

Agenda Item	13
Report No	HC/38/19

THE HIGHLAND COUNCIL

Committee: Highland Council

Date: 5 September 2019

Report Title: Organisational Transformation and Transition

Report By: Chief Executive

1. Purpose/Executive Summary

- 1.1 The following report is the latest in a series of strategic documents establishing the intent and purpose of the organisation in the context of the Council's Vision to be Ambitious, Sustainable and Connected. Focusing on the connected element of the Vision, it establishes a conceptual framework within which the interrelationships between the strategic context, drivers and enablers are underpinned by core values and behaviours. This is still a maturing picture, and the report sets out where good progress is already in place as well as where there is further work to be done.
- 1.2 The report also provides information on progress being made in transitioning to the Council's new management structure with the appointment of the first 5 Executive Chief Officers and the interim arrangements that have been put in place whilst recruitment for the remaining positions is underway. Linkages are made between the organisational restructure, the strategic organisational framework, and the approach that is being taken to deliver this change in a well-managed structured programme of activity and Members are also asked to approve resources for this approach from the Change Fund.

2. Recommendations

- 2.1 Members are asked to:
 - i. Acknowledge the progress made to date in establishing a Council Vision underpinned by core strategic approaches;
 - ii. Agree the priorities for action over the coming months;
 - iii. Note the transitional arrangements in place and the indicative timescales for the permanent structure being established;
 - iv. Agree that Section 95 duties should be assigned to the Executive Chief Officer for Resources and Finance;

- v. Agree a bid to the Change Fund for £82,000 to resource the programme effectively and £145,000 for associated HR and systems support to ensure a smooth transition to the new structure.

3. Implications

3.1 Resource

The resource implications are as set out in the report at paragraph 7.2 which seeks funding from the Change Fund of £82,000 for the appointment of a dedicated Programme Manager and Programme Officer and £145,000 for HR and systems support.

3.2 Risk

Properly resourcing the Change Programme will mitigate against risks to the smooth transition to the new organisational structure, protect against potential disruption in the delivery of services; and ensure appropriate governance and communications are in place.

3.3 Legal, Community (Equality, Poverty, Rural and Island), Climate Change / Carbon Clever and Gaelic

There are no specific implications arising from this report.

4. Background/Purpose

4.1 This report sits with the suite of reports and strategies already considered by Members over the course of the last 9 months which, taken together, provide a framework for the Council's strategies, plans and approaches. Over this period, a consistent message has been established around being **Ambitious, Sustainable and Connected**, emerging from engaging with the Highland public, Council staff, and elected Members to become the strategic vision for the Council.

4.2 The commitment to **Ambition** has been delivered through the Council Programme, Corporate Plan, Strategic Improvement Priorities and new organisational structure. It is further progressed in the current report to Council on Performance Targets and more will follow in due course with regard to establishing a performance framework, Service Plans and associated actions.

4.3 The commitment to being a **Sustainable** Council is already well established with the approved Budget Strategy, the formation of the Change Programme and establishment of the Change Fund, with good progress being made towards meeting budget targets. This has been reported to each Council since being approved by Members in February 2019 and there is a further update report to this Council. The declaration of a Climate Emergency and associated actions further underpins the Council's commitment to environmental sustainability.

4.4 The primary purpose of this report is to explain and progress the '**Connected**' element of the Council Vision. The information that follows sets all how all the strategic elements fit together; and how this will inform new service and operational plans and

underpin employee development reviews. It then moves on to explain the next steps in terms of the Transitions and Transformation process and establishing a Transitions Programme before setting out the key reports and documents that will be coming to Council as these work streams progress.

5. **Organisational Framework**

5.1 The Council's draft organisational framework is attached at Appendix 1. This presentation of the Council on a single page, provides a visual representation of the interrelationships between the strategic context, drivers and enablers that underpin the Council Vision and are supported by core values and behaviours. An explanation of what each element represents is set out below.

- i. **Communicating our Vision and developing shared values** - a number of workshops have taken place with senior managers to explore the organisational values that should underpin the Council's Vision. These are represented in the top three tiers of the framework and have been distilled into 3 draft Value Statements and a series of proposed individual values. The intention is to undertake the same exercise with a wide group of staff at Staff Forums across Highland before bringing back to Members.
- ii. **Establishing the Strategic Context** – the Council Programme, Corporate Plan and Highland Outcome Improvement Programme set the policy direction for the Council. Whilst the content of these documents will change over time to reflect changes in Administrations or in response to external stimuli, they are set within an operating framework that provides a stable, responsive and cohesive organisation capable of delivering on priorities set by Members to agreed performance standards.
- iii. **Developing Strategic Drivers and Approaches** – as already mentioned, the Council already has some key strategic approaches in place – such as the Budget Strategy and the Change Programme and these are now well established with good scrutiny in place. There are a number of other areas where work has commenced and progress is being made but there is either still work to do, or arrangements require some realignment – such as the governance review and strategic partnerships.

There are also some important areas where attention needs to focus next. Firstly, establishing an effective performance framework is critical for the Council to be ambitious and drive improvement. 3 performance reports are at Council today looking at past performance, establishing new corporate plan targets and considering challenges to local government performance in Scotland. But there is more to be done to drive a positive performance culture in the Council. Change Fund resources were already agreed at a previous Council to assist officers in identifying powerful business intelligence tools that will enable managers and members to access on demand, real time data related to the

Council's finances, staffing and performance. There is a more detailed update on this in the Change Strategy report also on the Council agenda.

