Council' approach and avoiding siloes and boundaries, reducing hierarchy and reinforcing a shared approach to delivery

What this means in practice is set out below against the future model:



The diagram below shows how the leadership team work together in the commissioning cycle:



An overview of each function is as follows:

Director of Place Planning

This role is primarily focussed on the strategic and regional agenda, driving the Council's agenda and input to the LOIP, working with stakeholders outside of as well as inside the Council on our strategic priorities themes and also taking an external, objective challenge on areas of city wide risk including public protection, city resilience and also the line management of the Chief Social Worker.

Head of Corporate Governance

This role is primarily focussed on the Aberdeen City Council and its wider 'Group' of delivery bodies. The role supports the democratic function and the statutory duties around elections and chief returning officer. The function also acts as the compliance and risk management function on a corporate basis and therefore has the resources for legal, risk and both internal and audit functions.

Director of Customer

This role is responsible for the management of the ACC customer 'platform', consolidated customer functions and has the duty of dealing with the first point of enquiry, assessment, managing demand and only interfacing with operations where this is necessary.

The Director role is there to create the conditions for more of our service offer to be delivered through digital means, to enforce customer standards and to overtime build deeper and broader services directly through to customers and communities and away from 'services'.

The role is highly reliance on the IT and business intelligence functions and the owner of the Strategic IT partner.

Director of Commissioning

This role is responsible for the allocation of resources from budget to delivery on the Council's contribution to the LOIP. This means they have the budget and accountability for choosing how to allocate to delivery in order to make a contribution to the performance measures and other indicators of progress towards the outcome.

In practice this role will start by inheriting a largely in-house provision, existing contracts and a complex network of delivery bodies. Their role will include constraints such as whom they will commission and the resource envelope allocated to them. Over time they will have greater flexibility as our existing contracts come to an end, as they work with the Customer and Operations to reshape what we do to deliver against outcomes and where needed, where they can make the case to move our delivery functions outside of the Council.

Chief Operating Officer

This role brings together the leadership of the ACC 'in house' delivery functions. It is deliberately aimed at the removal of service specific siloes and behaviours and charged with joining up our delivery, adapting to meet demand and continuous operational improvement. The COO manages a significant amount of Council employees but is 'commissioned' through the function of the Director of Commissioning. In practice this means they need to agree the

contribution they are making the outcome the commissioner is charged with delivering and agree a budget, specification and target performance against which they are held to account.

