

Agenda Item	13.a
Report No	HC/39/18

HIGHLAND COUNCIL

Date: 25.10.18

Report Title: **Redesign of Highland Council: up-date from the Board**

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 Council meeting in August 2018. Since then the Board has had one meeting to approve the outcomes of the Children's Commissioned Services Peer Review which is on the Council agenda today, as well as held a workshop to initiate a Peer review on arrangements for Agency and Temporary Workers, discuss the Communication Strategy and to carry out a stock-take on the work of the Board thus far. Following member feedback, more emphasis is being placed on the implementation of both peer and lean reviews, in order to meeting the ongoing budget setting work.
- 1.2 An up-date of the range of redesign reviews is provided, along with their budget impact.

2. Recommendations

- 2.1 Members are asked to discuss and note:
- i. The peer review into commissioned preventative services for children is now complete and is considered elsewhere on this agenda. The building trades peer review is now substantially complete and will be presented to the Redesign Board for approval on 13th November 2018. A number of new peer reviews are being tasked.
 - ii. An officer level Lean Project team has been established to closely monitor and support the Lean review implementation, especially where savings or income potential are being delayed and to prioritise future Lean reviews, in discussion with the Redesign Board.
 - iii. An up-date of the range of redesign reviews and their budget impact, as set out in **Appendix 1**.
 - iv. There will be greater focus on implementation of completed Peer and Lean Reviews, with progress reported back through the Redesign Board.

3. Introduction

3.1 The Board has met in one workshop since the end of August to consider progress with two peer reviews. Information from workshops is available on the [website](#).

3.2 Peer reviews

Peer reviews challenge whether we have the best service delivery model in place. At the workshop on 25th September the Board discussed the scope of a new peer review into current arrangements for Agency and Temporary Workers. This Review will build on a lot of work already undertaken by Procurement and HR and will:

- Review the current use of Agency staff including the contract with a view to identifying efficiencies.
- Consider medium and longer-term options for Agency provision such as a Managed Contract and an in-house agency.
- Fully appraise the use of other (non-agency) non-permanent staff across the Council and recommend improvements and efficiencies.
- Identify appropriate linkages with partner organisations such as Highlife Highland, NHS and neighbouring local authorities.
- Produce recommendations for future use of non-permanent staff that cover all Services and align with the Budgeting process in the long term

3.3 A review is also being progressed on Council income, utilising a member of the Deloitte team (on a pro-bono) basis. This work is focussing on a number of different income streams and will provide recommendations on improvements to collection methods. A report is intended to be brought to the Redesign Board on 13 November.

3.4 New Peer Reviews will be tasked over the coming month, and the opportunities for new review topics will be investigated with members and staff.

3.5 Redesign Board Stock-take

At the workshop on 25th September 2018, a stock-take of progress with Council Redesign was carried out. Members of the Board felt that the redesign process has brought staff and members closer together, and that change is being tackled across the organisation. The Redesign Board was viewed as a very productive way of ensuring that decisions affecting major change are discussed in an open collaborative forum, prior to being implemented through Services.

3.6 Whilst the Redesign process was seen as largely positive, there are some concerns about implementation and follow through of the redesign proposals. Members of the Board felt that the pace of implementation must be increased and that greater scrutiny of progress would be useful. On this basis, the Council Redesign Lead has been tasked with focussing on the implementation of completed reviews, with the intention of reporting back at regular intervals to the Board. This work has now commenced and a number of meetings held with the relevant services to discuss progress. This is also being progressed in the context of the budget templates work.

3.7 Lean reviews

Lean reviews are undertaken by staff to streamline processes making them more efficient and to improve the service provided. Several Lean reviews are underway and progress is being maintained and managed through the Commercial and Efficiency Team. As noted in a previous Council report, nine teams furthest advanced in their reviews gathered to share their learning and to identify where they may need more support to implement all the improvements they identified. This was a productive

event, reflecting on the first full year of Lean practice. Board Members, Directors and Trade Union representatives were able to hear at first-hand what the teams had achieved and where they needed more support.

- 3.8 Following on from this, an officer Project Team has been established to follow up the issues raised, including identifying solutions where there are barriers to successful implementation of completed Reviews and ensuring that the pace at which Reviews are being carried out is increased. The Team will also identify and prepare business cases, as well as prioritise future LEAN Reviews based on the need to deliver savings and efficiency, before being considered by the Redesign Board in November 2018.
- 3.9 An up-date of the information provided to the Board on the budget impact of redesign reviews is attached at **Appendix 1**. The impact on the budget from reviews could be:
- savings and potential savings;
 - income generation and achievement;
 - cost avoided;
 - reduce budget pressure/overspend.