Further action is also needed to develop effective place making and the next step in the journey should be towards greater local autonomy in priority setting and resource allocation. The Governance Review is progressing some elements of this, but it has to be augmented by genuine changes in the way that local resources can be flexed according to local needs and priorities. The Change Strategy report sets out a pilot approach to taking this forward, based around depots.

- iv. **Maximising our Strategic Enablers** – there are a number of strategic approaches that enable and support corporate activity: The Communications and Engagement Strategy (Appendix 2) is essential to engage with staff and stakeholders and disseminate key messages both within and outside of the organisation. The Workforce Strategy, (agreed at Corporate Resources Committee on 28 August) supports organisational transformation through the themes of sustainability, flexibility, transition and training and development. Whilst Digital Strategy provides the essential link between the aims of the organisation and the technology, processes and skills needed to deliver those aims. Equally as critical, particularly during this time of change, is a focus on Leadership and Culture to underpin transformation at every level of the organisation. A bid has been made to the Change Fund as part of the Member Training and Development proposals – and a report will come forward to Council on this in October.
- v. **Delivery** –The purpose of bringing all of these elements together in a single framework is so that they can inform the development of service and operational plans and also individual employee development plans. It helps to simplify the complexity of the organisation and provide a cohesive and consistent application of vision and strategy to the everyday work of the Council, which in turn will develop a sense of shared purpose and responsibility for being Ambitious, Sustainable and Connected.

6. **Transitions and Transformation Programme**

6.1 Progress in establishing ECO Tier and Transitional Arrangements

Appointments have now been made to 5 out of the 8 new Executive Chief Officer roles, with 2 external appointments and 3 internal so far: ECO Resources and Finance is Liz Denovan; ECO Customer and Communities is Carron McDiarmid; ECO Transformation and Economy is Stuart Black, Lesley Weber is Executive Chief Officer for Health and Social Work; and ECO Performance and Governance is Kate Lackie. Interviews for the ECO Property & Housing and ECO Infrastructure and Environment are scheduled for later in September. In the intervening period Stuart Black will continue as Director of Development and Infrastructure; and Carron McDiarmid will continue in the role of

Interim Chief Officer Resources – Community Services. These positions will remain in place until at least October when it is expected that all except the Executive Chief Officer for Education will finally be in post. Allan Gunn will continue in the role of Interim Chief Officer Resources – Education and Health & Social Care until April 2020.

- 6.2 In addition to work reviewing the Health & Social Care service structure, progress is also being made in the review of the Education Service structure, both of which are being led by the Chief Executive in collaboration with staff. For Education, the initial ambition is to develop a new management structure to drive forward performance improvement in schools. A report will come to October Council setting out the proposed new arrangements for Education and Health & Social Care with the objective of recruiting to new senior posts by December 2019. In the meantime, the intention is to appoint a new interim Head of Education following the current post holder (James Vance) returning to his substantive role (at Culloden Academy) and for the Interim Chief Officer Resources – Education and Health & Social Care, to remain in place until April 2020 to allow the new structure to be delivered within budget and appropriate governance applied. Karen Ralston, Interim Head of Children's Services, will continue in her current role to January 2020 including fulfilling the role of Chief Social Work Officer.
- 6.3 The new ECOs will have a key part to play in working with Heads of Service, staff groups and unions to develop the sub Tier 3 structures of the organisation and the fit with the 8 new service headings. It is recommended that time is taken to work through this to establish a key set of principles for all management positions, with a view to having new structures largely ready to put in place by April 2020 – albeit with some coming on stream sooner whether there is clear benefit in doing so. There will then be a further 12 months period spent reviewing and refining this. Taking a further 7 months to develop the wider organisational structures and plans will still be challenging, with many elements to be taken forward together and potential risks to service delivery if not handled properly. The next section sets out the approach that is proposed for this critical time of transition and seeks Members' support to proceed as outlined.
- 6.4 Engaging with trade unions will be particularly important over this period. This will require regular informal touch base discussions alongside the usual Staff Partnership Forums to make sure unions are fully engaged in the process and have opportunities to feed in and feedback as the new arrangements develop.
- 6.5 Financial Governance Arrangements – Members are asked to approve the appointment of Liz Denovan as Section 95 Officer, a position that has been held by the Head of Corporate Finance, Ed Foster, since the retirement of the Director of Corporate Resources, Derek Yule in June this year.
7. **Establishing an Organisation Transformation Programme and Programme Board**
 - 7.1 It is proposed to establish a senior officer Programme Board to oversee the delivery of the next phase of change. This will ensure the smooth transition to the new

organisational structure so that staff, Members, customers and partners experience minimum disruption in the delivery of services; feel informed about the changes and understand the reasons for the change; and have the opportunity to contribute to the way in which the new structures evolve. A programme approach will also ensure that appropriate risk management, governance and communications are in place throughout the process and key systems and processes are reconfigured to accommodate the changes (ICT; Payroll; budgets/accounting; website; support services). Senior management governance will be through the Change Programme Board. Member Governance will be achieved by regular reporting to Council – see Section 8 below. An outline Programme Initiation Document is attached at Appendix 3 which helps to illustrate the purpose and scope of the Programme and reasons why this needs to be properly resourced.

