EXECUTIVE SUMMARY

1. On 15 December 2014, the HR office presented a paper and high level organisational development (OD) plan to Leadership Group (LG) outlining planned changes to OD. At that meeting, we were asked to prepare a detailed plan for change, including the resources required, and bring it back to LG for approval. The intention of this paper is to seek LG’s agreement to progress with the proposed programme of work in accordance with the arrangements set out below.

2. LG is invited to note that the majority of the work this year will involve research and development leading to high level recommendations as set out in the OD Programme Delivery Plan. This will help us to more fully align our workforce planning with our emergent strategic priorities. LG is invited to note that the OD board will seek approval at the October, January and March LG meetings in advance of the work being taken forward.

3. Many of the projects are inter-dependent and deliver corporate-wide benefit. As with any programme, ambitions have to be matched to available resources and those projects which promise to deliver key benefits will receive priority. To support the key activities identified in the Delivery Plan we will deliver the following improvements this year:
   - introduce a new learning management system (SPLearning) in June and develop content to support the digital parliament – roll out commencing 1 September 2015;
   - introduce a new performance management process hosted within SPLearning – roll out commencing 1 September 2015;
   - run a programme to support managers at all levels to adopt a coaching style to support team and individual performance – between September to November 2015;
   - develop leadership capability, including a women in leadership programme – between September to November 2015; and
   - streamline our unacceptable performance and probation procedures to ensure staff are supported and performance issues are managed appropriately – LG to sign off recommendations in October 2015.

ISSUES AND OPTIONS

UPDATE SINCE DECEMBER LG MEETING

4. The parliament’s new Delivery Plan sets out how the SPS will deliver its main business over the next 18 months. The plan set clear objectives (objectives 4.2 and 5.1) for the HR office to support LG to build capacity and capability of the parliamentary service to help deliver the challenging agenda that has been set through the Strategic Plan.

5. The HR office has responded by producing an OD Programme Delivery Plan, setting out detail of the expected deliverables, priorities, dependencies and linkages to other relevant strategies and plans, where appropriate. The programme of work will also
deliver greater efficiency by providing scope for collaborating across the SPS and improving communications and engagement. For ease of reference, a simple timeline can be found at Annex A of this paper.

**OD Approach to Change**

6. OD is a deliberately planned organisation-wide effort to increase the organisation’s effectiveness and efficiency. It is a long-range, long-term and multi-faceted approach to achieving change, and it is underpinned by the ability of the individual and the organisation to grow. Our aspiration is to develop organisational capacity and capability to enable swift responses to the internal and external context and challenges. It therefore follows that the programme will be aligned with other significant areas of work, most notably the strategic review of resources.

7. In delivering this programme we will adopt an agile change management approach that has been shown to deliver effective and sustainable change by:

   - Clearly articulating the need for change and creating a vision of the future;
   - Working with senior stakeholders and staff to create relevant and workable solutions;
   - Communicating and engaging with SPS staff and the TUS at the earliest opportunity; and
   - Aligning processes, systems, and behaviours.

8. A number of diagnostic activities were undertaken in the creation of the programme delivery plan, including:

   - One-to-one discussions with all members of the LG;
   - Analysis of the results of the 2015 Staff Experience Survey;
   - Reflection on anecdotal evidence and conversations between individuals, TUS representatives and HR staff;
   - Consideration of best practice in other parliaments and assemblies, and in the private and public sector; and
   - A desktop review of the Strategic Plan and Delivery Plan.

**Governance Arrangements**

9. In general terms the roles and responsibilities of those involved in the programme will follow the guidelines laid down in the managing successful programmes (MSP) methodology. The key responsibilities of LG as ‘sponsoring group’ is to: approve the programme delivery plan; receive regular reports and approve recommendations at regular intervals; approve the budget and resourcing and provide change leadership throughout the programme by championing the implementation of the programme. The SRO for the programme is David McGill and a programme board has been established to drive the programme forward and to deliver the outcomes.

10. The proposed governance arrangements, including membership of the board and areas of responsibility, are illustrated below:
11. Members of the board are individually accountable to the SRO for their areas of responsibility. Each project will have its own business case. These will be approved by the SRO via programme meetings. Each project will, as a minimum, follow the parliament's project management guidance. This will set out the appropriate roles and responsibilities at the project level. A programme manager will be appointed and progress will be monitored and reported to the SRO and the OD programme board, who will meet every four weeks. The programme manager, with LG’s approval, will also hold regular meetings with project managers and with the Head of OD. Particular attention will be paid to: progress of those elements of the programme on which other projects are dependent (e.g. launching SP Learning), risks identified in the programme risk register and those elements of the programme which will allow for benefits to be delivered to MSPs and their staff (e.g. developing digital skills). This will be supported by a robust change and communication plan.

