

Agenda Item	<b>7</b>
Report No	<b>RB/18/20</b>

## THE HIGHLAND COUNCIL

**Committee:** Recovery Board

**Date:** 7 OCTOBER 2020

**Report Title:** Leadership, Culture & Performance Update

**Report by:** Executive Chief Officer, Performance and Governance

### 1. Summary

- 1.1 This report sets out the work that has been developed to date to support the recovery from the C-19 pandemic under Key Priority 10 of the Recovery Action Plan - Leadership Culture & Performance. It provides an initial framework which has been informed by a range of data, information, ideas and opinions gathered from various surveys, consultations, staff forums, public forums, Trade Union discussions and informal connections that have been carried out in recent months.

### 2. Recommendations

- 2.1
- To consider the proposed inclusion of 'Caring' in the Council's organisational values;
  - To note the progress that has been made to date to develop a Leadership Development Programme and steps being taken to deliver a strengthened corporate performance approach;
  - To note the intention to engage with members, managers and staff on the further development of the programme;
  - To note the work also being progressed for staff training and development more broadly which includes a focus on staff welfare and wellbeing; and
  - To note the proposed next steps at section 12.

### 3. Implications

- 3.1 Resource: It has already been agreed that resources will need to be provided to support the development, implementation and and delivery of the Council's leadership development programme. Metrics will be put in place to measure the return on the investment.
- 3.2 Risk: the risks to the organisation from not developing a Leadership Development Programme are significant in terms of Council performance, talent attraction, retention and succession planning, and staff health and wellbeing.
- 3.3 Rural/Equalities/Gaelic: there are no further implications arising in this report.

## 4. Introduction

- 4.1 The Council's Organisational Framework was approved by Council in December 2019 (**Appendix 1**). This articulated the organisational vision, values, and behaviours; and established performance as one of the Council's strategic drivers and leadership and culture as a key strategic enabler. The following report sets out the steps that have been taken to develop a Leadership and Culture Development Framework to take this forward, acknowledging the current and future impact of Covid both on the programme's objectives and delivery methods.
- 4.2 The Council is having to operate in the dual context of recovery and resilience, which adds complexity to the development of both the programme's content and delivery. Still a work in progress, this report sets out the work that has been developed so far to support our recovery from the C-19 pandemic under Key Priority 10 in the Recovery Action Plan – *Leadership Culture & Performance* whilst also acknowledging that resilience is still very much a part of the organisation's day to day business and looks likely to remain that way for some time to come.

## 5. Delivering a Successful Leadership Development Programme

- 5.1 An international study of organisational leadership development programmes identified four key elements underpinning successful leadership development programmes:
- 1) **Context over Content** – concentrate on a small number of elements that really matter to your organisation, not on the multitude of things that theoretically look like leadership;
  - 2) **Culture is everything** – understand where your organisation is at right now: what motivates people and what are the barriers to change. Focus on the behaviours that really matter. Ensure strong internal and external communications;
  - 3) **What gets measured gets done** – what metrics are needed to tell your organisation about the impact your programme is having. How will you know it's working?
  - 4) **Learning by doing** – ensure theoretical learning is applied in every day activities and opportunities are provided for involvement in key projects.

## 6. Purpose and Context

- 6.1 In order to deliver a successful Leadership Development Programme (LDP) it is necessary to identify and understand its purpose. The following high-level objectives have been identified from the engagement undertaken to date with citizens, partners, employees and trade union representatives:
- Drive improved performance, process and outcomes
  - Get the right people in the right place
  - Build the capacity of our leaders and managers
  - Strengthen effective internal and external communications
  - Ensure employee engagement and wellbeing
  - Develop a learning culture
  - Deliver the governance and management system to support change

Leadership in this context is a verb “discovered in action and demonstrated in application.”<sup>1</sup> It is not a theoretical concept; it is a priority under the Recovery Programme because it will deliver positive outcomes for individuals, for the organisation and for Highland communities.

## 7. Values in a Covid/post- Covid context

7.1 In recognition of the specific challenges presented by the delivery of Council services in the context of a Global pandemic, it is proposed that the Council Values are extended.

“The Highland Council: Ambitious, Sustainable, Connected **and Caring**” underscores the essential role the Council plays in supporting citizens in a compassionate way. Not only through the traditional caring services like ELC, education, social care, and welfare support, but in every way in which the Council engages with service users at a time of heightened stress and anxiety for individuals, communities, businesses and partners. It is also about how we treat our employees and care about their welfare and general wellbeing. If agreed, then staff and elected members will be surveyed on the behaviours that need to underpin this additional value and the Organisational Framework will be amended accordingly.