- 7.2 The Governance Review will run in parallel to the Organisation Transformation Programme ensuring that the Council's refreshed governance structures fully reflect the requirements of the Council at both a strategic and local level. Good progress has been made to start to make adjustments at the strategic level with the new membership of Audit and Scrutiny Committee being agreed at this Council and further recommendations for strategic governance due to come forward to Council in October. Likewise a much improved Members' training and development programme is also the subject of a report to this Council following extensive Member engagement.
- 7.3 The new Executive Chief Officers will each have a specific Council area to lead and so they will need to be fully involved in the development of the Place Based Strategy, linking enhanced local governance arrangements with associated service delivery requirements and resource prioritisation. This local area element of the new tier of senior management will be a very high priority and there will be a requirement for all ECOs to engage with the Members in their areas at an early stage so that refreshed local governance arrangements can be presented for Member approval early in 2020.
- 7.4 Resourcing the Change
- i) Members' approval is sought for the appointment of a fixed term programme manager, and a programme support officer, financed through the Change Fund. There is a significant amount of work to be done which will need to be broken down into a series of separate but interconnected work streams or mini projects. Once in place, the programme will need to hit the ground running and draw together all the requisite in-house expertise to develop and implement the work plan. It will be important to make progress as quickly as possible on all fronts to ensure staff, Members and customers experience least disruption and have full visibility about plans and progress. The total resource required for this is £82,000.
 - ii) In due course, there will be a need to bring in short term additional staffing to the finance, HR and systems teams to make the final switch across to new financial, staffing and performance reporting ready for the new financial year. How much and when this needs to happen will be for the Organisation Transformation

Programme to determine and a report and bid to the Change Fund will come forward in due course for Members' consideration.

- iii) Members' approval is also sought for enhanced HR support for the Workforce Strategy which will underpin many of the changes required for the organisation to move forward through the themes of sustainability, flexibility, transition and training and development. 2 HR Business Partners are required to work closely with the Services as they transition to the new arrangements and capitalise on opportunities for flexible ways of working. Also required is a systems support officer to work with the existing Project Manager to develop improved HR/Payroll systems. This is critical to providing access to essential organisational data around employee numbers, vacancy rates, sickness and other absences, agency and temporary workers and so on. Finally, there is a need for a business support officer to support the enhanced level of activity in the HR team. The total resource required for this is £145,000.

8. **Next steps/Priorities for Action**

8.1 The following section sets out the programme of activity required over the next 2 committee cycles and beyond to build on the foundations set out above. It demonstrates that there is a clear understanding of the steps and the sequencing required to build and maintain momentum in a way that is managed and manageable. It also maintains a high level of member scrutiny and oversight as well as visibility and transparency for staff. Taken together, Members should be able to have a high degree of assurance around the pace and direction of change.

- i. Staff, Member and Community Engagement Programme Starting in mid-September with the Small Isles and Skye, the Chief Executive and senior Members of the Administration will be commencing another round of staff, Member and public engagement. Starting with the areas that were not reached last time but also returning to some of the areas previously visited, the intention will be to listen to what people have to say about their priorities for Council resources and their ideas for change and improvement. At the same time, the opportunity will be taken to communicate the Council's vision and values and to set out the actions that have been taken over the last 6-9 months to show how the Council has responded to what was said last time.

ii. Council Reporting

The following strategic suite of reports have been brought forward for September Council

- Budget Strategy 2020/21
- Corporate Plan Targets
- Organisational Framework and Transformation Programme
- Communications and Engagement Strategy
- Change Strategy plus bids to Phase 4 of the Change Fund
- Governance Review – Members Training and Development Programme

The following reports are scheduled for October Council

- Budget Strategy update
- Capital Programme governance
- Change Strategy plus bids to Phase 5 of the Change Fund
- Transformation Programme update, including proposals for the Education management structure
- Governance Review – Strategic arrangements
- Council Values
- Leadership and Culture Strategy

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Date: 25 August 2019

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Appendix 1 – Organisational Framework

Appendix 2 – Communications and Engagement Strategy

Appendix 3 – Programme Scope/Project Initiation Document



DRAFT HIGHLAND COUNCIL ORGANISATIONAL FRAMEWORK

AMBITIOUS			SUSTAINABLE			CONNECTED		
We will be high performing and forward thinking, embracing change and challenge			We will be efficient, resourceful and adaptable to deliver for our communities and the environment			We will work together with communities, staff and partners for the best outcomes for Highland.		
Forward Thinking	Can Do	High Performing	Efficient	Resourceful Flexible	Affordable Transparent	Engaging	Listening	Working Together
B	E	H	A	V	I	O	U	R
Council Programme			Corporate Plan			Highland Outcome Improvement Plan		
Corporate Performance Framework			Governance and Assurance			Partnerships		
Transformation and Improvement Strategy			Budget/Change Strategy			Place Based Strategy		
Leadership and Culture	Communications and Engagement Strategy		Workforce Planning Strategy			Digital Strategy		
Service and Operational Plans Employee Development Plans								



The Highland Council

Ambitious, Sustainable and Connected

Communications and Engagement Strategy

2019-22

DRAFT

Introduction – Our vision: Ambitious, Sustainable and Connected

The Vision of the Highland Council is to be an ambitious, sustainable and connected Council. In order to achieve this vision, a complete transformation of the Council is required and this must be supported by a Communications and Engagement Strategy to underpin the necessary change and support the delivery of the Council Programme.

The Council Programme sets out a clear and **ambitious** vision for the Highlands as

- A place to live
- A place to learn
- A place to thrive
- A welcoming place and with
- A redesigned Council

The Council seeks to:

“safeguard and enhance Highland’s significant reputation and standing nationally and internationally”

Marketing the Highlands and “talking Highland up”, making it a place of choice for visitors, investment and employment will therefore be a key focus of the Communication Strategy.