12. LG is invited to note that, should the programme be approved, we will require additional budget to appoint a programme manager. Detail of the additional resources requirement is set out at paragraph 49 of this paper.

13. The proposed operating model and remit is illustrated below:
OD Board
David McGill - SRO
Colin Chisholm
Alan Balharrie
Susan Duffy
Liz Craig
Huw Williams
Gillian Baxendine
Lorna Foreman - Senior User

Remit

Structure and Design:
- Strategic workforce design & planning
- Strengthening leadership and management capability
- Supporting effective resource planning and talent management
- Review of the performance management process
- Simplifying people management policies, procedures and guidance
- Modernising our approach to LD
- Modernising our approach to equalities
- Modernising our HR systems

Governance and Remit

14. The final output which is the Workforce Plan 2016-2020 will be considered by LG in September 2016.

OD Programme Workstreams

15. As with any programme, ambitions have to be matched to available resources and those projects which promise to deliver key benefits have to receive priority. Many of the projects are inter-dependent and deliver corporate-wide benefit. The individual projects are:

Strategic workforce design and planning (Project SRO – David McGill)

16. The use of workforce design and planning to underpin strategic and operational planning will make a vital contribution to the organisation’s capability. Workforce planning has a central role to play in delivering improved services as it enables a medium to long term business perspective to be taken and helps us to identify any potential skills gaps and resourcing requirements. There are a number of well understood internal and external drivers that highlight the need for a robust approach to workforce planning. Supporting the SRO for the strategic review of resources (David McGill) we will look to support managers across the SPS to introduce efficient processes and systems, focusing on the end-user experience.

17. Results from the Staff Experience Survey illustrate that 83% of staff consider that they are encouraged to work across teams and share knowledge between offices. To improve on this we will also introduce mechanisms to enhance the sharing of information across the SPS so staff can have quick access to job-critical knowledge and review our change management processes. This work will be prioritised alongside the work led by David on strategic review of resources.

18. The Workforce Plan 2016-2020 will be produced in August 2016 and presented to LG in September for approval and this plan will prioritise the agreed activities from all of the workstreams.
Modernising our approach to equalities (Project SRO – Susan Duffy)

19. Results from the 2015 Staff Experience Survey demonstrate that 94% of staff consider that we are an inclusive employer which promotes and values diversity in the workplace. Our equalities strategy has been in place since 2010 and is based on a compliance approach with the overall aim of ensuring that we meet the requirements of the Equality Act and specific duties around monitoring and performance review. Our strengths lie in promoting accessibility and engagement for those with particular needs and we have achieved great success in this area. However, this narrows the focus of the strategy as it makes it less people centred and more issues focused. It is time to move away from compliance and recognise diversity and its return on investment by bringing the best out of people.

20. For example, there is currently a drive in Scotland and beyond towards enhancing the influence of women in public life and the parliament can contribute to this as an employer, not just as a legislative and scrutiny body. The engagement strategy is just one example of an activity that a more diverse parliamentary service could deliver more effectively. Diversity in the SPS needs to be embedded in the way we work and the greater the diversity within the parliamentary service, the more diverse its reach is outside the parliament. Our new approach will deliver the following outputs:

- Develop a suite of equality, diversity and inclusion programmes, including unconscious bias, inclusive leadership, coaching and mentoring;
- Achieve benchmark indicators including Stonewall, Excellence in Diversity and continue to work with our established partners to continuously improve the diversity of talent in the organisation; and
- Build on the strengths of the Public Engagement Strategy by encouraging staff to increase engagement with diverse communities across Scotland.

21. Our new approach to equalities will underpin the entire OD programme of work.

Review of the performance management process (Project SRO - Huw Williams)

22. In line with our ambition to build leadership capability, individual responsibility and accountability, and a spirit of continuous improvement we propose to replace our current performance management system with a simple, dynamic process that encourages real time performance conversations, supported by an on-line system. This new approach will benefit the parliamentary service by:

- Reducing the time spent on preparing, participating, documenting and counter-signing performance reviews (the end of year appraisal takes an estimated 3147 hours of staff time across the SPS);
- Increasing productivity by focusing on strengths and continuous improvement; and
- Contributing to the creation of a modern and efficient organisation by adopting and digital approach to performance management.

