**Redesign Board Workshop**

**16th January 2018 CR1&2, 2-4pm**

**Action Note**

1. **Board Members present:** Cllr Lobban (Chair), Cllr Reiss (Vice Chair), Cllr Bremner (by VC), Cllr Caddick, Cllr Christie, Cllr Cockburn, Cllr Gowans, Cllr Jarvie, Cllr Louden, Cllr MacKenzie, Cllr C Smith, Cllr M Smith, Paul MacPherson

**Apologies:** Cllr Davidson, Cllr MacKinnon,Cllr A Sinclair, Cllr Wilson, John Gibson

**Other Members Present:** Cllr Adam, Cllr Boyd, Cllr Gray, Cllr Laird, Cllr L MacDonald, Cllr MacPherson

**Staff present:** Steve Barron; Carron McDiarmid; Matt Bailey, Martin MacDonald, Sandra Harrington, and Jennifer Campbell (for Item 3); Allan Maguire, Evelyn Johnston, Sandra Campbell (Item 4b); David Haas, Alistair Bruce, Robbie Bain (item 4c); Karen Ralston, Gordon Morrison, Kenny Forbes, Sandra Breach (item 4d).

Cllr Christie declared an interest in item 4b and excluded himself from the workshop for that item.

1. **Action note from workshop 19.12.17 –** agreed**.**
2. **Lean review showcase: Early learning and child care.**

Matt Bailey, Martin MacDonald, Sandra Harrington and Jennifer Campbell from the review team described the Lean review they had undertaken. They described the system for billing / income for early learning and childcare as: clunky, inefficient, lacking in reliable data and unable to monitor service use properly and not fit for purpose especially as the service is to expand (currently 6000+ registrations). The Lean methodology highlighted problem areas including delays in invoicing (and consequential delays in receiving income) with a 3 month backlog, inaccuracy in invoicing with 15% reworked, double entry of data with inconsistency, issuing refunds which were difficult to administer, high levels of customer debt and workload stressors for staff because of poor processes. They identified 2000 separate spreadsheets in use in schools for registers/billing. They mapped 80+ process steps with only a few adding any value.

The review has identified how to streamline the process to 28 steps and possibly 15 in the future (with a move to tablet use) and identified an ICT solution costing £30k instead of £300k with scope for us to market it further. Child care managers through the focus group involved identified time saving benefits (especially around automating data entry rather than manual registers) and a saving of £1k per month in avoided postage costs as statements are emailed rather than posted to parents. The new process is supported by a new policy, training and guidance for staff involved and with management data centralised. The system is now more accurate and linked to payment by direct debits. There is scope to extend the service to other providers in Highland (we have a mixed model of provision with Third Sector organisations) but first need to get it right internally. Partner expansion would be phase 3 and the team is currently in phase 1 of the control stage. The new system has real scope to reduce staff administration time. Training on using the new system and database is a priority and once fully in place the scope to rationalise staff time and ELC funding will be quantified. While it is too early to quantify the reduced level of error (previously 15%) the quality of data input is improving and we will be able to track error rates from statements going forward. The need to remedy mistakes by refunds will reduce as more people switch to direct debit as that can be amended quarterly based on statements. The scope for further improvement is dependent on IT and may be supported by SEEMIS.

Members were impressed by the improvement made and thanked the team for all their work.

1. **Redesign reviews**
	1. **Building Trades services**

Board Members noted the review team identified for Trades Services: Malcolm MacLeod, Alan McKinnie, Donna Sutherland, Alison Gallacher, Garry Smith, Liz MacKay (TU), Cllr Caddick and Cllr Cockburn. An up-date on the scoping of the review will come to the February workshop of the Board.

* 1. **Commissioned preventative services for children**: The work of the review team and emerging findings was presented Allan Maguire and supported by Cllr Jarvie and Cllr M Smith as Board members on the team. Allan described the process the team had followed. This included: understanding the detail of the current 29 commissions, associated spend (£5m+) and their coverage across the region, noting data difficulties were found; the workshop sessions held to consider options using an analysis of cost, risk and benefits; and the task of grouping and prioritising the 29 commissions into different service priorities/outcomes. The practice was seen as historic and the status quo was seen as unsatisfactory. The greatest priority was seen as looked After Children, Edge of Care and supporting children with disabilities. This needed to align better with the prevention of Out of Authority placements and greater support of foster care. Having grouped the 29 commissions into 5 service priorities/outcomes, redesign findings for each centred around in-sourcing some commissions, re-procuring some commissions and ceasing some commissions (the latter focused on some counselling and advice services which were discretionary, duplicated and not well aligned to priorities/outcomes). In-sourcing, re-procuring and ceasing all brought their own challenges which would need to be managed. Some Third sector providers may be able to secure funding from other sources. This approach focused on redesign of specific commissions. By taking these forward savings of £876k could be achieved over 3 years (15% saving). Phasing would be required because of current contract time and costs associated with early termination. The phasing of savings suggested was £123k in year 1, £194k in year 2 and £580k in year 3.