A Programme of Change which commenced in 2019 sets the Council on track of transformation, with the aim of aligning reducing resources to support the Council becoming a **sustainable**, high performing and dynamic organisation into the future.

The Highland region has 4,905 km of coastline, 19 inhabited islands and 6,752km of rural roads. The Highland Council provides services to a population of some 230,000, in a region of 26,484 square km, comprising a third of the land area of Scotland including the most remote and rural and sparsely populated parts of the United Kingdom, with fragile economies and an aging population.

Tourism is an important industry for the Highlands and this means that the population increases substantially at various points throughout the year and puts additional pressure on a fragile infrastructure and scarce resources.

Sustainability of these communities into the future is vital to a thriving economy and healthy and connected population.

Effective communication and engagement is not just a function of one department, but is part of everyone's role across every part of the Council.

The Highland Council is comprised of 74 elected Members serving on 21 wards representing our communities and the largest employer in the region with around 10,000 staff, delivering services based at various locations across the region. The Council is **ambitious** for its people, to develop a healthy, agile and high performing workforce, to improve flexibility and resilience, to grow capacity and to create opportunities.

Our staff and members are also our service users and our ambassadors, living and working in and **connected** to their communities. Indeed, our workforce, together with their friends and families, makes up perhaps a quarter of the Highland population.

Feedback from staff forums tells us that staff want to feel **connected** to the organisation, to understand the rationale behind change, and they want to feel valued.

Our workforce needs to be informed and to understand the part they play in the Council being successful and our managers need to be leaders who can articulate the Council's vision. Therefore, leadership and effective internal communication are fundamental to the organisation achieving its aims and outcomes. If we get internal communication and culture right, the external image of the organisation will improve.

A theme from Member feedback is that the Council needs to be more responsive to contacts from the public and to be more proactive and "on the front foot". Members value briefings and support on key issues, to provide the information - background, explanation, facts and the Council's position, which supports them as Council ambassadors to answer media or constituent enquiries.

Criticism does not equal governance, challenge and scrutiny; and criticism which is not informed or constructive can be harmful to the council as a whole. The concept needs to be of the Council as a collective of 10,000 individuals and dozens of teams working towards a common goal - "our council", rather than seeing "the" Council as a separate and often negatively viewed entity. Unfair criticism and reputation damage can have a detrimental impact on individuals and teams and can result negatively on wellbeing and performance.

“It takes many good deeds to build a good reputation, and only one bad one to lose it.”—Benjamin Franklin

Reputation is recognised as a significant risk to any organisation, particularly through a period of significant change and resource reduction. The strategic objectives identified will seek to address this by managing this risk.

The Council does not work in a vacuum – it must be **connected** – It works closely with numerous key partners, including Community Planning Partners, other public bodies and category one responders, both regional and national. It operates in a complex and changing political environment, influenced by Scottish, EU and UK legislation and policy frameworks, as well as community bodies and other groups at local level. The Council is a community planning partner and often needs to communicate shared messages with other agencies to achieve common goals. It is most effective when working in partnership on issues such as Resilience, where trust and relationships are integral to success.

Promoting the Highlands and Workforce Recruitment are key opportunities for the Council to work together with partners on joint campaigns and shared resources.

The challenge of reducing budgets and the impact on services and the workforce is set to continue for the foreseeable future. It is imperative that the Council works in a new way with staff, partners and the public to foster a better understanding; to enable redesign, innovation and sharing of good ideas and best practice. It will be important for the Council to work with partners and with Highland politicians to engage with the public and to promote the Highlands with a shared vision.

The council is at its most effective when it is helping people to live successful lives as independently as possible and helping communities to help themselves to be **sustainable**.

The Community Empowerment Act (2015) gives more powers to communities to be involved in local decision-making and Localism is a key priority for the Highland Council’s Programme. The Commission on Strengthening Local Democracy sets out a vision for engaging with and empowering communities to make decisions about things that affect them. “Strong local democracy must be about enabling communities themselves to participate...” The report advocates principles of transparency and participation.

If people are to be more engaged and empowered in decisions, they need access to clear information and to feel listened to. Genuine listening builds trust and is fundamental to the development of effective local democracy.

The Council has begun to reset its relationship with communities and staff, starting with a programme of engagement in November 2018. The Communication Strategy

sets out how the Council will continue this commitment to being more **connected** to communities, with a continuing programme of engagement, listening and enabling empowerment and democracy.

Effective communication is not just about the quality of the communication itself – it is about creating the right environment and conditions – or culture - to enable good communication. Understanding and addressing organisational culture is fundamental to the success of communication and ultimately performance and the realisation of the Council’s vision.

Current analysis: Where are we now and what do we know?

Understanding where we are now (our culture, our resources and capacity, our successes and our weaknesses) is crucial to planning what is required to enable us to transform and be what we aim to be in the future.