23. Our new approach to performance management will require a different skill set for managers who will be expected to coach staff to improve performance. A coaching programme will therefore be developed in order to support line managers. The development of this programme will be managed under the strengthening leadership and management capability workstream.
24. Our new online performance management process will be in place on 1 September and will be supported by a robust change and communication plan.

**Review of the Skills and Behaviours Bank**

25. In order for change to effectively take place a number of things need to happen. One of the most significant is supporting people to adjust their beliefs, values and assumptions so that they can demonstrate the appropriate patterns of behaviour required to implement the new Strategic Plan. We propose to develop a new framework for assessing the key ingredients of job success - *what makes people great at their jobs, including abilities, strengths and motivations that contribute to high performance*. A new, simple approach will be devised and will provide clear links to our core values. This will be a large project and may result in significant change. For that reason, we will seek LG’s approval for the forward work and associated budget and resourcing requirements before the end of the calendar year.

26. Following LG’s approval, the implementation of the new framework will be prioritised with other OD activities and managed through the Workforce Plan 2016-2020.

**Simplifying people management policies, procedures and guidance (Project SRO – Huw Williams)**

27. The results from the Staff Experience Survey demonstrate that there is room for improvement in this area, with 78% of staff thinking that the SPCB’s employment policies and procedures are applied in a consistent manner. This will be addressed in this project.

28. In line with our ambition to remove unnecessary bureaucracy to enable managers to take swift and fair decisions we propose to rationalise our policies, procedures and guidance by removing duplication and over-engineering. Managers and staff will be supported by policies that are simple, easy to understand and apply. Where possible, we will produce policies on one page (notional of course!) using digital tools to provide end-users with access to specific and focused advice, for example, through short video and audio pieces.

29. To support our new approach to performance management we will simplify the procedures for unacceptable performance and probation.

**Strengthening leadership and management capability (Project SRO – Alan Balharrie)**

30. The results from the Staff Experience Survey indicate that further advances in leadership and management capability could be made. The developments of our leadership and management capabilities has, to date, focused on more formal and traditional interventions and have been designed to support staff at a similar grade. This includes:

- A management skills development programme providing training to potential, new and existing managers;
- The Leadership Academy providing high quality learning opportunities for all those in Grade 5 and above, leading to the creation of a self-sustaining Leadership Academy; and
- Active coaching networks.
31. Given the emerging pressures facing the parliamentary service we now need to prepare current and future leaders and managers to be effective in a changing environment. We propose to create networks that will support the identification and development of leaders and managers at all levels who have the knowledge, skills and confidence to deliver high quality services and inspire high performance. This approach will:

- Support diversity in leadership through a women in leadership programme;
- Create with LG members a leadership development programme to meet their specific development needs;
- Review the effectiveness of the leadership network as a means of developing leadership in the SPS; and
- Develop a management development programme to build capability in all areas, including people management, business planning, budget and financial forecasting and project management.

32. LG is invited to note that the associated costs of running the women in leadership programme, LG development and the development of the leadership network will be met from the corporate training budget. Costs of developing and running the new coaching programme for line managers, including the costs of engaging a secondee for 6 months to support the development and delivery of the programme, will be met from an existing project budget. Details of the required resources can be found at paragraphs 45 of this paper. This will be supported by a robust change and communication plan.

Supporting effective resource planning and talent management (Project SRO – Gillian Baxendine)

33. Results from the recent Staff Experience Survey show that there is room for improvement in this area. As mentioned above, while 92% of staff feel that the SPCB’s employment policies and procedures are fair, 78% of staff think that they are applied in a consistent manner. Informal feedback indicates that some of the perception of inconsistency applies to our resourcing policies.

34. Whilst our commitment to providing SPS staff with career opportunities remains, our current process depends on the availability of a pool of suitable candidates, places pressure on existing resources and can cause disruption to enable cover to be provided for short term resourcing needs. Given those pressures, there is a need to create a new, more agile and strategic approach to attracting and recruiting talent. To ensure our staff have the capabilities to meet future organisational needs, we will ensure that PDPs clearly link to structured career paths.