## 8. Culture

8.1 Culture by its nature is shared, pervasive, enduring and implicit. It defines the way to behave within an organisation and consists of shared beliefs and values established by leaders and then communicated and reinforced through various methods – both intended and inadvertent - ultimately shaping employee perceptions, behaviours and understanding.

8.2 As was famously once said, culture eats strategy for breakfast. When aligned with strategy and leadership, a strong culture drives positive organisational outcomes: high performance and a connected and committed workforce. When there is mis-alignment, performance dips and staff feel disengaged. This is where context is so important. Times change, needs change, resources change. Organisational culture needs to be able to adjust to the ever-changing context in which the Council is operating. In the case of Covid and post Covid, this is even more the case. Which is why Leadership, Culture and Performance have been brought together under a single workstream in the Recovery Programme.

8.3 A positive workplace culture develops a shared understanding of organisational goals and values and a common, collaborative drive to achieve them. For the Council it is shaped by a variety of influences:

- our role in providing essential and important public services, supporting democracy and good governance
- relationships with employees, elected members, trade unions, citizens, service users and partners
- our shared corporate values of Ambitious, Sustainable, Connected and Caring

8.4 Equipped with the right leadership skills, Highland Council leaders at all levels can influence the workplace culture for the better:

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<sup>1</sup> Chris Westfall, Leadership Language, published John Wiley & Sons Inc, 2018

- Living the values – Ambitious, Sustainable, Connected & Caring
- Driving performance
- Recognising and rewarding achievement
- Encouraging equality, diversity and inclusion
- Promoting teamworking and organisational collaboration
- Being fair and consistent
- Supporting staff welfare and wellbeing
- Communicating effectively

## **9. Measuring Outcomes**

- 9.1 In order to understand whether the Leadership Development Programme is successful, it will be necessary to determine the indicators that will measure success and, once identified, to record the baseline position. If the purpose of Leadership Development is delivering business impact, getting the right people in the right place, and improving processes, then many potential measures already exist. These include Statutory Performance Indicators (SPIs); Local Financial Returns (LFRs); the Local Government Benchmarking Framework (LGBF); service specific performance; customer satisfaction levels; complaints data; staff retention/turnover; sickness absence; number of grievance and disciplinary cases and the Employee Review and Development process (ERDs). Further soft and hard data can be gathered through employee and customer surveys and other forms of engagement.

## **10. Performance Improvement**

- 10.1 Leadership Development is not the only area requiring additional focus in order to drive improved performance. The Highland Council's Best Value Assurance Report (BVAR) which was reported to Council in March 2020 highlighted that "the Council has a clear vision, and that this is well embedded across the organisation through the service planning process. However, this has not yet led to consistent improvements in performance". This was supported by an assessment in the BVAR that the Council's performance has deteriorated over a five year period with 70 per cent of indicators in the bottom two quartiles. However, the Council's 27 key performance indicators (KPIs) were reported as improving or performance was being maintained for 81%.
- 10.2 The BVAR Improvement Plan also approved by Council in March 2020 had several improvement actions around performance. This includes the development of the Annual Performance Report to include analysis against targets, benchmarks, family groups and national averages. This work is on target with the new approach to the Corporate Plan focusing on Members setting stretching targets for improvement in the Council's national benchmark positions, most notably in improving education performance from the bottom to 2nd quartile. The first Annual Report using this approach will be reported to Council on 29 October 2020. A revised approach to the Service Planning process has also been implemented requiring data analysis as the foundation to inform improvement activity and enable Strategic Committees to monitor progress in delivering Best Value.
- 10.3 The development of a new strategy for performance improvement is tied to the Service Redesign workstream in the Recovery Programme, which now has a revised timeline through to the start of the new financial year.

However, work is progressing in relation to performance with a Business Partners (BP) model being recommended which would be delivered through a single central performance team. Performance BPs will be responsible for supporting Service Management Teams to drive improved performance through more effective use of data and data analysis. The BP model cover four themes: engagement & partnership, risk management, performance and self-assessment, information is provided as **Appendix 2**.