Our achievements 2015-2018

Our previous communication strategy achieved a number of objectives which provide a foundation to build on. These include:

1. Development of our social media channels with a phenomenal growth in our reach on social media platforms (we now have over 50,000 followers on the most popular platforms including facebook, twitter and Instagram); The Highland Council ranks 6th for Facebook and 10th for Twitter followers in Scotland. We have set up a Corran Ferry twitter feed and webpage to improve access to real time information.
2. Increased referrals to the website; the successful development of school closures communications through the web and social media; the twitter feed on the home page;.
3. Development of the Corporate Identity and Branding Guidelines has helped to improve the professional image of the Council through design, publications and imaging.
4. Development of the quarterly Highpoints Magazine which is a platform for positive stories and promoting awareness and information, including performance.
5. Promotion of Plain English to a wider number of staff and Development of a media protocol
6. Development of positive publicity and enhanced reputation through a number of project specific communication strategies e.g. West Link, City-Region Deal, Free WiFi, Waste, Elections, Budget and Redesign. The Council issues around 700 press releases per year on a vast range of topics, providing information to the public, members and staff; and manages around 2500 media enquiries per year.

7. Increased resilience through a partnership Major Incident Communications Plan, a revised Emergency Plan, exercise participation and promotion of business continuity and security information and policies.
8. Development of the staff newsletter; a staff facebook page and improvement in satisfaction in the most recent staff survey for internal communications.

Resources:

The Council, like other public sector organisations, has been undergoing significant funding reductions over recent years and this is set to continue for the foreseeable future. This, combined with increasing pressures and increasing public expectation, has created an imperative for considerable change and transformation to be sustainable. Reduced resources have impacted on the Council's capacity in all areas, and in particular, its capacity for communication and engagement – and this at a time when effective communication is most fundamental to driving change.

The management of budget reductions and transformation projects requires significant communication resource; there is an increased demand for information through digital means; Freedom of Information requests are increasing; and a high number of local and regional media outlets and a 24 hour media and social media demand exerts additional pressure on very limited resources.

Public engagement feedback:

Local public engagement in communities has been well received. There is a clear need for visibility of the council and opportunities for face to face conversations. Facebook chats have also been used successfully as another method of online engagement. Key themes from public engagement during recent months have told us that people would like to see a council that is more:

1. Efficient
2. Commercial
3. Outward looking
4. Flexible

Staff Forum feedback:

Staff forum engagement has been very much welcomed by staff and there are plans to action and respond to the key themes highlighted from staff forums which have taken place to date. The themes are:

1. Access and barriers to information – currently manual roles, IT access and line management can be barriers to information access
2. More face to face communication and more staff forums would be welcomed by staff

3. Line manager support/training is needed to improve performance management and internal communication
4. Senior manager visibility is needed across the whole Council
5. Culture – a feeling that the culture needs to change to enable improved communication
6. Employee Review and Development (ERD) process – there is a clear need for this to change to support both staff and transformation
7. Social activities -staff would like to see more opportunities to connect and network across services
8. Physical environment – often not conducive to connectivity. Dated buildings, closed office doors and segregated canteen facilities are barriers to staff and member contact

Member feedback:

Discussions with members have highlighted a number of themes:

1. The Council needs to be quicker and better at responding to public contact (enquiries and complaints).
2. Member briefings on specific topics are valued
3. Media training is identified as a need
4. The Council needs to be more proactive and can be seen to be on the back foot when negative issues arise. Members need to be briefed in order to respond effectively to media enquiries.
5. There is an identified need for an improved digital presence, with responsive social media and more video content. Recent cuts to the corporate communications budget and limited resource to do this is well acknowledged.
6. Campaign activity would help to promote the Highlands as a place to visit, live, work and invest. There is a need to raise awareness on the vast scale of the road and school infrastructure and need for investment.
7. There is a need to continue to improve influence with regional politicians and at a national level

Culture

Reputation is one of the highest strategic risks for an organisation as highlighted in an internal audit - **Auditing within Public Spending Constraints** (January 2016) – see appendix 1

Reputational damage can have a negative impact on public and partner confidence, staff morale, performance, and the ability to achieve the organisation's vision.

Reputation is closely linked to communication and organisational culture.

Organisational culture is about setting the right tone at the top and it also has to operate right through the organisation. Effective leadership and the role of leadership and culture in communication must therefore be a key strand of the Communication and Engagement Strategy.

Culture is the values, beliefs and behaviours – the symbols and stories, which describe an organisation. Culture has a direct impact on the performance of an organisation. Culture is intrinsic in:

- How we manage change
- Our respect for others
- How we listen and respond to what we hear
- Our inclusiveness
- How we describe ourselves and our values
- How we demonstrate our values
- How we value people
- Our openness to ideas and opportunities

The Sturrock Report (insert link) focuses on cultural issues and the impact of this on organisational health, wellbeing and performance. It challenges other organisations to examine their own culture and behaviours and to learn from the report's findings.

Recommendations within the report highlight the importance of transformation of an organisation in productivity and culture through its workforce and leadership.

The report refers to examples where “..focusing on people who form the workforce has transformed an organisation..” leading to people “ being more productive and effective”.

The report also emphasises the importance of leadership on the productivity and wellbeing of a workforce: “If leadership can be inspiring, visionary, energetic and attractive, people will deliver more”.

The report highlights the need for:

- Effective communication
- Being open with “struggles” and challenges
- Engagement and openness
- Cooperation and respect
- Attitudes and behaviours

- Shifting power from hierarchy to a shared vision
- Develop skills and capacities
- Problem solving must be honest, inclusive and collaborative

It is important that the Council examines the report and the findings and amongst others themes highlighted, considers:

- The importance of understanding our Culture – how it affects us, our wellbeing, our success and our productivity; what our culture is and what we want and need it to be
- The importance of internal communications and the style of our communications, including the ability to listen, communicate with kindness and challenge with respect
- An organisation has a responsibility to its staff - staff need to feel safe & cared for and to create space for listening, allowing challenge and support for managers dealing with poor performance effectively and appropriately
- The importance of Leadership which carries the vision and values of the organisation

Change and transformation

The Council is undergoing transformation, from organisation and governance structures to service change and workforce strategy. The Change Programme is driving numerous key projects and each of these encompasses a varied range of stakeholders and key messages.