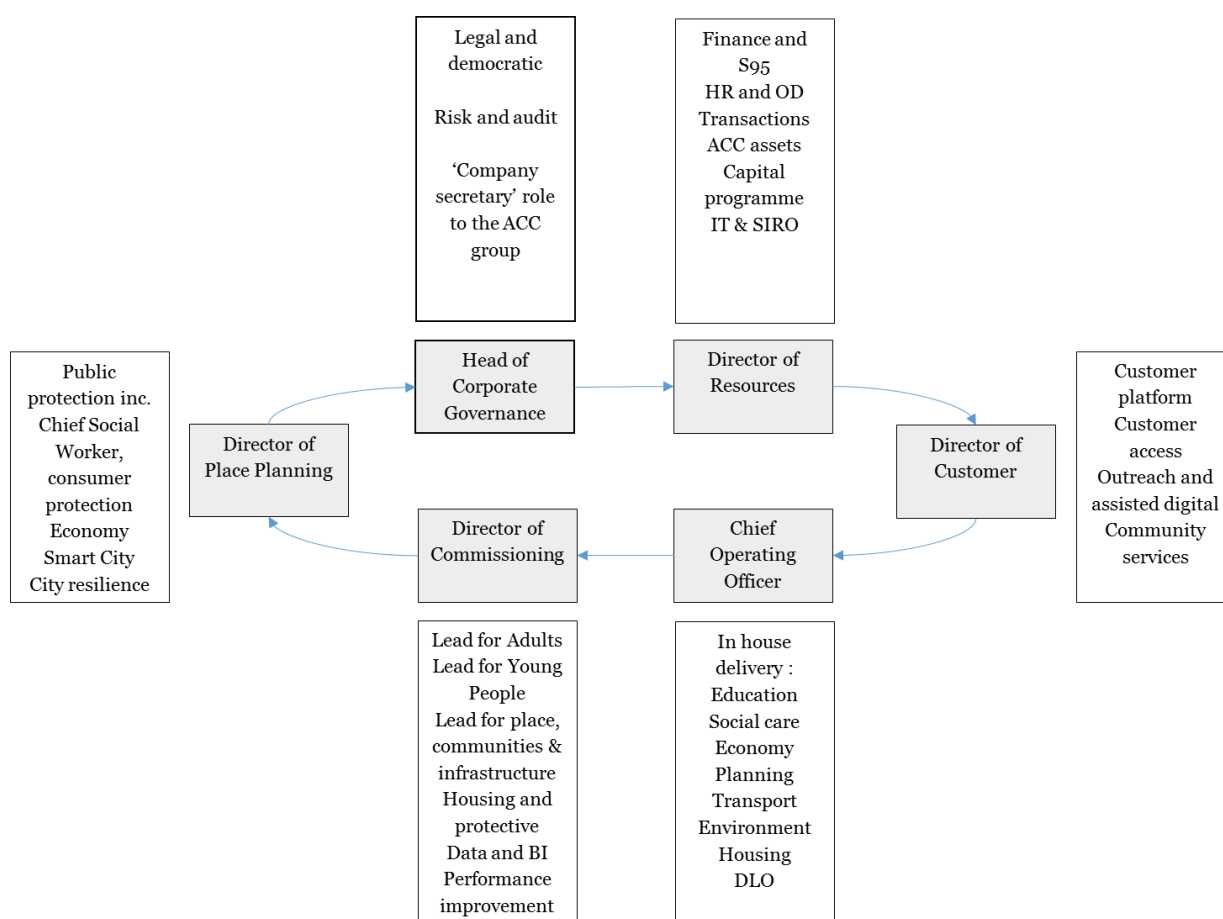
Over time this function may reduce as more of our services are delivered through community self-help, or negated through improved demand management, or are delivered by other parties within and outside of the ACC group.

Director of Resources

This function is responsible for the majority of the 'back office' functions including HR, Finance, and the client function for IT. It also will have responsibility for the both the Council owned assets, and separately, the delivery of the Council capital programme.

This function is aimed to fulfil the role of both corporate risk management (including the relationship with investors through the bond) and also providing a service to internal users.

The diagram below sets this out in one view:



6.3 Institutional governance

ACC to add

7 Building the right people and culture

Future leaders

As the nature of the workforce changes so too must the nature of leadership and the nature of the relationship between staff and leaders. With a smaller, leaner workforce that relationship must shift from supervision to empowerment. Future leaders will connect people to the purpose of the organisation, agree outcomes, trust and empower their teams to deliver those outcomes and hold them to account for that delivery. Future leaders will be confident and authentic. They will not see leadership as their sole preserve but will devolve leadership to all levels and will support this through a coaching/ mentoring/ enabling style. They will engage with others and will seek to involve the workforce in shaping the future. Future leaders will develop trust by operating in a spirit of openness and transparency. They will practise sound governance and from that foundation will seek opportunities to improve and transform the way their services are delivered. They will not be hindered by the traditional boundaries of their service area and will regard themselves as leaders of the organisation and of the place. They will seek to work in partnership with others – for example with unions, members and staff to improve management across the organisation; and with local and national partners in improving outcomes for the city.

1 Transitioning from now to the future

The transition to a future workforce and future leaders will not take place overnight. For some it will be a short but welcome journey. Others will require varying degrees of support. Yet others may never make the transition – either through lack of capability or lack of desire. Successful transitioning depends on how clear our future workforce and leaders are about what is expected of them, our governance round this, how we recruit, induct, develop, engage and manage our staff, including how we manage staff out of the organisation, where this is appropriate.