- 10.4 The Council's Performance Framework continues to evolve as new plans and strategies are agreed and these are managed through the Council's performance and risk management system (PRMS). The Recovery Programme Plan has been built in PRMS and subject to PMO verification is ready to launch which will move monitoring into an electronic, interactive environment. To support Service redesign all ECOs have been offered support in reviewing their performance against corporate cost, quality and satisfaction measures the majority of which offer a national benchmark position and family group comparators. The Council Programme is currently under review by the Administration and will take into account the focus of the Recovery Plan themes. The performance framework will be updated as this work concludes to ensure that there is alignment.

## **11. Programme Approach**

- 11.1 It is proposed that the objectives set out above will be delivered through a 3 stage differentiated Leadership Development Programme:

Tier 1, Senior Leaders/Executive management

Tier 2, Established Leaders and Managers

Tier 3, Emerging Leaders/Talent Development

All of the stages will involve a number of common elements such as self assessment and reflection, performance management, coaching and mentoring, action learning and system reinforcement, and professional development and accreditation. The LDP will involve a combination of mandatory and voluntary elements with indicative timeframes for certain elements to be completed. This will be reflected in a Leadership Competency Framework aligned to each Tier and refreshed induction programme for new staff and also for staff newly promoted to management. Monitoring will take place as part of the refreshed Employee Review and Development Process (ERDs).

- 11.2 Tier 1: Aimed at Senior Leaders across the Community Planning Partnership, a joint initiative is underway to develop a Highland Leadership Forum. Through this it will be possible to share resources and expertise and develop a coaching and mentoring network with the Council's key partners in Highland. In addition, each Senior Leader will be supported to develop a tailored learning and development plan which would also include relevant CPD. Still in its early stages, the Council needs to identify a project lead for Highland Leadership Forum initiative and it is intended that this resource would be used for the LDP as a whole to help drive it forward and ensure high quality outcomes.
- 11.3 Tier 2: At this stage in the development of the Programme, a range of learning opportunities have been identified for Tiers 1 & 2 (**Appendix 3**) which is in part using resources that are already available and also pulling in external expertise as and when required. The intention would be to

survey the Council's senior managers to seek feedback on the outline programme, as well as methods of delivery and assessment in the context of Covid. The survey would also be used to undertake a skills gap assessment to determine where else the programme should focus. Tier 2 managers will be expected to get involved and lead corporate and cross cutting improvement initiatives and projects. In addition to this, managers will be pro-active in working with their line managers and the Learning and Development Team to identify and record role specific CPD and for this to be monitored through the ERD process.

11.4 The Emerging Talent element of the Programme will link in closely with the Workforce Planning Project being taken through the Redesign Board. Key features are likely to include:

- Self-assessment - to identify strengths, weaknesses and areas for development;
- Leading projects – to increase responsibility and accountability (linking in with Recovery and Redesign Programmes and Service based improvement projects);
- Group Coaching – emerging leaders grow together, connect across organisational functions, provide mutual support and develop a management mindset and shared culture;
- Mentoring/Coaching – to help emerging leaders to become more exposed to other parts of the organisation and become familiar with and understand the governance requirements of the Council.
- The development of a Talent Portal enabling ambitious staff who have currently under-utilised skills and experience to make themselves available for deployment and secondment across the organisation.

In addition to this, this cohort would be expected to be pro-active in working with their line managers and the Learning and Development Team to identify and record role specific CPD and for this to be monitored through the ERD process.

11.5 Whilst this particular workstream is looking specifically at *Leadership Development and Culture*. There is also a wider organisational focus on staff training, development and welfare and internal and external communications more generally and which will be captured through the Workforce Planning Project under the Redesign Board. This will be Values based and will emphasise the importance of staff empowerment and that leadership exists at every level of the organisation – whatever an individual's specific job role.

11.6 Just as importantly, there is also work underway to develop a programme of staff engagement with a focus on welfare and wellbeing. Acknowledging and seeking to help staff to manage the impact of Covid on their professional and personal lives, the free [Employee Assistance Programme](#) - will be re-launched and highlighted through a variety of communications channels.

11.7 In addition, all HR policies and processes are being reviewed and refreshed and will be subject to an internal audit to identify opportunities for improvement as well as highlighting areas of good and best practice. A report on the development of a wider Council People Strategy, drawing all

of these strands together will come to the Council meeting in December 2020.