Communication is fundamental to change at every stage and every level.

John Kotter describes 8 steps to effect change. (<https://www.kotterinc.com/8-steps-process-for-leading-change/>) (see illustration appendix 2)

1. Establishing a sense of urgency – accepting change is necessary
2. Forming a powerful guiding coalition – Line managers are key players to support and lead change.
3. Creating a vision (ambitious, sustainable, connected)
4. Communicating the vision – the communication strategy is a fundamental step in the change process (acting the values is in itself communication)
5. Empowering others to act on the vision
6. Planning for and creating short term wins (making change attractive)
7. Consolidating improvements – demonstrating successes; praise and reward
8. Institutionalising new approaches – creating new standards and performance/behavioural expectations

A Communications and Engagement Strategy for 2019-22

The Council Programme states the ambitions of the Council and the Corporate Plan sets out specifically what the Council will do to deliver the Programme. Culture, communications and performance are the enablers to ensure the Council is best placed to achieve organisational transformation and success. This is described in the Organisational Strategy.

The Communication and Engagement Strategy sets out six key objectives to enable the Council to deliver its vision and priorities.

1. Enabling change – Setting out the rationale for change – Identifying the required values and culture - being responsive, collaborative, empowering, inclusive – through values and behaviour
2. Developing leadership – expert communicators – Leaders carry the vision and values of the organisation, Line manager and Member training and member briefings, senior manager visibility, listening and responding to staff, communities and partners
3. Communicating the vision and Developing a “shared vision” of Ambitious, Sustainable and Connected.
4. Internal Communication: Improving performance thought building an engaged, flexible and connected workforce – through an effective internal communication strategy to improve two-way communication, access, visibility, social networking, physical environment, revised ERD process, wellbeing, compliance, greater face to face communication through staff forums
5. Promoting success – Promoting the Council by communicating the quick wins and the successes and managing reputational risk/expectation
6. Championing the Highlands – through our relationship with partners, communities, the media and relationship with partners, MPs MSPs and Govts – “Talk Highland up”

Objective 1: Enabling Change

The first step towards achieving change is to set out the clear rationale for change. Clear messaging which manages expectations about reducing and limited resources is fundamental to people understanding why change is necessary and the reason for sometimes difficult or unpopular decisions.

Change can be very difficult for some and can be seen as threatening the status quo. Providing explanations and a clear rationale with facts and evidence to support the basis for change can help people who may be impacted by the change come to terms with it. Communications must be realistic, honest and transparent in order for the audience to understand and trust the message.

Communication must also be two-way. Change is easier to accept if you understand the reason for and are involved and engaged in the change process. The Council must demonstrate responsiveness.

It is also important to describe the intended outcomes and what can be achieved as well as being clear about things the Council cannot do.

Identifying the required values and culture - honest, responsive, collaborative, empowering, inclusive – through values and behaviour

To bridge reputation-reality gaps, an organisation must either improve its ability to meet expectations or reduce expectations by promising less.(reference)

Links to Corporate Plan:

Deliver meaningful engagement with Highland Communities, listening and responding (Outcome 6.1)

Supporting the delivery of a change programme (6.6.6)

Key messages:

The Council continues to face significant challenge and financial uncertainty

We need to adapt to be sustainable

Reducing resources

Flexible and adaptable staff

Redesign

Actions:

1. Project communication plans which reflect the vision and key messages to enable change
2. Identifying the values and behaviours required for a positive Culture which enables change. Breaking down barriers to communication. Involvement of people in change
3. Setting clear expectations for responsiveness, develop proposals for improving response times and mechanisms (e.g. webchat), and building greater capacity for public engagement and listening to the public and customers

4. Hold a rolling programme of public engagement with regular opportunities, supported by the new Executive structure and reflecting local priorities and responding to local issues
5. Building capacity through the change fund for improved digital skills and tools to increase video content online.
6. Improving analysis so that we have better information about our media coverage and reach.

Objective 2: Developing Leadership

Developing leadership – expert communicators – Leaders carry the vision and values of the organisation, Line manager and Member training and member briefings, senior manager visibility, listening and responding

Key messages:

Leaders carry the vision and values of the organisation

Actions:

1. Describing clear expectations from our leaders (visibility, supportiveness, positive communication, respect, challenge, stimulating motivation and morale, promoting the vision and carrying the values)
2. Developing a leadership programme, including effective communications skills, strategic awareness and thinking, championing behaviours
3. Member and senior officer media training
4. Developing support and mentoring and promoting best practice

Objective 3: Communicating the Vision

The Council's vision is to be Ambitious, Sustainable and Connected. This objective is about articulating the vision and what it means in order to establish a shared vision with our staff, our partners and our communities.

Links to Corporate Plan:

Council Strategic Priorities

Key Messages:

The Highland Council is striving to be an ambitious, sustainable and connected council. The vision is described in three short statements.

Ambitious:

We aim to be high performing and forward thinking, embracing change and challenge.

Sustainable:

We will be efficient, resourceful and adaptable, striving for best value and a secure future.

