

Agenda Item	14a
Report No	HC/21/18

HIGHLAND COUNCIL

Date: 28.6.18

Report Title: **Redesign of Highland Council: progress report and forward look.**

Report By: The Chief Executive

1. Purpose/Executive Summary

- 1.1 This report provides Members with an up-date of the Board's activities since the up-date provided at the Council meeting in May 2018. Since then the Board has taken part in three workshops and held a formal Board meeting to finalise its recommendations to Council on the car parking review (reported separately). Board workshops were well attended by Members, including those not on the Board.
- 1.2 Board activity has focused on the Board's programme of peer and Lean reviews, with an ongoing programme agreed and with two new types of review to be introduced. The Board has also continued to work on its communications plan and to hear about the links between redesign and workforce planning and new rights for community bodies. Some staff involved in redesign have presented their experience of redesign to Council managers in four management briefings held in mid-June.
- 1.3 With a programme of reviews and further staff engagement and other improvements planned, Members are asked to agree the continuation of the Board from June 2018 onwards.

2. Recommendations

- 2.1 Members are asked to note:
 - i. The Board's activity since the Council meeting in May 2018 on the growing programme of peer and Lean and that two new types of reviews are to be introduced. Work continues on the communications plan and links are being made with workforce planning. Staff engagement continued through management briefings and the Board has been briefed on the take-up of participation requests and community asset transfers.
 - ii. The car parking review has concluded and the Board's recommendations are reported separately to the Council.
 - iii. Further work is planned over the summer months on taking forward new reviews, holding the first annual Lean event for staff to enable more learning and acknowledge staff success and on planning the next round of staff engagement through local forums.
 - iv. The chronology of the Board's activities over the past 12 months and its achievements and work still to do as summarised in paragraphs 4.3 and 4.4.
 - v. That redesign activity has not required the total budget allowance made for it.
- 2.2 Members are asked to agree:
 - i. That the Board continues to operate beyond June 2018, adapting to new challenges, learning from experience and connecting to other change processes

- in the Council for redesign to achieve even more going forward;
- ii. That redesign is subject to annual review by the Board and by the Council;
 - iii. To resource redesign with a budget feed of up to £40k from July 2018 to end June 2019. These costs can expect to be recovered from savings, costs avoided and income generation and income achievement identified from redesign reviews.

3. Introduction

3.1 The Board's activities since the 10th May 2018 in three workshops and one formal Board meeting are summarised below. Information from workshops and Board meetings is available on the [website](#). A forward look for the Board is also provided if the Council is minded to continue the Board and to resource its work.

3.2 Board activity since May 2018

3.1 Peer reviews

Peer reviews challenge whether we have the best service delivery model in place. Since the Council meeting in May the Board has:

- Discussed the progress and options for the reviews into car parking, commissioned preventative services for children and building trades services;
- Agreed its final recommendations for the review of car parking, reported separately to this meeting of the Council;
- Agreed five new peer reviews to be taken forward. Discussion with the host Service is planned and teams are to be tasked to review: the in-house services for catering and for cleaning (with Board interest in growing them both for external and commercial use); our approach to recruiting agency staff and our arrangements for casual labour; and early years and child care provision. These reviews were largely identified by staff in the last round of staff forums.

3.2 The peer reviews teams for the two reviews currently underway expect to report their recommendations to the Board soon after the Summer recess.

3.3 Lean reviews

Lean reviews are undertaken by staff to streamline processes making them more efficient and to improve the service provided. Since the Council meeting in May the Board has:

- reflected on the 8 Lean reviews showcased – occupational health referrals; bulky uplifts; fostering and adoption; commercial waste billing; facilities booking; wrap around care early years; and the ASN allocation process.
- noted the 7 reviews currently underway – complaints; energy billing; ASN transport; internal audit; maternity leave administration; PAT testing; and Community Asset Transfer.
- welcomed a pipeline of Lean reviews including – recruitment process; burials administration; property maintenance; housing repairs; the project design unit's small works process; street lighting repairs; passenger transport; recruitment of seasonal workers; and the travel hire desk.
- noted that by the end of the Summer following the next round of training for Lean facilitators, we will have 48 Lean facilitators and a new on-line awareness raising course for all staff.