The budget impact of those reviews concluded and the estimated impact of those underway are noted in the **Appendix**, along with the pipeline of reviews to be tasked or programmed. As well as budget impact most reviews have productivity and efficiency gains.

4. Focus for the next month

- 4.1 Redesign priorities for the next month are to:
- Conclude the peer review for Trade Services, with the intention to report to the December Council meeting;
 - Support the ongoing Peer Reviews;
 - Task new Peer reviews relating to In-house Catering Services and In-house Cleaning Services;
 - Continue to support Lean review implementation, especially where savings or income potential are being delayed, and address the learning points from the recent event for Lean teams;
 - Conclude the first peer expenditure review;
 - Plan the next round of local staff forums with links to workforce planning. These have good reach and normally take place in 14 locations across the Council, including depots and offices.

5. Implications

- 5.1 Resource – This report highlights the range of reviews concluded, underway and to be programmed which will help meet the savings target for redesign in 2018/19.
- 5.2 Legal: There are no new legal implications arising from this report.
- 5.3 Community (Equality, Poverty and Rural): There are no new community implications arising from this report.
- 5.4 Climate Change / Carbon Clever: There are no new climate change implications arising from this report.

5.5 Risk: A new type of review, peer expenditure reviews (non-staffing expenditure), has been agreed by the Board as a way of focusing on savings in 2018/19. These, along with other redesign reviews are to be undertaken at pace to help meet the savings target.

5.6 Gaelic: There are no Gaelic implications.

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**Redesign Reviews and Budget Impact 2017-19
October 2018**

Review	Board Recommendations expected to be reported/agreed	Impact on budget i.e.: savings and potential savings; income generation and achievement; cost avoided; reduce budget pressure/overspend.
Peer reviews (service redesign and best value)		
Music tuition	Agreed 25.1.18 CLH Committee	Ongoing budget pressure avoided and £80k annual saving from 2019/20 as part of HLH agreement.
Grey Fleet	Agreed 8.3.18 Council	Estimated saving of £500k from 2018/19 with car clubs and pool cars rolled out from May 2018.
Procured legal Services	Agreed 8.3.18 Council	Demand led service. In-sourcing through 2 new posts will reduce expenditure on more costly external legal advice and speed up income from asset disposal. Cost avoided and income gained from in-sourcing to be monitored once posts filled.
Car parking	Agreed 28.6.18 Council EDI Committee agreed fuller car parking policy 16.8.18 and to consider staffing implications 8.11.18 (TBC)	Considerable new income potential with choices on using that for savings and/or re-investment locally to be made by local committees in context of any savings target set by Council from 2019/20 onwards. Engagement process for making decisions on these budget choices agreed. Community Services staffing to be aligned. A proposed Lean review for car parking and roads teams may also identify efficiencies.
Commissioned preventative services for children	Council meeting 25.10.18	Team proposing £779k saving, spread over 2 years with £380k in 2019/20 and £399k in 2020/21. More likely to reduce budget pressure/overspend than be saving.
Building trades services	Council Meeting 13.12.18	Potential for significant savings given current expenditure (over £20m) on contractors but not yet quantified. Redesign Board to consider at workshop on 30.10.18 and agree at Board Meeting on 13.11.18.
Approach to Agency and Temporary Workers.	Expected January 2019	Review has been tasked and is now underway.
In-house catering service – scope is to include catering for Members as agreed in Council motion June 2018 ¹ . Scope also to look at commercial opportunities.	Expected Dec 2018 /January 2019	Review to be tasked September.

¹ Motion agreed 'That the Redesign Board carry out a comprehensive review of the provision of catering for Members in all Council premises where meetings involving Members are held and that a recommendation is brought forward for consideration at a future meeting of the Council'.