## **12. Linkages**

- 12.1 The robust personnel data needed to benchmark and measure many of the outcomes derived from the LDP require reliable HR systems and so this strand connects to the Recovery Workstream on the HR Data Project; success in getting the right people in the right place and particularly with regard to talent development will link closely with the Workforce Planning Project being taken through the Redesign Board and also the Service Redesign workstream in the Recovery Programme. Effective communications and engagement will also be critical to the success of this workstream and so the Council's Communications Strategy will also be reviewed and refreshed with a report coming forward to Council.

## **13. Next Steps**

- 13.1 The following next steps are planned:
- Workshop with the Extended Leadership Team on the refreshed Employee Review and Development (ERD) process and LDP;
  - An employee survey, targeted at managers, to undertake a skills gap analysis and seek feedback on the draft LDP and ERD and possible delivery methods;
  - Inclusion of questions relating to Leadership, Culture and Performance in next employee survey to benchmark current staff experience and perceptions;
  - Relaunch of the Employee Assistance Programme;
  - Roll-out of an employee engagement programme;
  - Review and Refresh the Council's communication strategy;
  - Further development of the Workforce Planning Project through the Redesign Board.

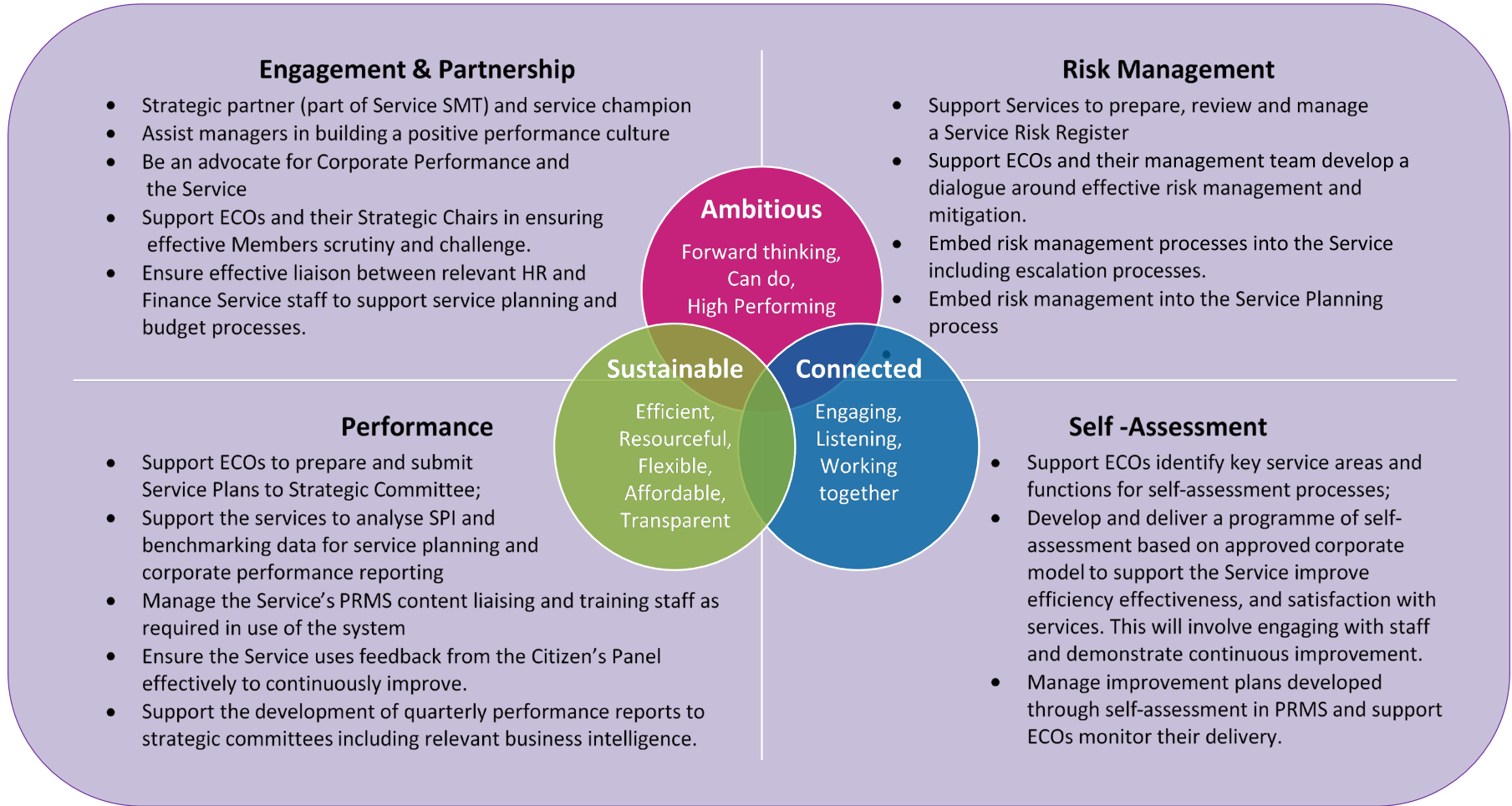
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### HIGHLAND COUNCIL ORGANISATIONAL FRAMEWORK