35. We will develop alternative solutions for meeting short-term recruitment needs, including reducing our reliance on agencies, temporary promotions and short term interchanges by creating our own short-term resource pool, facilitated by an on-line recruitment management system. For example, LG has already asked us to develop arrangements to place suitably qualified apprentices into grade 2 posts where agency staff might otherwise be recruited. We will also build relationships with external partners to facilitate inward and outward secondments and create routes into careers for people with potential. This includes building on the successes of the apprenticeship programme and developing a talent pipeline through formalising placements and work experience arrangements enabling us to broaden our reach to attract high quality candidates. This contributes to our commitment to have a diverse workforce.
Modernising our HR systems (Project SRO – Lis Craig)

36. The recent Staff Experience Survey results indicate that 91% of staff consider that they have the resources necessary to do their job effectively. The parliament has a number of systems that support the people management process, such as e-learning tools, time and attendance systems, payroll, and e-HR capability. The pace of technological change is well documented so there is a need to approach the delivery of HR systems in a more agile manner. Expectations of our users have changed since the HR Change Programme in 2008. For example, MSPs, and to a lesser extent, SPS managers, require relevant information to be available on demand and on the move. In order to meet these expectations it is necessary to improve our systems to make data available for use and consumption on a broad range of portable devices.

37. To ensure we offer modern and efficient systems that align to the BIT and Online strategies and underpin the programme of OD work, we propose to develop a systems strategy with the aim that, initially, focuses effort on continuing to pilot two new systems:

- **Learning management system (SP Learning)** After the pilot, a procurement exercise will be undertaken based on feedback and newly identified requirements; and
- **Recruitment candidate management system** to support the resourcing and talent management proposals. After the pilot, a procurement exercise will be undertaken based on the lessons learned from trialling a candidate management system and an assessment of business users’ expectations of such a system.

38. The systems strategy has the potential to deliver significant change for the parliamentary service. For that reason we will seek LG’s approval for the forward work plan, including the associated budget and resourcing requirements, before the end of the financial year.

Modernising our approach to L&D (Project SRO – Colin Chisholm)

39. We are committed to being a learning organisation and expect our staff to take an active role in developing themselves professionally on a continuous basis. To ensure we are delivering against the priorities for the organisation we have allocated the required budget from the corporate training budget in this financial year. LG is invited to note that, unlike previous years, the corporate training budget will be fully allocated. Detail of the allocated budget is set out in paragraph 43.

Launching our new Learning Management Portal

40. Our new approach to learning will join the best of face-to-face learning with the best of e-Learning and digital tools. This will be directed through our new collaborative learning management system (SPLearning) where staff will assess their learning needs and complete content based on those needs and the requirements of their role. This approach will offer a high return on investment, providing staff enhanced learning outcomes compared with the traditional classroom format. Our new learning management system will be launched on 1 September and will be supported by a robust change and communication plan.
Concentrating effort on building digital capability

41. Our learning environment needs to position us well to prepare for and negotiate with confidence uncertain digital future. We will prioritise our staffing resource to produce content and resources to develop digital skills of SPS staff, MSPs and their staff. We will work with a range of internal and external experts to make best use of existing content and to create bespoke resources using our new approach to learning. LG is invited to note that there will be an additional budget requirement to produce bespoke content and a detailed L&D plan, including additional resources required, will be presented to the DPP Board for approval.

Resource Implications

42. As defined in paragraph 9 each project will have its own Project Initiation Document (PID) to secure the necessary staffing resources to deliver the required outcomes. LG’s approval will be sought where there is a budget requirement. At the programme level, the following resources requirements have been identified:

Existing Budgets

43. The corporate training budget for the allocated year is £129,000. Unlike previous years, the majority of the budget has already been allocated, with the allocation including £14,000 running costs for 2016-17 for our new learning system, which forms part of the modernising our HR systems stream:

<table>
<thead>
<tr>
<th>Learning and development activity</th>
<th>£</th>
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<tr>
<td>SP Learning system</td>
<td>14,000</td>
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<tr>
<td>LG Group Development</td>
<td>12,000</td>
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<td>Equalities and diversity training</td>
<td>19,000</td>
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<td>Leadership network development</td>
<td>7,000</td>
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<td>Apprenticeship Academy</td>
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<td>Vocational qualifications for apprentices</td>
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<td>Women in Leadership Programme</td>
<td>18,000</td>
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<td>Project and financial management skills</td>
<td>8,000</td>
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<tr>
<td>Content development to refresh generic training</td>
<td>7,000</td>
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<tr>
<td><strong>Total Allocated Budget</strong></td>
<td><strong>109,000</strong></td>
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44. Project budget of £95,000 has already been allocated for 2015-16 for HR systems improvements. This is split as:

- SP712045 HR Payroll Systems Development               £45,000
- SP712050 HR Performance Management Review            £50,000

45. On the basis of the recommendation at paragraph 23, we see a 6 month L&D secondment costing [G4] and the development and associated running costs of the development programme costing £35,000. This along with a budget of £15,000 for materials will utilise the full budget for SP712050 of £50,000. Project approval is now sought to move ahead quickly on this stream of the programme.

46. The Programme Board will be responsible for expenditure of the remaining £45,000 budget in 2015-16 already allocated for HR systems once the project approval process for the HR systems stream is completed.
47. The HR Office has already secured budget for the cost of employing a contracted OD expert at a cost of £50,000 (£500 per day up to a maximum of 100 days until the end of March 2016) and a G4 post at a cost of £40,200 to support the performance management review and policy simplification agenda until the end of March 2016.

Budget Requirements

48. In order to deliver the programme alongside other competing priorities such as planning for the election, digital parliament programme and business as usual activities we consider the post of programme manager to be essential to ensure that this ambitious programme is completed on time and on budget.

49. Since January 2015, the HR office has been supported by a CGI contractor through a professional service contract managed by BIT colleagues. Since joining us, the contractor has supported the Head of OD to introduce new ways of working, for example, SPLearning (our new learning management system and method of delivering L&D), developing frameworks to support digital working, establishing robust governance arrangements some of which are highlighted in this paper, building capability of our project management office and working across the HR office to develop draft PIDs to inform the programme of work. This arrangement will expire at the end of June 2015. The contractor meets all of the requirements set out in the job description and has been consistently delivering against the expected deliverables. For continuity reasons, the HR office is seeking approval to extend the existing arrangement up to the end of this financial year at a cost of £85,000 (based on £430 per day).

Approval is therefore sought for £85,000 of external budget to cover this cost.

Dependencies

50. It is evident from the OD Programme Delivery Plan there are a number of inter-dependencies. Our new approach to equalities will underpin the entire OD programme of work. There are clear linkages between resource and talent management and our commitment to building a diverse workforce. For example, learning from the success of our apprenticeship programme and broadening our reach to attract high quality candidates from diverse range of backgrounds and communities. Similarly, leadership is central to the success of any organisation so will feature in all aspects of the OD programme, for example, LG development, women in leadership and in the development of the new framework to support the values of the SPS. The new performance management process is dependent upon the successful implementation of the SP Learning system and to realise the benefit of our new process, managers will adopt a coaching style of management to improve individual and team performance. There are also clear linkages between removing unnecessary bureaucracy and the need to introduce new systems that support this. We have intentionally left the development of a new framework for assessing the key ingredients of job success to the end of the programme, as all other workstreams will help to shape this. The framework will then form part of our other people management practices, such as performance management, recruitment and learning and development. This iterative approach will ensure that our new arrangements are aligned.

51. Finally, the programme alone is not enough. It will need the full commitment of staff, managers, and leaders across the SPS to make it a success and to underpin the changes we have to make when responding to future changing needs of the organisation and the external environment.
Governance issues

52. Key governance issues have been considered for this paper and will be managed in accordance with the proposed governance arrangements.

Publication Scheme

53. This paper may be published.

Next Steps/Decision

54. LG is invited to:

- Discuss the scope and ambition of the proposed activity set out above;
- Consider the indicative timescales for the programme; and
- Decide whether to approve the programme and in particular:
  - the proposed governance agreements;
  - the required resources at paragraph 49
High Level Timeline

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- **Resource & Talent**
- **Leadership & Mgt**
- **Perf Mgt**
- **Policy Simpl.**
- **Equalities Str.**
- **Workforce Design**
- **Modernising L&D**
- **Digital Access.**
- **Digital Literacy Framework**
- **Digital Network**
- **SP Learning**
- **DPP - Digital Content**
- **Appren. - Dev Prog**
- **Elections**
- **MSP CPD**

Legend:
- Orange: Design
- Blue: Implement
- Purple: Validate
- Green: Operations