Connected:

We will listen to and work together with communities, staff and partners for the best outcomes for Highland.

Actions:

1. Marketing the vision through press releases, materials, publications, visual aids such as banners, livery etc.
2. Use of digital and marketing capacity to support the messaging
3. Communicating the vision through Leaders and Line Managers (see Objective 2)
4. Developing key messages and building these into communications
5. Demonstrating the vision as follows:

An ambitious Council –

- Telling the success stories (see objective 5)
- To champion the Highlands and innovation (see objective 6)
- Developing leadership (see objective 2)
- Improving performance through being target focussed
- Delivering quality services
- Being positive about change

A Connected Council –

- Connecting with our communities and our partners
- Improving internal communication (see objective 4)
- Building on our Social Media success and developing use of digital communications
- Involving and engaging staff and communities in decisions
- Breaking down barriers
- Being proactive
- Encouraging ideas and listening

A Sustainable Council –

- Explaining the rationale for change (see objective 1)
- Changing our culture to support the vision (see objective 1)
- Managing expectation and dispelling the myths
- Developing resilience
- Being efficient and prudent with resources

- Looking outward and capturing learning
- Being more inclusive

Objective 4: Internal Communication

Links to Corporate Plan:

Championing the role our staff play (Outcome 6.1.2)

Improving council performance (Outcome 6.6.4)

Key messages:

Communication is everyone's responsibility

Our staff are all ambassadors

Actions:

1. Update induction process to reflect vision and values
2. Regular Staff forums (supported by new Executive structure)
3. Improve access to information (including a new webpage)
4. Increase face to face opportunities
5. Member briefings and factsheets
6. Rebranded newsletter "Staff Connections"
7. Review of the Employee Review and Development (ERD) process
8. Building social networks – developing social activities in partnership with staff

Objective 5: Promoting success

Links to Corporate Plan

Strategic priority - Promote fairness and welcome diversity

A Place to thrive (Outcome 6.3)

A place to prosper (Outcome 6.4)

Key Messages:

The Highland Council is an ambitious, sustainable and connected Council

Actions:

1. Through culture and behaviours (objective 1)
2. Identifying the quick wins to make the case for change
3. Positive PR – Promote image of council internal and external publications
4. Celebrating success and valuing staff - Quality Awards and Area celebrations

Objective 6: Championing the Highlands

Links to Corporate Plan

Promote prosperity and well-being (6.1.3)

We will attract more people to make the Highlands their home. (6.2.1)

We will promote and support the Gaelic language and culture (Corporate Plan 6.2.7)

Promote opportunities in culture, learning, sport, health and wellbeing (6.2.8)

Promote the Highlands as a diverse, safe, and friendly place to live, study, work and visit. (6.5.1)

Key messages:

Highland is – a place to live, thrive, learn – a welcoming place

#Highlandaplace to love #talkHighlandup

Actions:

1. Develop a campaign to promote the Highlands as a place to visit, live, work and invest
2. Develop campaigns & shared working with partners to raise awareness of the scale of need in the Highlands and lobby for investment and funding
3. Talent attraction – working in collaboration to support talent attraction
4. Developing relationships with partners and regional politicians
5. Promotion of Gaelic language and culture in line with the Gaelic Language Plan and Corporate Plan

Next Steps:

The next steps are to develop and deliver a specific action plan, which links to the performance indicators and Outcomes in the Corporate Plan, with progress reported back to Council (annually).

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Appendix 1

Ref: Internal Audit - Auditing within Public Spending Constraints January 2016

(Extract) This section reflects on how public sector funding reductions impact on internal audit and how this had led to a changing approach to audit and a different environment within which the internal audit function operates.

The effects of public spending constraints can have a significant effect on an organisation's culture, which may affect its ability to achieve its corporate objectives. Public services have come under closer scrutiny following a number of high profile failures, many of which have led to criticism of the organisation's culture for tolerating or failing to stop the root causes.

This has also led to reputation increasingly becoming a 'top ten' risk on strategic risk registers. It can then become relevant for internal audit to consider these issues within the scope of reviews.

Organisational culture is about setting the right tone at the top, through documents such as the strategy, codes of conduct, financial and contract regulations: it also has to operate right through the organisation.

This can be difficult to identify, but there are a number of 'hard' and 'soft' measures that can be reviewed to assess the impact of public spending constraints. These can include:

- how the service looks and feels to a third party
- sickness and staff turnover levels
- compliance with corporate policies and procedures (including responsiveness to audit recommendations)
- number of complaints (for forward-facing services)

- quality of record-keeping.

These areas are more likely to be incorporated into existing testing programmes than to be the subject of discrete audit reviews. See [Culture and the Role of Internal Audit](#) (IIA, 2014).

The management of reputational risks can be addressed by audit reviews covering areas such as:

- communications and publicity policies
- complaints procedures
- social media management
- staff and public surveys
- whistleblowing procedures
- data protection
- business continuity and emergency planning.