2 Staff governance

Clarity, accountability and support have been identified by CIPFA as the pillars of good governance. The leadership capability framework and behavioural framework described below will provide the first pillar for future staff governance - clarity. These frameworks will be based on the future workforce/ future leader profiles.

i) Leadership capability framework

This framework will identify the skills, knowledge and capabilities required at each level of management. It will provide a means of identifying and addressing skills gaps, will inform the management and leadership development programmes, identify and address under-performance and assist with succession and career planning. Similar frameworks based will also be developed for specific roles, such as business support and customer management.

ii) Behavioural framework

The '21st Century Public Servant' recognises that, in achieving good outcomes for the place, culture is far more important than structure, systems and processes. Aberdeen City Council recognises this and has encapsulated it in the Shaping Aberdeen triangle.



Culture is simply about how staff behave and how we behave as an organisation. Expectations around behaviours are already captured in our core behaviours of communication, respect, professionalism and customer focus. These are well known and are a sound foundation for what we seek in our staff. However, as we continue to transform as an organisation there is a need to redefine and re-interpret these in light of the digital agenda and its implications for our workforce; we need also to be mindful of our duty to protect the vulnerable in our society so the behaviours will also reflect the increasing need for soft skills such as empathy.

At the same time the rapid and radical changes we are making to how the organisation does business require a shift in employees' personal approach to work. This will require an approach which is **active** (initiators, self-starters, willing to experiment, willing to learn and share learning, data informed); **adaptive** (change ready, flexible, agile, resilient, future focused); and **accountable** (delivering outcomes, seeking and providing clarity, holding self and others to account).

The revised behavioural framework will clearly set out what we expect of staff in both the core behaviours and in how we expect people to approach work going forwards. This will, in turn, help inform how we recruit, induct, develop and manage our future workforce.

3 Recruitment

If we accept that culture is a more significant factor in organisational success than structure and processes it follows that recruiting and promoting people who behave in a way that demonstrates our culture is equally key. The smaller and leaner our workforce, the more important it is that each employee is engaged with the organisation and committed to its goals. In recruiting our future workforce, whether internally or externally, we will focus on:

- Modernising and professionalising our recruitment process by
 - Developing workforce profiles which clearly define the behaviours and skills we require
 - Standardising how we recruit generic roles, such as management and customer facing roles, to provide consistency in approach
 - Using social media to extend our reach and build our brand
 - Raising our profile as 'employer of choice' in the area

- Requiring our recruiting managers to undertake a licence to recruit
- Growing, nurturing and investing in talent to ensure a sustainable workforce for the future by
 - Creating an internal ‘agile team’ of people who are able move quickly into roles as and when needed in order to reduce agency spend, increase skills set of individuals and create an adaptive workforce
 - Developing more focused succession planning and talent management practices to inform recruitment and promotion
 - Attracting a young workforce through the conversion and/or creation of vacancies to apprenticeship/graduate traineeships.

4 Induction

The 2016 Employee Opinion Survey showed a positive differential of over 10 percentage points in the engagement levels of new starts compared with those with over 12 months service. With a smaller, leaner workforce it will be increasingly important to translate that early engagement into longer term commitment. In this respect we are enhancing our induction process for:

- All staff – by using the time between appointment and start date to connect new employees with key messages about the council; introducing a programme of opportunities to introduce new starts to the wider council across their first year
- All managers – by providing dedicated support and development to each new manager to ensure consistency and quality in how people are managed; this will include an allocated mentor, a core management programme and a dedicated OD partner to assist with personal development planning.