3.4 Most Lean reviews are identified by staff themselves and the list continues to grow. For example a lean review of the processes across car parking staff and other staff in the roads function was recommended by the peer review team. Staff are also taking the initiative to adapt the methodology for light touch Lean reviews to make quicker

improvements in particular teams e.g. internal audit, the job evaluation process and the travel desk. Others have used a condensed and intensive version of the approach, involving a team working full time on a review for a week. This was used to make improvements for staff to book internal learning and development courses.

- 3.5 Ultimately our aim should be to empower staff to take forward Lean reviews from their own initiative, drawing on a peer network of practitioners and without seeking permission and additional corporate support. This will support a culture of continuous improvement and help improve efficiency across the Council.
- 3.6 Since the Council meeting in May the Board has also agreed two new types of review. These are:
- Peer spending reviews: a forensic review of non-staffing spending carried out by peers. It can review spend within a specific Service function or team, drilling into and challenging constructively all the expenditure from the cost centres and subjective codes associated with that function or team. It can also be used for reviewing all spend by type across all Services, identified by subjective code used. For example we could look at all spend associated with internal catering, printing, telephony or coded as miscellaneous. The framework for carrying out these reviews was also agreed, noting that we would learn as we go from each review done. While this is aimed at identifying savings in 2018/19 it will also support the base-line budgeting process for future years and is likely to lead to identifying new areas for peer and Lean reviews.
 - Community review: an approach to reviewing services/functions with communities. It means co-reviewing services with citizens and community bodies. It could be about: understanding needs and expectations; setting standards; making choices within budget, including reducing budgets; co-designing services; and potentially commissioning with or by communities. The Board agreed to trial the approach in three areas initially and to learn as we go. This is to be trialled for: public transport in Caithness and Eater Ross and amenity/environmental works with partners in South Lochaber (with a view to widening it other services). Proposals would be developed with the Service affected and come to a Board workshop for consideration. Local Members would be fully involved. This approach would draw on different community development approaches and be developed using our experience of participatory budgeting, recent training for some Members, staff and partners on 'having community conversations that matter', the findings from the Commission on Highland Democracy and it could provide an opportunity to use some new methods such as mini publics, described in the localism seminar held for Members in April.
- 3.7 Communications Plan
Since the Council meeting in May the Board has considered the key messages for communities about redesign, drawing on feedback from the Citizens' Panel. This has helped to develop a final draft of the Communications Plan, currently under consideration by some Board Members and the Communications and Resilience Manager.
- 3.8 Workforce planning, redesign and staff engagement
Since the Council meeting in May the Board has learned about the connections between workforce planning and redesign and further work planned. This was also a topic at the recent management briefings held on 13th and 14th June for all Council managers. Staff involved in Lean and peer reviews also presented their experience of

supporting redesign with a view to encouraging others to see the benefits of redesign and to be more involved.

3.9 Community participation request and community asset transfer

One of the objectives for the Board is for the Council to be more community-minded. At a May workshop the Board was briefed on the level of interest from communities in their new rights under the Community Empowerment Act on participation requests and asset transfers. The latter was reported to EDI Committee on 17th May.

4. **Forward look**

4.1 In looking ahead work is underway to:

- Task new teams for peer reviews, peer spending reviews and community reviews. These teams will have induction and training, some before the summer recess and some after the recess.
- Hold the first annual organisational learning and achievement event for all Lean review teams concluding reviews in the past 12 months. This will celebrate their success and help us to learn from their experience as well as identify any further supports are needed to make the change they found. This is scheduled for 22nd August and Board and other members will be invited to attend.
- Plan the next round of local staff forums from September. These have good reach and normally take place in 14 locations across the Council, including depots and offices. A major theme is likely to be workforce planning. These forums tend to identify further areas to review.

4.2 The Council agreed to establish a new Redesign Board in June 2017 and to continue to resource it for a year. At the Council meeting in September 2017 the Council agreed its remit, work plan and time line. Since June 2017 the Board has met in 16 workshops and in 5 formal Board meetings. Progress reports have been made to every Council meeting since then.

4.3 A full [chronology of the Board's activity](#) for the past 12 months is available. In summary it has:

- commissioned 11 peer reviews (4 have concluded, 2 are underway and 5 are to be tasked);
- provided a steer on 3 reviews being undertaken in Services (school lets, harbours and vehicle maintenance);
- overseen the expansion of the Lean programme of reviews;
- agreed two new types of reviews – peer spending reviews and community reviews;
- supported the commercial approach to energy generation and supply;
- had a briefing on the Best Value Assurance Review expected in 2019;
- worked on its communications plan in two workshops drawing on feedback from the Citizens' Panel with the final draft being prepared;
- had a briefing on community take-up on new rights under the Community Empowerment Act;
- supported staff engagement through management briefings and local forums;
- heard about the links between redesign and our new approach to workforce planning.