See also

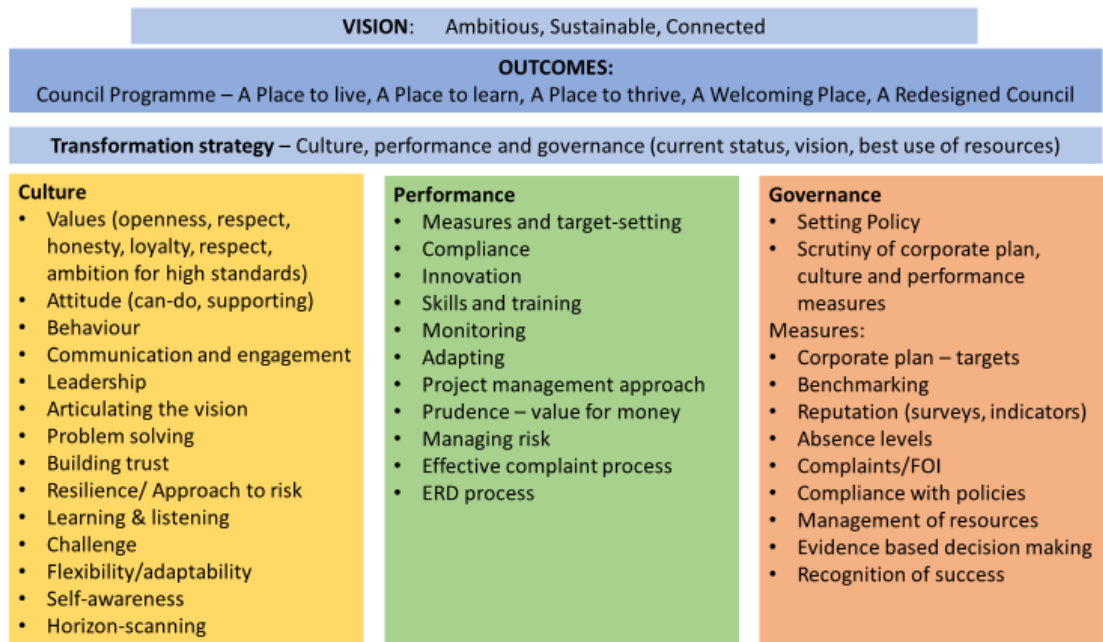
<https://hbr.org/2007/02/reputation-and-its-risks>

Appendix 2



Appendix 3

Enablers of the organisational strategy



ORGANISATIONAL TRANSITION PROGRAMME	
<u>Project/Programme Manager:</u> TBC	<u>Anticipated Project Start Date:</u> 5/09/19
<u>Sponsor:</u> TBC	<u>Date Prepared:</u> 27.07.19
<u>Project Risk Level:</u> TBC	<u>Estimated Completion Date:</u> December 2020
Board Members: <ul style="list-style-type: none"> • Programme Sponsor – tbc • Programme Manager - tbc • Current Interim Chief Officers • All ECOs as they come on board • Digital Services • HR • ICT • Communications 	
Purpose <p>To ensure a smooth transition to the new organisational structure so that staff, members, customers and partners experience minimum disruption in the delivery of services; feel informed about the changes and understand the reasons for the change. To ensure appropriate governance and communications are in place throughout the process.</p>	
Remit <p>All Council systems, policies and structures affected by or required to support the transformation of the organisation.</p>	
Deliverables <ul style="list-style-type: none"> • A Programme Plan with associated projects plans; a Resources Plan; and a Communications Plan. • All statutory roles identified and mapped to new senior management structure. • Realignment of all staff under the new 8 ECO headings with clear reporting hierarchy and budget holder responsibilities. • All corporate and service systems revised appropriately and re-launched to coincide with the associated organisational change. 	
Resource <ul style="list-style-type: none"> • Appointment of a dedicated programme manager • In-house personnel • Additional Wipro requirements • 3rd party costs associated with making system changes Resources Available <ul style="list-style-type: none"> • Change Fund and in-house 	
Projects within the programme and owners <ul style="list-style-type: none"> • Resourcelink realignment (HR/Finance) 	

- Budget realignment (Finance)
- Payroll adjustments (Finance)
- Corporate Systems realignment i.e. Website, Intranet, Netcall, PRMS, ICT, etc. etc (Digital Services, ICT and individual system owners)
- Service Systems realignment? SEEMiS etc.tbc (individual Services)
- Support Services (tbc/Business Support?)
- Health, Safety and Risk Management (Health, Safety & Wellbeing)

Interdependencies:

- Decisions about sub tier 3 changes
- Leadership and Culture Strategy - including Vision Values and Behaviours
- Performance Framework
- Budget and Change Strategy
- Place Based Strategy
- Governance Review
- Workforce Planning Strategy
- Digital Strategy
- Information Management

Stakeholders:

- Staff
- Customers
- Members
- Unions
- Wipro
- Community Planning Partners and NHS Highland specifically
- HLH

Risks and issues:

Risks – project fails to keep up with the pace of change; insufficient budget required to support the changes; insufficient staff resource to support the change; existing systems are unable to be adjusted as required; impact on service delivery/reduction in performance; uncoordinated approach undermines the transformation and affects the Council’s reputation.

Issues: Progress cannot be made until the Programme is in place

Indicative Timescales/Milestones:

2019

- July –first 3 ECO appointments
- Aug – establish Transitions Team; agree Programme work plan; 4th ECO appointment; commence recruitment to 3 further ECO posts
- September – Transitions Report to Council; progress work plan;
- October – Transitions Report to Council, new Strategic Committee structure agreed at Council, All ECOs in post, commence transition of responsibilities for Tier 3
- December – Transitions Report to Council, Further Governance Review recommendations, commence review of Tiers 4&5

2020

- April 1st – staff, budgets and systems transition to the new structure
- March/May 2020 Transitions Report to Council; Revised Corporate Plan agreed at Council;
- May/June 2020 Revised Service Plans agreed at Committees