5 Development

i) Developing future workforce

Our future development programmes will be based on the future workforce profile and our behavioural framework. In line with our dual purpose of ensuring the prosperity of Aberdeen and protecting our citizens from harm, the development programme for staff will focus on the dual strands of improving digital skills and softer, interpersonal skills. At the same time the period ahead will be a time of rapid change and transformation and staff will need to be equipped to deal with this. Development will therefore focus on:

- Upskilling the digital competence of our staff – including developing a digital first mind-set
- Reskilling staff whose roles will change as the result of service transformation
- Increasing personal effectiveness through improving interpersonal skills such as empathy and the confidence to speak up and hold difficult conversations
- Ensuring people are change ready through resilience and increasing ability to work with uncertainty and ambiguity
- Increasing personal productivity through a range of tools to improve email management, time management, workload management and prioritisation

In keeping with the drive towards self-service much of this will be provided in a way that encourages self-learning, self-reflection as well as co-learning and peer learning.

ii) Developing future leaders

Leadership development will be focus on equipping leaders to be accountable for managing within a framework of governance while at the same time transforming their services and empowering and enabling their teams. This focus will be on:

- Self-assessment and personal development planning based on the leadership capability framework
- Sound governance through the governance journey framework
- Change readiness - leading change effectively; agile/ lean for rapid change
- Improvement planning - IHI methodology; use and interpretation of data to inform decisions
- Developing others - coaching/ mentoring/ enabling skills
- Accountability – outcomes focus; confidence in holding accountability conversations
- Strategic thinking - whole systems thinking and collaboration skills
- Improved personal and team effectiveness
- Digital maturity – to at least level 3 on the digital maturity matrix
- Developing future leaders – through structured leadership programmes to ensure a leadership pipeline.

The focus will be on self-reflection, self-learning and improving personal effectiveness through self-awareness tools. At the same time there will be a much greater focus on group learning, peer learning and action learning sets to develop and share the wealth of expertise which exists in the organisation. More senior leaders will also be asked to share their knowledge and experience through mentoring others and leading corporate work streams.

6 Engagement

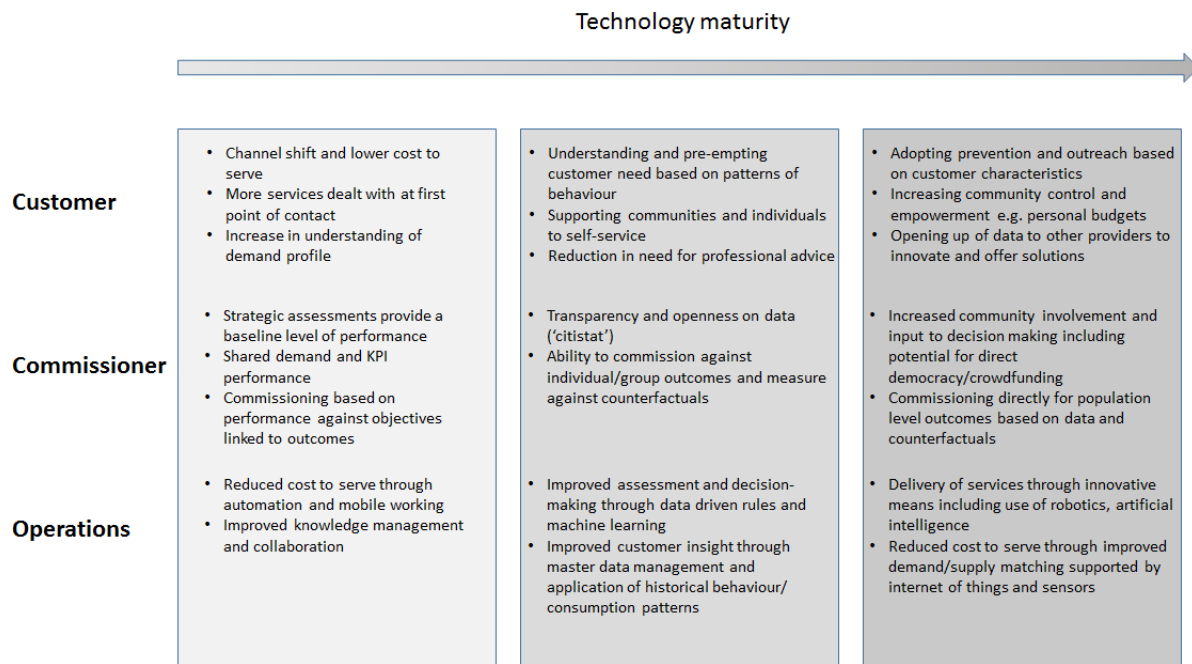
As an organisation we measure our engagement levels using the LEVI model. The actions outlined above are designed to strengthen the elements of LEVI – in particular Leadership and Engaging managers. It's equally important that the energy and drive which sits within the workforce as a whole is activated towards organisational success. We will ensure that our future workforce has a Voice and that there are both formal and informal mechanisms to ensure that voice is heard through:

- Ideas Hub – making greater use of the Hub to encourage innovation, to present real challenges for the workforce to collaborate on and as a means of testing views on corporate initiatives such as proposed savings/ efficiencies put forward
- Engagement events – town hall briefings, roadshows and other events to inform and involve the workforce in the change agenda
- Engagement activities/ toolkits – to promote team and cross-team conversations and to encourage teams and individuals to initiate activities to shape future service delivery

- Allocating 35 hours protected time annually to each employee – to be used for learning and development or for developing confidence and self-esteem through volunteering opportunities or through taking forward ideas from the Hub

8 Roadmap for Becoming a Council of the Future

	Transition 1: consolidate and prepare August 2017 to January 2018 <i>Close budget gap</i>	Transition 2: commissioning model in place February 2018 to September 2018 <i>Close budget gap by £40m</i>	Transition 3: commissioning Council live September 2018 to March 2019 <i>Balanced budget through transformation and commissioning choices</i>
Activity	<ul style="list-style-type: none"> • Delivering cross cutting business improvement: <ul style="list-style-type: none"> - customer - business support - assets and income • Standardise ways of working • Workforce transition and support for retraining • Start shadow leadership and governance arrangements • Head of Transactions in place (temp post) • Digital strategic partner in place • Single employee portal in place • Single customer platform in place and customer function operational • Internal governance release 1 – governance, finance and reporting procedures 	<ul style="list-style-type: none"> • Commissioners appointed and delivery/challenge process • Delivering cross cutting business improvement: <ul style="list-style-type: none"> - resources and core corporate functions - business intelligence and performance improvement • Developing understanding of demand and preparing for full commissioning year FY19/20 • New Directors in place: Customer, Resources, Commissioning, Place planning • Chief Operating Officer in place • Service model 'wave 1' changes (fleet, TFM, Stores) • Transition from shadow arrangements and internal governance release 2 • FY18/9 new values, behaviours and expectations built into objectives • 'Wave 2' service model reform plans delivered 	<ul style="list-style-type: none"> • Budget and commissioning cycle operating in one process. • FY19/20 budget allocated to outcomes • Service delivery specifications agreed with and with accountability to commissioners • Urban governance in place and actively shaping Council priorities and contribution. • Expectation for further large scale service change e.g. DLO and Housing into the broader ACC group rather than core ACC. • Internal governance release 3
Outcomes	<ul style="list-style-type: none"> • Restructure announced • Council streamlined • Directorates reduced in scope prior to leadership realignment • Workforce exits • Self-service and enabling digital tools being used 	<ul style="list-style-type: none"> • Restructure in place • Council 'live' in a commissioning / delivery split • Improved data analytics resulting in different interventions and reduction in demand 	<ul style="list-style-type: none"> • Different choices about who and what is commissioned based on intelligence • Joining up of customer journeys across the ACC and city network • Further separation of core and delivery structures into the ACC Group
Key enablers	<ul style="list-style-type: none"> • Appointment of the Strategic transformation Board • Specification and selection of the Digital Strategic Partner • Agreement to future restructure and enter consultation • Implementation of MDM, ESB and SSO 	<ul style="list-style-type: none"> • Reform of existing committee arrangements to mirror new leadership and support an outcomes focus • Agreement to service model choices • Transition to platform for technology • Deployment of CRM, Customer and Staff technologies 	<ul style="list-style-type: none"> • Reform of existing place planning leadership to support increased joint working agenda • Agreement to service model choices • Alignment of budget to commissioning process • Development of ICT and Change strategic partnership • Rationalise shadow IT and systems of record



ANNEX A – Conceptual Framework