4.4 The Board had twice planned recently to take stock of its work over the past year, but the volume of other business, mostly reviews meant this is out-standing. Based on the remit, objectives and timeline agreed by the Council in September 2017, some areas of work remain outstanding, are yet to be completed or have been considered also in

other forums. These are:

- Improving scrutiny on how review recommendations agreed are being implemented. We have found there is insufficient time in workshops to do this as well as commission new reviews and agree their findings. Reviews reporting in 2018 have had implementation plans and better support provided, but a new approach to scrutiny would be helpful.
- Developing a programme of organisational change and support for Members and staff for redesign. New learning and development opportunities have been developed for review teams but these are not yet mainstreamed across our management development. A new approach to joint training for staff, members and partners was trialled in April and we are working on how that could be rolled out more widely. Integrating this redesign work fully with our new approach to workforce planning, including refreshing staff competencies and other organisational development is under development.
- One of the Board's objectives included a number of actions to support localism. This has been considered in the Board in relation to the recommendations from the car parking review, the update on asset transfers and participation requests and in considering feedback from the Citizens' Panel. Other supporting work underway has been taken forward through discussions with Area Chairs, with wider Member involvement in local workshops and in the Members' seminar in April 2018.

4.5 Already in the first few years of redesign it has evolved. Processes adapt and improve as we learn from experience. Board workshops and meetings are well attended by Members and the involvement of Trade Unions is welcomed by them, Members and staff. More staff are being involved in redesign by attending local briefings and being involved in different review activity. Team leaders and other staff talk positively about their involvement.

4.6 Redesign is likely to be a continual process of improvement, linked to the need for us to have services that are affordable and fit for purpose given our budget challenges and Best Value requirements. It is not the only process of change in the Council, as change is also service-led and professionally driven. However it has introduced new approaches to change that are inclusive, provided a steer on some service-led review activity and it could learn from and connect to the other expertise we have on change elsewhere in the Council.

4.7 For these reasons and to see through and continue work underway in the Board, it is proposed that the Redesign Board continues. To ensure it remains innovative, productive and with positive impact on the Council, it is recommended that it should:

- Continue to adapt to new challenges as they arise in the Council;
- Learn from and connect to other change processes and expertise in the Council enabling even more and better corporate change;
- Be subject to annual review by the Board and the Council.

5. Implications

5.1 Resource – Redesign was originally resourced from April 2016 to June 2017 with a budget feed of up to £150k. Members then agreed to continue resourcing redesign with a budget feed of £50k from June 2017 to June 2018. Over that 27 month period redesign has required £124k of the £200k allowance as follows:

- £58k of staff costs in acting up allowances to release the Head of Policy and

Reform;

- £38k of staff and consultancy costs to develop the business case for the Council to be an energy supply organisation and to invest in solar PV on the Council's estate;
- £20.5k of training costs, mostly for the Lean programme;
- £3.5k of costs for engaging community bodies;
- £4k of costs associated with the Board, including costs for external speakers and a study visit in 2016.

To continue to resource redesign for a further year to June 2019, up to £30k would be needed for staff costs plus another £10k is recommended to provide flexibility in training or other external support. A budget feed of up to £40k is sought.

These costs should lead to savings. While reviews are not constrained by savings targets they all have to consider affordability. Reviews so far have often identified savings as well as better ways of providing services. These savings have been about:

- Avoiding cost or preventing a future budget pressure;
- Realisable savings - often taken as service savings;
- Potential savings - with further work or business case preparation required;
- Income generation ideas to off-set savings; and
- Income achievement – an unexpected outcome of some reviews which found the need to improve our processes for income collection (better arrangements for billing and recovery).

- 5.2 Legal: There are no new legal implications arising from the Board's activities since May or future activities planned. Redesign can help the Council to comply with its Best Value duties.
- 5.3 Community (Equality, Poverty and Rural): The new community reviews agreed by the Board will support new ways of working with communities and to identify new solutions and understand local impacts better.
- 8.4 Climate Change / Carbon Clever: There are no new climate change implications arising from this report.
- 8.5 Risk: No new risks are identified from this report.
- 8.6 Gaelic: There are no Gaelic implications.

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