In-house cleaning services - Scope to include commercial opportunities.	Expected Dec 2018 /January 2019	Review to be tasked September.
Early years and child care provision	Expected early 2019.	Review to be tasked Autumn.
March 2018 Council motion agreed that we would conduct feasibility work on the options for enhancing Highland bus services at the soonest opportunity by the redesign board once the details and outcomes of the Scottish Govt.'s forthcoming Transport Bill are known.	Bill published 8.6.18. Stage 1 begins 27.6.18 One aim of the Bill is to provide local authorities and Regional Transport Partnerships with the flexibility to improve bus services through partnership working with operators or, where there is a good case for doing so, local franchising or running services themselves.	Review to be tasked when legislation is confirmed.
<i>New reviews TBC – ideas from Members, staff, Trade Unions and other review activity.</i>		It is hoped that new review areas will emerge from current budget discussions as well as feedback from staff meetings.
Peer expenditure reviews (challenging all non-staffing expenditure)		
First reviews to be underway August 2018. Reviews can focus on all spend by Head of Service or specific team or by type of expenditure (subjective code) across all services.	Framework agreed by Board 15.5.18	Method used in Chief Executive's Office and identified £92k as service saving agreed for 2018/19. First draft of report into Education spend has been completed and will be considered by the Redesign Board on 13.11.18.
Commercial review		
Investing in solar PV on the Council's estate to generate income and reduce current energy costs.	Agreed February 2018 Corporate Resources Committee	Business case agreed for £2.3m of self-financing capital to install 2.5MW of solar PV on the Council estate, achieving the net profit projections of £4.01m over a 20 year period.
Lean reviews		
HR OH referral process	Showcase to Board June 2017	£62k in savings taken by the Service in 2017/18
Bulky uplifts	Showcase August 2017	£57k savings taken by the Service in 2017/18.
Fostering and adoption	Sept 2017	Should avoid cost as more foster carers will be recruited and more quickly and this will reduce reliance on more costly residential care and improve outcomes for children. Review led to in-sourcing administration on disclosure checks and this reduced time from 12 weeks to 4 weeks. ICT support required.
Commercial Waste billing	Oct 2017	Income achievement to be improved as

		more customers move to direct debit for payments and unpaid bills pursued timeously. ICT support required.
Facilities booking (School lets)	Oct 2017	Efficiency identified (number of steps reduced from 61 to 8 and more efficient use of buildings and staff); reduced cost in staff overtime expected. New income opportunities and income achievement (estimate of 10k- £20k in new income as lets of under £10 now charged and more prompt payment – bills have to be settled/ or payment plan in place before new bookings accepted as well as paying up front to avoid losses from no-shows). Central booking team in place since June 2018. Full achievement of change is dependent on new ICT solution. Prioritised for action by the Lean Review Team to enable conclusion.
Wrap around care early years	Jan 2018	£12k savings p.a. in postage costs, £270k cost avoided (£30k investment instead of £300k ICT solution). Income achievement to improve
Fly tipping	Feb 2018	Process improvements for customers and staff. No saving identified but potential to link to targeted enforcement and fines.
ASN allocation process	March 2018	Efficiency improved (once implemented steps could reduce from 49 to 18, timescale for allocation would reduce from 16 weeks to a maximum of 12) Scope for future savings as Business Support involvement would no longer be needed and there would be scope to re-focus ASN management.
Complaints	July 2018	The focus of the review is to: improve the customer journey and reduce the number of invalid complaints (currently ~35%); increase the number of complaints dealt with inside the 5/20 day deadlines (currently 43%/64%); increase frontline resolution and improve customer satisfaction with the resolution of complaints. There are no budget savings estimated.
Energy Billing	Underway	Savings potential from streamlining billing and improving accuracy of billing
ASN Transport	Underway	£50k saving estimated from earlier peer review. Prioritised by Lean Review team
Internal Audit	Underway	Not yet known.
Administration of Maternity Leave	Underway	Not yet known.
PAT Testing	Underway	Savings potential is a driver for this review. Prioritised by Lean Review Team for additional pace to be added to this review over the next two

		months.
Community Asset Transfer	Due to report in Autumn 2018	Aim to improve efficiency and take a strategic and more proactive approach to asset disposal. Savings are potentially available from avoiding ongoing running costs, speeding up asset disposal so avoiding future repairs and maintenance costs and the benefits of communities delivering more effectively on outcomes allowing a reduction in Council delivery. A more business-like approach to renewing leases is expected to generate income.
Travel hire desk	Light touch Lean challenge to be programmed for July 2018	Service savings already taken for 2018/19.
Review of all income processes	November 2018	To focus on income achievement for all services charged for.
Recruitment of seasonal workers (links to peer review)	To be programmed for results for 2019 season	Awaiting outcome of Peer Review (January 2019)
Passenger transport	To be programmed	
Street lighting repairs Review process from reporting to fault to fixing it.	To be programmed	
Project design unit 'small works' project cycle	To be programmed	
Housing repairs	To be programmed	
Property maintenance	To be programmed	
Burials administration	To be programmed	
Recruitment (including for cleaners)	To be programmed	
Review of car parking and roads teams agreed from car parking peer review June 2018	To be programmed	
<i>Further reviews to be identified by staff, Members, Trade Unions and different review activity.</i>		
Community Reviews – to be trialled in 2018-19 - an approach to reviewing services/functions with communities. Co-reviewing services with citizens and community bodies.		
Public transport in Caithness	To be programmed	
Public transport in Eater Ross	To be programmed	
Amenity/environmental works with partners in South Lochaber	To be programmed	
<i>TBC – and to use learning from 3 reviews trialled above.</i>		