However another option that could be pursued further was redesign of the service as a whole, through an ALEO model for children’s services. In discussion it was clarified that this would require other Children’s Services functions to be included for sufficient scale, including fostering, information and advice and residential services. The building/acquisition of residential units for children was suggested which would not only avoid costly out of authority places (some providers seen to make 25% profit) but also had potential for the Council to offer places to other Councils. As well as reducing costs/generating income other benefits included improving the quality of care and outcomes for children when planned holistically with education services. This approach was favoured by the Members on the team; although they acknowledged a full business case would be needed. Members were interested in the ALEO model, thanked the team for their work to date and asked the team to continue their work for a future discussion.

* 1. **Car parking review:** The work of the review team was presented by David Haas and supported by Cllr Boyd and Paul MacPherson as team members. David described how the team had been working to identify key priorities and developing objectives for the review. There work included ensuring the right fit with Council priorities including localism, traffic management and active travel, building on current strengths and finding out about practice elsewhere in the UK. He highlighted the need for clarity on car parking policy, appraising the financial model, transparency in budget management and the importance of communicating what car parking fees are used for. He confirmed the Council had over 200 car parks with charges applied in 18 and different degrees of management over them all. The review was enabling challenge on whether all current car parks were best used for that purpose or if there were better alternatives (e.g. housing development) but that local context was important. From stakeholders the team had access to previous Citizen Panel responses and there was a sense that tourists expect to pay to park. There were clear opportunities emerging for commercialism and the team would look at pricing strategies, appreciating that different car parks have different markets, as well as digital opportunities to make it easy to pay and link to other forms of transport.

In discussion Members raised the following challenges and suggestions:

* How to make the most of the tourist experience, including:
	+ Scope for overnight parking charges linked to tourism
	+ Investing in car parks where people will pay e.g. for munro climbers who’d prefer to park safely and pay £2-£3 a day – these would pay back quickly.
	+ Interpretation boards at sites of interest and for these to ask for donations.
	+ Links to better public toilet provision with scope for charging.
	+ Other commercial opportunities e.g. car parking at airports
* Using digital tools including number plate recognition for payment to keep administration/collection costs down
* Scope for redeployment if we expand the car parking and any associated services
* Charging for more than 18/200 car parks with greater consistency in approach to charging
* Whether there is scope to charge more for non-domestic rates for supermarkets with charging car parks
* Supporting the localism agenda for re-investing income raised by new charges. This would include:
	+ Being clear about the links between what we charge and what it supports –– so identifying the benefits of charging and a policy around that to enable investment in the area
	+ Charges could pay for road maintenance locally or other priorities of Members e.g. village officers
	+ Awareness of local impacts of charging and that one size does not fit all
* The need for the right arrangements for enforcement

The team were thanked for their work to date. Having listened to Members’ views they will return for a further discussion at the additional workshop on 30th January (3-4pm).

* 1. **Procured legal services review** – The work of the review team was presented by Karen Ralston, Gordon Morrison, Kenny Forbes and Sandra Breach. It was supported by Cllr Caddick and Cllr Calum Smith. The team explained their process of staff engagement which highlighted the appreciation of the legal team and helped to describe what was carried out in-house and what was out-sourced. Legal advice was procured for employment matters, procurement, major commercial issues, construction contracts and public and local enquiries. Annual costs varied between £339k and £500k in the past few years and were demand led so difficult to predict. A comparison with other Councils showed that the Council has the smallest legal team with no paralegal staff and the highest levels of out-sourcing. Aberdeenshire Council as the closest comparator Council has double the expenditure but three times as many solicitors. It is not feasible to remove the need for all external legal advice but the team questioned whether the balance was right. Their findings are that in-sourcing of employment, some procurement and litigation would be beneficial. The need for employment law advice was likely to grow because of the size of the Council, its change agenda, to support workforce planning and the abolition of tribunal fees. By insourcing employment law (around 1 post) could avoid additional and growing costs. Most conveyancing was done in-house but there is insufficient capacity and a big backlog had developed with delays leading to costs as well as lost/postponed income to the Council. This was hampering ambitions to operate more commercially. The team had looked at addressing the backlog through para legal staff, apprenticeships and trainee solicitors or more out-sourcing.

In discussion Members identified the following challenge/issues:

* Introducing paralegals could help with workforce planning and succession planning
* Costs associated for legal work are: £30 per hour for in-house staff; £110 per hour in the procurement framework and £250 per hour on the open market. There was a strong business case to in-source legal services.
* Questions around qualification levels were asked and it was noted that support for on-going training and university courses could attract strong candidates from school.
* Budgets to support any new posts, including para legal posts and modern apprentices would be sought by the team. This was supported especially for conveyancing.
* There is a need to improve transparency over the coding of legal costs to be sure of expenditure.
* It was difficult to quantify the costs of the conveyancing backlog, as our properties tend to be difficult to convey, but they were likely to be tens of £1000s.
* Whether there was scope to increase in-house capacity, create a full time employment lawyer and market their services to community planning partners. This suggestion was supported.

Members thanks the team for their work and were supportive of the findings so far. Further costings and firm recommendations would come back to the Board.

1. **AOCB – None**

Next workshop is 30th January 3-4.30pm. It is to focus on 2 reviews: the 2nd workshop on car parking and the 2nd workshop on grey fleet.