<b>AMBITIOUS</b>			<b>SUSTAINABLE</b>			<b>CONNECTED</b>			Vision and Values and Behaviours
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			Strategic Context
Corporate Performance Framework			Governance and Assurance			Partnerships			Strategic Approaches / Drivers
Transformation and Improvement Strategy			Budget/Change Strategy			Place Based Strategy			Strategic Enablers
Leadership and Culture	Communications and Engagement Strategy		Workforce Planning Strategy			Digital Strategy			Delivery
Service and Operational Plans Employee Development Plans									



**PERFORMANCE & GOVERNANCE – BUSINESS PARTNER MODEL**



### Appendix 3

## Senior Leadership Development Programme

Audience	Date	Activity/Event	Delivered By	Type	Details
Extended Senior Leadership		Leading a high performing council (Guest Speaker)	Improvement Service, Evelyn Johnston & HR team	Mandatory Virtual Learning	Record and host on web. Digital module to support face to face session.
Extended Senior Leadership		Leading a high performing council (Workshop)	Evelyn Johnston & HR team	Mandatory Virtual Learning	Identify learning from Guest Speaker and develop learning plan
Extended Senior Leadership		Making the Highland vision real (Guest Speaker)	Improvement Service & HR team	Mandatory Virtual Learning	Record and host on web. Digital module to support face to face session.
Extended Senior Leadership		Making the Highland vision real (Workshop)	ECO & HR team	Mandatory Virtual Learning	Identify learning from Guest Speaker and develop learning plan
Extended Senior Leadership		Governance for Leaders (Workshop)	Kate Lackie, Stewart Fraser, Felix McGunnigle, HR team	Mandatory Virtual Learning	Record and host on web. Digital module to support face to face session.
Extended Senior Leadership		Financial Management for Leaders (Speaker)	CIPFA, Ed Foster, Allan Gunn HR Team	Mandatory Virtual Learning	Record and host on web. Digital module to support face to face session.
Extended Senior Leadership		Financial Management for Leaders (Workshop)	Ed Foster, Allan Gunn, HR Team	Mandatory Virtual Learning	Identify learning from Guest Speaker and develop learning plan

<b>Audience</b>	<b>Date</b>	<b>Activity/Event</b>	<b>Delivered By</b>	<b>Type</b>	<b>Details</b>
Extended Senior Leadership, Members, Partners		<ol style="list-style-type: none"> <li>1. Ethics and Values</li> <li>3. Providing Leadership, Focus and Direction</li> <li>4. Self-management and self-directed learning</li> </ol>	Improvement Service & HR team	Personal Development Virtual Learning Coaching	Discussion ongoing with David Barr
Extended Senior Leadership, Members, Partners		<ol style="list-style-type: none"> <li>1. Communicating, Negotiating and Partnering</li> </ol>	Improvement Service & HR team	Personal Development Virtual Learning	Discussion ongoing with David Barr
Extended Senior Leadership		Listening to our employees (Guest Speaker)	Improvement Service, HR team	Mandatory Virtual Learning	Record and host on web. Digital module to support face to face session.
Extended Senior Leadership		Listening to our employees (Workshop)	ECO & HR team	Mandatory Virtual Learning	Identify learning from Guest Speaker and develop learning plan
Extended Senior Leadership		Leading Equality & Diversity (Workshop)	Alison Clark, Rosemary MacKinnon, HR team	Mandatory Virtual Learning	Record and host on web. Digital module to support face to face session.
Extended Senior Leadership		Acting with integrity (Guest Speaker)	Improvement Service	Mandatory Virtual Learning	Record and host on web. Digital module to support face to face session.
Extended Senior Leadership		Acting with integrity (Workshop)	ECO, & HR team	Mandatory Virtual Learning	Identify learning from Guest Speaker and develop learning plan
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